

**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 FIRSTONSITE G.P. INC.

Applicant

**MOTION RECORD
(Re Approval of Sale Transaction *et al.*),
(Returnable May 9, 2016)**

April 27, 2016

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TO: THE SERVICE LIST

**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
FIRSTONSITE G.P. INC.

**SERVICE LIST
APRIL 26, 2016**

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

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Applicant

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TAB 1

Court File No. CV-16-11358-00CL

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
FIRSTONSITE G.P. INC.

Applicant

NOTICE OF MOTION
(Returnable May 9, 2016)
(Re Approval of Sale Transaction et al.)

FirstOnSite G.P. Inc. ("FirstOnSite GP"), the general partner of FirstOnSite Restoration L.P. ("FirstOnSite LP"), a limited partnership formed under the laws of Ontario (collectively, with FirstOnSite LP "FirstOnSite") will make a motion to the Honourable Justice Newbould presiding over the Commercial List on Wednesday, May 9, 2016 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order, substantially in the form of the draft order located at Tab 3 of the Motion Record (the "Approval and Vesting Order") approving the sale transaction contemplated under the Asset Purchase Agreement made and entered into as of April 20, 2016 (the "APA") between FirstOnSite LP by its general partner, FirstOnSite GP (in such capacity, the "Vendor") and 3297167 Nova Scotia Limited (the "Purchaser") for the sale of the Purchased Assets (as defined therein) (the "Sale Transaction").
2. An order (the "Assignment Order") assigning the rights and obligations of FirstOnSite under certain agreements to the Purchaser.

3. An order (the "Stay Extension Order") extending the stay of proceedings set out at paragraph 15 of the order of Justice Newbould dated April 21, 2016 (the "Initial Order") to June 10, 2016.
4. An order (the "Distribution Order") authorizing certain distributions from the net proceeds.
5. Such other and further relief as this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

6. On April 21, 2016, pursuant to the Initial Order, FirstOnSite obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA").
7. FTI Consulting Canada Inc. ("FTI") was appointed as the monitor of FirstOnSite (the "Monitor") in these CCAA proceedings.
8. FirstOnSite is insolvent, having been and continuing to be facing severe financial and liquidity issues due to, *inter alia*:
 - (a) Significant overleverage caused by a series of debt-financed but industry consolidating acquisitions; and
 - (b) A substantial decline in revenue caused by unseasonably moderate weather and the consequential reduction in the insurance claims;
9. Accordingly, a sales and investor solicitation process (the "SISP") was developed to govern the process by which FirstOnSite would select a purchaser for, or investor in, its assets and/or business. The SISP was designed to:
 - (a) parallel and correspond to typical post-filing sales and investor solicitation processes used and approved in other CCAA proceedings;
 - (b) allow FirstOnSite to canvass the widest possible market and assess whether a sale transaction would provide the best return for stakeholders, absent any obligation to accept any bid;

- (c) identify the value maximizing transaction using clear, predetermined and objective criteria, based on, among other things, the ability of the offeror to conclude a transaction within the timeline set out therein; and
- (d) offer FirstOnSite the flexibility necessary to select the transaction(s) that would maximize stakeholder value.

10. The SISP was deliberately structured to allow FirstOnSite to canvass the widest possible market and assess whether a sale transaction would provide the best return for stakeholders, absent any obligation to accept any bid;

11. FirstOnSite elected to pursue a pre-filing sales process out of concern that, *inter alia*, a prolonged period of CCAA protection necessary to implement a post-filing sales process would have a serious and detrimental impact on the its business and its customers;

12. FirstOnSite's SISP was designed to parallel and correspond to SISPs used and approved in CCAA proceedings;

13. As a result of its marketing efforts, FirstOnSite received several proposals for its assets;

14. After extensive negotiations with the various bidders in the process and after deliberations and consultations with its professional advisors and consultation with its senior lenders and other key financial advisors, FirstOnSite concluded, further to and on the basis of is commercial and business judgement, that the transaction contemplated by the Purchaser was the best offer available in the circumstances;

15. The FirstOnSite also concluded that this transaction was preferable to any other available alternative course of action;

16. On April 20, 2016, FirstOnSite and the Purchaser executed the APA, conditional on Court approval;

17. The Purchaser and FirstOnSite are not related persons as that term is defined in section 36 of the CCAA;

18. FirstOnSite's senior lenders were consulted throughout the SISP;

19. The Purchase Price to be paid pursuant to the APA represents the highest realizable price through the sales process. The Sale Transaction represents the best possible transaction in the circumstances for the benefit of FirstOnSite and its stakeholders;

The Assignment Order

20. The APA identifies the contracts which the Purchaser will assume on or before the closing of the Sale Transaction, being the "Assumed Contracts";

21. A portion of the Assumed Contracts are designated "Essential Contracts" by the Purchaser, and its assignment is a condition precedent to closing the Sale Transaction;

22. FirstOnSite will have distributed consent agreements to all counterparties of the Essential Contracts and have started communicating directly with these counterparties in an attempt to procure executed consent agreements;

23. Is it is a condition of closing of the APA that all Essential Contracts be assigned by consent or by Court order;

Distribution Order

24. FirstOnSite, with the assistance of its professional advisors, will seek to establish a process to permit distributions to, inter alia, the DIP Lender (as defined in the Initial Order) and its other lenders, allowing for the maintenance of certain reserves, all subject to the consent of the Monitor;

Stay Extension

25. An extension of the Stay Period to June 30, 2016 is necessary to give FirstOnSite sufficient time to finalize close the Sale Transaction while providing stability to continue its daily operations and restructuring efforts;

26. FirstOnSite has acted and continue to act in good faith and with due diligence;

27. Rules 1.04, 1.05, 2.03, 3.02 and 37 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194, as amended;

28. Section 100 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and
29. Such further grounds as counsel may advise and this Court may see fit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Affidavit of Kevin McElcheran, sworn April 26, 2016, and the exhibits attached thereto;
2. The Affidavit of Adam Zalev, sworn April 26, 2016, and the exhibits attached thereto;
3. The Second Report of the Monitor, to be filed; and
4. Such further and other materials as counsel may advise and this Court may permit.

April 27, 2016

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Lawyers for the Applicants

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

Court File No. CV-16-11257-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIRSTONSITE G.P. INC.

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

Proceeding commenced at Toronto

**NOTICE OF MOTION
(RETURNABLE MAY 9, 2016)**

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TAB 2

Court File No. CV-16-11358-00CL

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
FIRSTONSITE G.P. INC.

Applicant

AFFIDAVIT OF KEVIN MCELCHERAN
(Sworn April 26, 2016)
(Re Sale Approval Motion)

I, Kevin McElcheran , of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am a director of the Applicant, FirstOnSite G.P. Inc. ("**FirstOnSite GP**"), the general partner of FirstOnSite Restoration L.P. ("**FirstOnSite LP**" and together with FirstOnSite GP, "**FirstOnSite**"), a limited partnership formed under the laws of Ontario. Hereinafter, where reference is made to the FirstOnSite enterprise as a whole, the term FirstOnSite will be used.

2. I have been a director of FirstOnSite GP and a member of the Special Committee (as defined below) of its board of directors (the "**Board**") since January 27, 2016. I am certified by the Law Society of Upper Canada as a specialist in bankruptcy and insolvency law, with over three decades of experience as a restructuring and insolvency lawyer with Blake, Cassels & Graydon LLP and McCarthy Tétrault LLP. During that time, I acted as counsel to participants with significant roles in some of Canada's largest and most complex restructuring and insolvency cases. After retiring as a partner of McCarthy Tétrault LLP on April 30, 2014, I opened my own practice offering mediation, arbitration and independent counsel services through Kevin McElcheran Commercial

Dispute Resolution. I offer restructuring advisory services and turnaround management through Oriole Advisors Ltd.

3. As a director of FirstOnSite GP, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records of FirstOnSite and have spoken with certain of the other directors, officers and/or employees of FirstOnSite, as necessary, and where I have relied upon such information do verily believe such information to be true.

4. This affidavit is sworn in support of the motion brought by FirstOnSite seeking, among other things:

- (a) an order (the "**Approval and Vesting Order**"):
 - (i) approving the Agreement of Purchase and Sale made and entered into as of April 20, 2016 (the "**APA**") between FirstOnSite LP by its general partner, FirstOnSite GP (in such capacity, the "**Vendor**") and 3297167 Nova Scotia Limited (the "**Purchaser**") for the sale of the Purchased Assets (as defined therein) and the transactions contemplated thereby (the "**Sale Transaction**"); and
 - (ii) vesting all of the Purchased Assets in the Purchaser free and clear of any Encumbrances other than Permitted Encumbrances (as such terms are defined in the APA);
- (b) an order (the "**Assignment Order**") assigning the rights and obligations of FirstOnSite under certain agreements to the Purchaser;
- (c) an order (the "**Stay Extension Order**") extending the stay of proceedings granted pursuant to the Initial Order (as defined below); and
- (d) such other and further relief as this Court deems just.

5. The Applicant also intends to seek, prior to completing the Sale Transaction, an order authorizing certain distributions from the proceeds of thereof.

A. Background

6. FirstOnSite carries on business in Canada and, through its subsidiary FirstOnSite Restoration, Inc. ("FOS US"), the United States, providing remediation, restoration and reconstruction services in the commercial, industrial and residential sectors. FirstOnSite services, *inter alia*, properties damaged by flood, fire, wind, mold and catastrophic events.

7. As described in greater detail in the affidavit sworn by Dave Demos in support of the Initial Order (the "Initial Order Affidavit"), FirstOnSite has been facing financial and liquidity difficulties due to, among other issues, an overleveraged balance sheet, marked and substantial net losses, and an escalating debt burden.

8. As also described in the Initial Order Affidavit, the equity sponsors of FirstOnSite are no longer prepared to continue to provide funding for its continuing losses. Consequently, the Board authorized FirstOnSite to: (i) initiate a Sale or Investment Solicitation Process (a "SISP"); (ii) engage Alvarez & Marsal Canada ULC ("A&M") as its financial advisor to design and implement the SISP; (iii) appoint me as a director, and (iv) constitute the Special Committee (as described below) of which I am a member to supervise the implementation of the SISP and report to the Board.

9. FirstOnSite, with assistance from A&M, conducted a thorough canvassing of the market for potential investors in the assets and business of FirstOnSite. As described below, the offer by the Purchaser to purchase substantially all of the assets of FirstOnSite was considered by the Special Committee and Board, in consultation with A&M and FirstOnSite's legal counsel, to be the best offer in the circumstances.

10. On April 21, 2016, pursuant to the order of Justice Newbould (the "Initial Order"), FirstOnSite obtained protection under the *Companies' Creditors Arrangement*

Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"). FTI Consulting Canada Inc. ("FTI") was appointed as the monitor of FirstOnSite (the "Monitor") in these CCAA proceedings.

11. A copy of the Initial Order is attached hereto as Exhibit "A" and a copy of the Initial Order Affidavit without exhibits is attached hereto as Exhibit "B". These documents, together with all other filings in the CCAA proceedings, are available on the Monitor's website at: <http://cfcanada.fticonsulting.com/firstonsite>.

12. Further details regarding the background to this CCAA proceeding are set out in the Initial Order Affidavit and, unless relevant to the present motion, are not repeated herein.

13. FirstOnSite is seeking approval of the Sale Transaction as the best offer available in the circumstances. The senior secured lender of FirstOnSite LP - Wells Fargo Capital Finance Corporation Canada ("Wells Fargo") - is supportive of the relief sought herein. I understand the Monitor will be filing a report on the SISP and Sale Transaction.

B. Circumstances Leading to the CCAA and the SISP

14. I am advised by Ian Matheson ~~and Elan Hatzel~~, who have been ~~directors~~ of FirstOnSite GP since March 2, 2007 and July 22, 2015, respectively, and as is described in greater detail in the Initial Order Affidavit, that FirstOnSite has been experiencing substantial and ongoing financial and operational difficulties for the past few years. These difficulties, which are described in greater detail at paragraphs 107 to 115 of the Initial Order Affidavit, were the product of an overleveraged and undercapitalized balance sheet resulting from a series of acquisitions in the period from 2007 to 2009. Since 2012, FirstOnSite, supported by Torquest aggressively pursued improvements to, its operational and cost structure (including by closing underperforming locations and reducing headcounts and its fixed overhead costs) and improving its revenue base.

These strategies, however, were ultimately unsuccessful, due to, *inter alia*, increasing adverse economic conditions.

15. For a period of time, Torquest Partners Fund II, L.P. (“Torquest II Canada”) and Torquest Partners Fund (U.S.) II, L.P. (“Torquest II US” and collectively with Torquest II Canada and other related entities, “Torquest”) provided substantial liquidity to FirstOnSite by way of, *inter alia*, a series of secured convertible and non-convertible debentures and secured and unsecured promissory notes. In the fall of 2015, Torquest advised that it was not prepared to provide additional funding to support FirstOnSite.

16. I am advised that, following cessation of funding by Torquest, the Board carefully considered its available options, and following consultations with its legal and financial advisors, concluded that the course of action that would most likely maximize returns for the stakeholders of FirstOnSite would be to pursue a transaction that would result in either a full sale of, or a substantial equity investment in, FirstOnSite LP by way of the SISP. At that time, no decision had been reached on whether such a transaction would be executed through CCAA proceedings.

C. The Development of the SISP

17. Senior management believed, and the Board agreed, that it was preferable to pursue the SISP prior to the commencement of the CCAA even if, ultimately, a CCAA process would be required to consummate a transaction for, among others, the following reasons:

- (a) a going concern sale was necessary to maximize the realizable value for stakeholders;
- (b) because of the nature of the business, many supplier claims would be assumed in any sale of the business as a going concern such that the creditors most affected by the sale were the financial creditors who could be kept informed and consulted as the SISP was implemented;

- (c) FirstOnSite had sufficient liquidity to continue to meet creditor obligations as they were incurred during the implementation of the SISP without super-priority financing; and
- (d) the publicity associated with the commencement of CCAA proceedings without a committed offer to purchase the business of FirstOnSite on a going concern basis would have a serious and destabilizing effect on, *inter alia*, the vendors, employees, customers, and, ultimately, the business and value of FirstOnSite.

18. Accordingly, it was determined that the SISP would be conducted confidentially and prior to the commencement of any formal proceedings, if such proceedings were ultimately required.

19. On October 30, 2015, having decided to pursue a pre-filing SISP, the Board retained A&M to act as its financial advisor. I am advised by Ian Matheson and Eric Berke that the Board authorized the retainer of A&M, in part, due to (a) its prior experience with and knowledge of the business of FirstOnSite, and (b) A&M's well-known expertise in executing a mandate similar to what was envisioned by the Board at FOS. The role of A&M in developing and conducting the SISP is described in greater detail in the affidavit of Adam Zalev, sworn April 26, 2016 (the "**Financial Advisor Sale Approval Affidavit**") also sworn in support of the relief sought herein. Upon its retention, I am advised that A&M agreed with the Board and Senior Management that for the reasons set out above, pursuing the SISP outside of the CCAA would be preferential.

D. The SISP¹

20. The conduct of the SISP is described in greater detail in the Financial Advisor Sale Approval Affidavit. By way of summary, the SISP was structured as a two-phase process. The design of the SISP was typical of such marketing processes and was consistent with processes that have been approved by the courts in CCAA proceedings.

21. I am advised by Adam Zalev of A&M that in Phase I, A&M contacted potential investors to ascertain their interest in a transaction, conduct initial due diligence, and solicit non-binding letters of interest ("LOIs"). I am further advised by Ian Matheson and Elan Pratzer that, with the assistance and advice of A&M, the Board reviewed eight non-binding LOIs generated by Phase I of the SISP and determined that five offers contemplated the value and certainty of execution to warrant inclusion in Phase II. In Phase II, the five offerors were provided additional due diligence so as to procure the best available going concern outcome for FirstOnSite and its stakeholders.

22. I am advised by Ian Matheson and Elan Pratzer that, partway through Phase I of the SISP, it became apparent that the realizable value of the business and assets of FirstOnSite would be insufficient to fully satisfy its secured obligations. Accordingly, it became apparent that CCAA proceedings would be necessary to consummate any transaction that could be generated through the SISP.

23. At that time, the Board also determined that it would be appropriate to form a special committee to consider and evaluate the terms of any proposed transaction that may become available to FirstOnSite in connection with Phase II of the SISP (subject at all times to final approval by the Board). On January 27, 2016, the Board proposed a resolution to form a special committee (the "Special Committee") empowered to, among other things:

¹ Capitalized terms used in this section but not otherwise defined have the meaning attributed to them in the Financial Advisor Sale Approval Affidavit.

- (a) negotiate (or supervise the negotiations of) the terms of any proposed transaction in a manner that it considers necessary or desirable;
- (b) report to the Board as to whether it recommends that the Board pursue and approve a proposed transaction; and
- (c) if a proposed transaction is approved by the Board, to review its implementation on behalf of FirstOnSite.

24. The members of the Special Committee at its formation were as follows: me, Eric Berke, who is also a partner of Torquest, Ian Matheson, and Elan Pratzner. On February 23, 2016, Eric Berke resigned from the Special Committee due to the potential conflict arising from his role as a partner of Torquest.

25. On or about February 21, 2016, FirstOnSite LP also engaged FTI in the capacity of proposed monitor, shortly following the Phase II February 19, 2016 deadline for final bids from potential bidders.

26. The Special Committee and FTI (following its engagement as the proposed monitor) were each kept apprised of developments in Phase II of the SISP by way of regular status updates.

27. As described in greater detail at paragraphs 13-43 of the Financial Advisor Sale Approval Affidavit, the SISP generated two Final Bids by the Final Bid Deadline which were evaluated with due and proper regard for the best interests of all of the stakeholders of FirstOnSite.

28. Ultimately, and following the advice and recommendation received by A&M and other professional advisors, the Special Committee concluded that the Purchaser's offer provided superior terms and consideration, including (but not limited to), the ability to close the proposed transaction, offering the highest estimated enterprise value (on a debt free, cash free basis) and contemplating the least disruption for the stakeholders

and the business of FirstOnSite. Under the direction of the Special Committee, A&M continued to work with the Purchaser to improve and finalize its bid.

29. The APA was the result of a broad and comprehensive marketing process and extensive due diligence by and negotiations with a number of interested parties. After extensive deliberations and consultations with their professional advisors, the Special Committee concluded, further to and on the basis of its commercial and business judgement and in accordance with its mandate, that it was in the best interest of FirstOnSite and its stakeholders to enter into the transaction with the Purchaser. FTI, in its capacity as proposed monitor, was also involved in certain discussions in connection with the foregoing.

30. On April 20, 2016 the Special Committee recommended to the Board to accept the Purchaser's bid and enter into the APA. On that same day, the Board selected the Purchaser as the successful bidder and approved the execution of the APA.

31. On April 20, 2016, FirstOnSite LP, by its general partner FirstOnSite GP, (in such capacity, the Vendor) and the Purchaser executed the APA. One of the conditions of closing of the transactions contemplated by the APA is that the APA receive the approval of the Court. Attached hereto as Exhibit "C" is a redacted copy of the executed APA. An unredacted copy of the APA will be provided to the Court as **Confidential Exhibit "D"** and is requested to be sealed.

E. The APA²

32. The essential terms of the APA between FirstOnSite GP (in such capacity, the Vendor) and the Purchaser are summarized below.

² Capitalized terms used in this section but not otherwise defined have the meaning attributed to them in the APA.

The Purchased Assets

33. The Purchaser will acquire substantially all of the business, assets and operations of FirstOnSite LP (the "Purchased Assets") including those set out in Schedule "A" to the APA), but excluding the Excluded Assets (as defined below), on an "as is, where is" basis free and clear of all Encumbrances but for the Permitted Encumbrances listed on Schedule "C" (as each term is defined in the APA). The Purchased Assets include, among others, the following:

- (a) all movable property, leasehold improvements and equipment, furniture, fixtures, trade fixtures, computer hardware and other fixed assets used in connection with the Business;
- (b) all inventory of the Vendor used in the carrying on of the Business;
- (c) all vehicles leased or used by the Vendor in the operation of the Business and all lease deposits thereunder;
- (d) all leasehold interests used in connection with the Business;
- (e) the benefit of the Assumed Contracts, excluding, for clarity, the Excluded Contracts;
- (f) all Accounts Receivable;
- (g) all Intellectual Property owned or licensed by the Vendor and used in or relating to the carrying on of the Business and any products, services or technology based on or using the Intellectual Property;
- (h) all government licenses, approvals or permits used in connection with the Business;
- (i) all goodwill associated with the Business or the Purchased Assets, and the exclusive right of the Purchaser to hold itself out as carrying on the Business; and
- (j) all of the shares of FirstOnSite Holdings Limited held by FirstOnSite LP.

The Excluded Assets

34. The Purchased Assets will not include certain Excluded Contracts (listed at Appendix 3 to Schedule A of the APA), the assets to be specified in Appendix 4 to Schedule A in accordance with the provisions of the APA, and all cash and cash equivalents of the Vendor. The Purchaser also has the right, at any time prior to the Closing Date, to add to the list of assets and/or contracts that form "Excluded Assets" and "Excluded Contracts" under the APA.

The Purchase Price

35. The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets is a set amount which is subject to adjustment pursuant to section 3.5 of the APA (an upward or downward adjustment based on working capital at closing of the transaction), plus (ii) the assumption by the Purchaser of the Assumed Obligations (the "Purchase Price").

36. Assumed obligations include, among others:

- (a) all debts, liabilities and obligations under the Assumed Contracts (to the extent assigned or transferred to the Purchaser on closing) for the period from and after closing, in each case provided that such debts, obligations or liabilities are not arising from, due to or attributable to:
 - (i) any default existing or breach (with or without the giving of notice, the lapse of time, or both) by the Vendor occurring prior to or as a consequence of closing, or
 - (ii) any default, breach or violation of the Vendor of any term or condition of the APA;
- (b) all current liabilities included in the definition of Working Capital, as indicated in and consistent with the methodology in Schedule F to the APA;

- (c) the obligation and liability of the Vendor to pay Cure Costs in respect of any Assumed Contract;
- (d) all debts, liabilities and obligations for which the Purchaser is responsible pursuant to section 4.2 to the APA (Employee Liability); and
- (e) all debts, liabilities and obligations arising from ownership and use of the Purchased Assets for the period from and after closing.

37. The APA provides for a reserve in an amount to be determined by the Monitor (such amount not to be less than \$3,000,000) to be established out of the proceeds of the sale (the "Trust Claim Reserve") to be available to satisfy any potential claims that may be asserted against the Vendor by any person who is the beneficiary of a statutory deemed trust pursuant to applicable construction, builders' or mechanics' lien legislation (collectively, the "Trust Claims").

38. The APA further contemplates that the Purchaser will secure either with cash, or one or more unconditional and irrevocable standby letters of credit, in the aggregate face amount of \$5,000,000, to satisfy potential Trust Claims (the "Potential Trust Claimant Reserve") to be held by the Monitor (in its capacity as Escrow Agent). The Monitor (in its capacity as Escrow Agent) is authorized to draw upon the Potential Trust Claimant Reserve on the delivery by the Vendor and Purchaser of a duly executed written direction to satisfy a potential Trust Claim using the Potential Trust Claimant Reserve following a process by which the parties to the APA may resolve any disputes as to the entitlement of a Trust Claim.

39. Excluded obligations include, among others (other than the Assumed Obligations):

- (a) all bank indebtedness, all outstanding secured and unsecured debentures, and all unsecured subordinated promissory notes of the Vendor;

- (b) all debts, liabilities and obligations of the Vendor or related to any Purchased Asset arising out of or related to the period prior to closing;
- (c) all obligations and liabilities owing by the Vendor pursuant to any Excluded Contract;
- (d) obligations or Claims under or relating to any Employee Plan including any obligation or liability to make any payment or payments to any Person as a result of the transactions contemplated hereby, whether or not such liability or obligation arises prior to, on or following the Closing Date; and
- (e) obligations relating to, resulting from or arising out of the employment or termination of any Employee of the Vendor prior to closing or of any Employee who does not become a Transferred Employee.

40. The Purchaser and the Vendor have agreed, pursuant to an Escrow Agreement entered into on April 21, 2016, that \$2,000,000 of the Purchase Price (the "Deposit") will be deposited with FTI (in such capacity, the "Escrow Agent"), to be held in escrow pending the closing of the Sale Transaction. If the closing takes place before June 15, 2016, the Deposit will be credited and set off against the Purchase Price. If closing does not occur solely as a result of a failure by the Purchaser to perform any of its obligations pursuant the APA, the Deposit will be forfeited in favour of the Vendor as liquidated damages for the termination of the APA. Under all other instances, the Deposit will be returned to the Purchaser upon termination of the APA if closing has not occurred.

41. The Purchase Price will be adjusted according to its working capital further to the procedure set out in section 3.5 and Schedule "F" to the APA (the "Working Capital Adjustment").³ The Purchaser and Vendor will work expeditiously and in good faith to

³ The APA defines "Working Capital" to mean the amount by which those current assets of the Vendor exceed its current liabilities, as indicated in, and calculated pursuant to the methodology set forth on,

resolve any issues and/or objections with respect to the determination of the quantum of the Working Capital Adjustment.

Termination Rights

42. The APA may be terminated at any time prior to closing by mutual written agreement of the Vendor and the Purchaser and on consent of the Monitor, or in the event a condition precedent has not been met by a party and the other party entitled to terminate the APA sends notice to that effect to the offending party. The APA may also be terminated if closing has not occurred on or prior to 11:59 p.m. EST on June 15, 2016, unless extended by mutual agreement of the parties.

43. Finally, the APA may be terminated by the Purchaser at any time prior to the closing in the event that (i) the Court orders that a post-filing sale process be conducted in respect of the Vendor or the Purchased Assets, (ii) the Monitor does not recommend that the court grant the Approval and Vesting Order or recommends that a post-filing sale process be conducted in respect of the Vendor or the Purchased Assets or that any other offer for the Purchased Assets be considered, (iii) the Purchaser becomes aware of a breach by the Vendor or any of its Representatives of section 6.7 of the APA⁴, or (iv) an event of default occurs with respect to the DIP Agreement (as defined in the Initial Order Affidavit).

Employees

44. The Purchaser agreed to offer employment, conditional on closing and effective as of the closing time, to no less than 90% of the Employees, the identity of whom will be communicated by the Purchaser to the Vendor, no later than ten (10) business days

Schedule F and, to the extent not inconsistent with such methodology, in accordance with GAAP applied on a basis consistent with past practices of the Vendor.

⁴ Section 6.7 provides that the Vendor will not solicit, initiate or encourage the submission of any proposal or offer from any person other than the Purchaser for the acquisition of any of its debt or any of the Purchased Assets (including any acquisition structured as a plan of arrangement, of compromise or of reorganization), or participate in any discussions or negotiations or enter into any agreement or arrangement with respect to the same.

preceding closing (collectively, "Offered Employees"). The Purchaser is obligated to make such offer no later than five (5) business days prior to closing, on employment terms substantially similar to those terms as at the closing date of the Sale Transaction.

45. The Purchaser will be responsible for the following with respect to the Offered Employees who accept the offer of employment (the "Transferred Employees") (without otherwise limiting the Purchaser's obligation in respect of them):

- (a) all liabilities (accrued or not) for salary, wages, bonuses, commissions, vacation pay and other compensation relating to employment of all Transferred Employees, for the period prior to, on and after the closing date (it being understood that all such liabilities in respect of the period prior to the closing date will be included in Working Capital);
- (b) all severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Purchaser of the employment of any Transferred Employee after the closing time; and
- (c) all liabilities for Claims for injury, disability, death, workers' compensation or other employment-related penalties or assessments arising from or related to the employment of the Transferred Employees arising on or subsequent to the closing date.

Contracts

46. The Purchaser will assume all of the contracts and other written agreements to which the Vendor is a party in connection with the Purchased Assets and the Business, including leases of real or personal property or equipment, and any unfilled purchase orders, except for the Excluded Contracts (the "Assumed Contracts"). As noted above, the Purchaser has the right up to closing to include additional contracts to the list of Excluded Contracts.

47. Where an Assumed Contract requires consent of a counterparty to be assigned and is set out in a list to be provided by the Purchaser to the Vendor no later than one Business Day prior to the service of the motion for the Approval and Vesting Order (the "Consent Required Contracts"), the APA provides that the Vendor will use its commercially reasonable efforts to obtain such consent (and the Purchaser will provide its reasonable cooperation to assist the Purchaser in obtaining such consent).

48. To the extent that a consent to assign any Consent Required Contracts has not been granted prior to the service of the motion seeking the Approval and Vesting Order, the Vendors are required under the APA to seek their assignment by way of a Court order.

49. The assignment (by consent or by Court Order) of Assumed Contracts between the Vendor and fourteen counterparties (these being the "Essential Contracts") is a condition precedent to closing the Sale Transaction.

50. FirstOnSite intends to distribute requests for consents to all counterparties of the Consent Required Contracts and will start communicating directly with these counterparties in an attempt to procure executed consent agreements. In the interest of time, however, and in parallel with these discussions, FirstOnSite will seek an order assigning the Consent Required Contracts.

51. FirstOnSite will deliver a supplemental affidavit with updated information regarding the status of the efforts to obtain consents to the assignment of the Consent Required Contracts in advance of the hearing to approve the APA and certain ancillary relief currently scheduled for May 9, 2016.

52. In the event that consents to the assignment of the Consent Required Contracts have not been obtained by the return date of this motion, I understand that the Purchaser will file an affidavit describing the Purchaser's belief that the Purchaser is

able and willing to perform the obligations of FirstOnSite under the Consent Required Contracts.

53. The APA contemplates payment of Cure Costs by the Purchaser in relation to the Consent Required Contracts as one of its Assumed Obligations pursuant to the APA (provided that a consent to assignment is executed or the contract is assigned by way of the Assignment Order).

Closing Date

54. Closing is expected to occur one business day after the date the Approval and Vesting Order is obtained and is final, not stayed or varied in a manner prejudicial to the Purchaser, or vacated or appealed, unless the Purchaser has provided written consent that closing occur despite such appeal, or such other earlier or later date as may be agreed by the parties.

Conditions to Closing

55. The APA contains certain conditions to closing for the exclusive benefit of the Purchaser, which may be waived by the Purchaser, including that the Vendor will, as of the closing, have given those notices or obtained those consents, approvals or waivers required for the assignment of the Essential Contracts or such Essential Contracts will have been assigned pursuant to the Approval and Vesting Order or an Assignment Order subject to the payment of Cure Costs by the Purchaser.

56. The APA further contains the following conditions to closing for the mutual benefit of each of the Vendor and Purchaser:

- (a) each of the Initial Order and Approval and Vesting Order will have been obtained and will be final and not have been stayed, varied, or vacated;
- (b) no order will have been issued by a Governmental Authority which restrains or prohibits the completion of the Sale Transaction; and

- (c) no motion, action or proceedings is pending by or before a Governmental Authority to restrain or prohibit the completion of the Sale Transaction.

F. The APA Should be Approved

57. FirstOnSite, with the assistance of its professional advisors, undertook an extensive marketing process prior to the commencement of the CCAA proceedings for the sale of their assets which culminated in the APA for which approval is now sought.

58. At all times, FirstOnSite acted in accordance with the SISP, which was designed, with assistance from A&M and its other professional advisors, to maximize the value that could be obtained for the business, operations and property of FirstOnSite in order to benefit its stakeholders as a whole and sell the business as a going concern.

59. FirstOnSite believes that the approval of the APA is a matter of urgency. Any extension or delay in obtaining Court approval and Closing may have serious and detrimental consequences for its business and stakeholders, including, but not limited to, its employees, customers and suppliers.

60. FirstOnSite spend considerable time, money and effort to arrive at the present form of the APA. I am advised by Virginie Gauthier of Norton Rose LLP that the Purchaser has similarly expended considerable time, money and effort in arriving at the same.

61. The SISP was conducted pre-filing specifically to avoid the detrimental impact that a CCAA filing without a binding APA would have on the business of FirstOnSite. Achieving a going concern sale was important to maximize recoveries for all stakeholders because the assets of FirstOnSite LP would have a substantially reduced value on liquidation if operations were to cease.

62. In my view, the steps taken by FirstOnSite to achieve the objective of negotiating a going concern sale prior to filing also respected the principles set out in section 36 of

the CCAA that require a fair and effective sale process which results in a transaction that benefits FirstOnSite and its stakeholders. These steps are set out in more detail in the Financial Advisor's Sale Approval Affidavit but include:

- (a) Appointing an experienced financial advisor with expertise in these circumstances, A&M;
- (b) Convening the Special Committee to supervise the implementation of the SISP;
- (c) Implementing the SISP fairly and prudently;
- (d) At the appropriate point in the process, providing information to affected secured creditors and seeking their input; and
- (e) Engaging FTI as the potential monitor.

63. In my opinion and based on my participation as a member of the Special Committee and the Board:

- (a) the SISP was conducted fairly and properly;
- (b) the Purchase Price is the result of extensive and intense arms-length negotiations, and represents the best available price in the circumstances; and
- (c) the transaction contemplated by the APA provides significant benefits to FirstOnSite and its stakeholders including the assumption of its trade payables, the offer of employment to many of its employees and the assumption of its on-going contractual obligations under the Assumed Contracts.

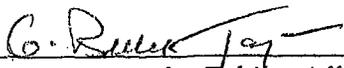
64. As noted above, FTI, in its capacity as proposed monitor, was provided regular updates with respect to the SISP and Sale Transaction following its engagement, and will be filing a report on the SISP and Sale Transaction.

65. The Purchaser and FirstOnSite are not related persons as that term is defined in section 36 of the CCAA.

66. FirstOnSite intends to continue making the payments required under sections 6(5)(a) and 6(6)(a) of the CCAA in the ordinary course, to the extent applicable.

67. This affidavit is sworn in support of the motion by FirstOnSite for an order, among other things, approving the sale of its business in accordance with the APA and for no improper purpose.

SWORN BEFORE ME at the
Toronto, Province of Ontario, April
26, 2016.



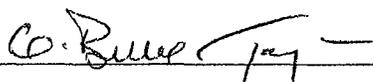
Commissioner for Taking Affidavits
A NOTARY PUBLIC
IN AND FOR THE PROVINCE OF MANITOBA



Kevin McElcheran

TAB A

THIS IS EXHIBIT "A" REFERRED
TO IN THE AFFIDAVIT OF KEVIN McELCHERAN
SWORN BEFORE ME,
THIS 26TH DAY OF APRIL, 2016



Commissioner for Taking Affidavits

A NOTARY PUBLIC
IN AND FOR THE PROVINCE OF MANITOBA

Court File No. CV-16-11358-0001

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR) THURSDAY, THE 21st
JUSTICE NEWBOULD) DAY OF APRIL, 2016



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 FIRSTONSITE G.P. INC.

Applicant

INITIAL ORDER

THIS APPLICATION, made by FirstOnSite G.P. Inc. ("FirstOnSite GP" or "the Applicant"), the general partner of FirstOnSite Restoration L.P. ("FirstOnSite LP", collectively with FirstOnSite GP, "FirstOnSite"), a limited partnership formed under the laws of Ontario, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of David Demos sworn April 20, 2016 and the Exhibits thereto (the "Demos Affidavit"), the pre-filing report of FTI Consulting Canada Inc. ("FTI"), dated April 20, 2016 (the "Pre-Filing Report") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice of this application, and on hearing the submissions of counsel for FirstOnSite, FTI, 3297167 Nova Scotia Limited (the "Purchaser"), Wells Fargo Capital Finance Corporation Canada, the Business Development Bank of Canada ("BDC"), BDC Capital Inc. and ~~Torquest Partners Fund II, L.P. (and related entities)~~ and the DIP Lender (as defined further below) no one appearing for any other party

[Handwritten signature]

although duly served as appears from the affidavit of service, filed, and on reading the consent of FTI to act as the Monitor (in such capacity, the "Monitor"),

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that FirstOnSite GP is a company to which the CCAA applies. Although not an Applicant, FirstOnSite LP shall enjoy the benefits of the protection and authorizations provided to the Applicant by this Order.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that FirstOnSite GP shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that FirstOnSite shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, FirstOnSite shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. FirstOnSite is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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5. **THIS COURT ORDERS** that FirstOnSite shall be entitled to continue to utilize the central cash management system currently in place as described in the Demos Affidavit or, with the consent of the Monitor and the DIP Lender, replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by FirstOnSite of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than FirstOnSite and the DIP Lender, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that, subject to availability under the DIP Facility (as defined further below) and in accordance with the Budget as defined in the DIP Agreement (as defined further below), FirstOnSite shall be entitled but not required to pay the following expenses whether incurred prior to, on or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, reasonable director fees, expenses and reimbursements payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by FirstOnSite in respect of these proceedings, at their standard rates and charges;

- (c) with the consent of the Monitor for amounts in excess of \$10,000 each, any amounts owing to or in respect of individuals working as independent contractors or temporary workers in connection with the FirstOnSite Business; and
 - (d) amounts owing for goods and services actually supplied to FirstOnSite, or to obtain the release of goods contracted for, prior to the date of this Order, by suppliers with the consent of the Monitor for amounts in excess of \$10,000 each, if in the opinion of FirstOnSite, the supplier of the goods or services is critical to the FirstOnSite Business and ongoing operations of the FirstOnSite enterprise.
7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, and subject to availability under the DIP Facility and in accordance with the Budget, FirstOnSite shall be entitled but not required to pay all reasonable expenses incurred by FirstOnSite in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
 - (b) payment for goods or services actually supplied to FirstOnSite following the date of this Order; and
 - (c) the fees and disbursements of any Assistants retained or employed by FirstOnSite in respect of these proceedings, at their standard rates and charges.

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8. THIS COURT ORDERS that, with the consent of the Monitor, and subject to availability under the DIP Facility and in accordance with the Budget, FirstOnSite shall be entitled but not required to pay all expenses and capital expenditures of FirstOnSite Restoration, Inc. ("FOS US") reasonably necessary for the preservation of FirstOnSite's Property and Business.

9. THIS COURT ORDERS that FirstOnSite shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by FirstOnSite in connection with the sale of goods and services by FirstOnSite, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by FirstOnSite.

10. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with the CCAA, FirstOnSite shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty,

common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between FirstOnSite and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. THIS COURT ORDERS that, except as specifically permitted herein, but subject to the Budget and the terms of the DIP Agreement, FirstOnSite is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by FirstOnSite to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. THIS COURT ORDERS that FirstOnSite shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement and the Definitive Documents (both as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$150,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (c) in accordance with paragraphs 13 and 14, and with the prior consent of the Monitor or further Order of the Court, vacate, abandon or quit the whole but

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not part of any leased premises and/or disclaim or resiliate any real property lease and any ancillary agreements relating to any leased premise, in accordance with Section 32 of the CCAA;

- (d) with the prior consent of the Monitor or further Order of the Court, disclaim or resiliate any agreement to which the company is a party in accordance with Section 32 of the CCAA; and
- (e) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit FirstOnSite to proceed with an orderly restructuring of the Business (the "Restructuring").

13. THIS COURT ORDERS that FirstOnSite shall provide each of the relevant landlords with notice of FirstOnSite's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes FirstOnSite's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and FirstOnSite, or by further Order of this Court upon application by FirstOnSite on at least two (2) days notice to such landlord and any such secured creditors. If FirstOnSite disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to FirstOnSite's claim to the fixtures in dispute.

14. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving FirstOnSite and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against FirstOnSite in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST FIRSTONSITE OR THE PROPERTY

15. THIS COURT ORDERS that until and including May 20, 2016, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of FirstOnSite or the Monitor, or affecting the Business or the Property, except with the written consent of FirstOnSite and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of FirstOnSite or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of FirstOnSite or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of FirstOnSite and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower FirstOnSite to carry on any business which FirstOnSite is not lawfully entitled to carry

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on, or (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by FirstOnSite, except with the written consent of FirstOnSite and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with FirstOnSite or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll and benefits services, insurance, vehicle and transportation services, temporary labour and staffing services, subcontractors, trade suppliers, equipment vendors and rental companies, utility or other services to the Business or FirstOnSite, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by FirstOnSite, and that FirstOnSite shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, domain names and building and other permits, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by FirstOnSite in accordance with normal payment practices of FirstOnSite or such other practices as may be agreed upon by the supplier or service provider and each of FirstOnSite and the Monitor, or as may be ordered by this Court.

TREATMENT OF LIEN CLAIMS

19. THIS COURT ORDERS that, without limiting the generality of paragraphs 15 to 18 hereof, the rights of any person who has supplied services and/or materials to FirstOnSite to preserve and perfect a lien under the *Construction Lien Act* (Ontario) or any applicable provincial equivalent (the "Provincial Lien Legislation") in respect of a project to which FirstOnSite is a contracting party (the "FOS Lien Claims") be and are hereby stayed and any person seeking to preserve, perfect or otherwise enforce such a claim shall be required to comply with the process and seek the rights and remedies set out in paragraphs 19 to 22 hereof subject to further Order of the Court.

20. THIS COURT ORDERS that any person who wishes to assert an FOS Lien Claim (a "Lien Claimant") shall serve a notice of such FOS Lien Claim setting out the amount and particulars thereof to the Monitor at firstonsite@fticonsulting.com and copy, Goodmans LLP, counsel to the monitor at: cdescours@goodmans.ca and Applicant c/o Stikeman Elliott LLP: hmurray@stikeman.com within the timeframes prescribed by the applicable Provincial Lien Legislation (a "Lien Notice") or such other time frame as may be ordered by the Court.

21. THIS COURT ORDERS that upon serving a Lien Notice, the Lien Claimant shall be entitled to a charge over the Property of FirstOnSite equivalent to the value that the Lien Claimant would otherwise be entitled to as a lien under the applicable Provincial Lien Legislation (the "Lien Charge").

22. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA and elsewhere in this Order, is hereby authorized and empowered to review the Lien Notices and reduce or disallow the FOS Lien Claims set out therein, or refer such matter for determination by the Court, on notice to the applicable Lien Claimant. Any such Lien Claimant shall have 10 days to give notice to the Monitor and FirstOnSite that it intends seek a review by the Court of the decision of the Monitor on a motion before a judge of this Court.

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23. THIS COURT ORDERS that nothing in paragraphs 19 to 22 hereof shall be construed as limiting or prejudicing the rights of the Monitor, FirstOnSite or any other interested party from challenging:

- (a) the validity or timeliness of a Lien Notice;
- (b) the validity or quantum of an FOS Lien Claim under the applicable Provincial Lien Legislation, except for failure to preserve a lien by registration;
- (c) a Lien Claimant's entitlement to a Lien Charge under paragraph 21 of this Order; or
- (d) the priority of a Lien Charge under paragraph 49 of this Order.

24. THIS COURT ORDERS that in connection with the matters in paragraphs 19 to 22 of this Order, the Monitor (i) shall have all of the protections given to it by the CCAA, this Order and any other orders of the Court in the CCAA Proceedings, (ii) shall incur no liability or obligation as a result of carrying out matters in connection with paragraphs 19 to 23 of this Order, (iii) shall be entitled to rely on the books and records of FirstOnSite and any information provided by FirstOnSite, all without independent investigation, (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information, and (v) may seek such assistance as may be required to carry out matters in connection with paragraphs 19 to 23 of this Order from FirstOnSite or any of its subsidiaries.

NON-DEROGATION OF RIGHTS

25. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to

FirstOnSite. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

26. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

ENGAGEMENT OF THE FINANCIAL ADVISOR

27. THIS COURT ORDERS that the agreement dated as of October 31, 2015, engaging Alvarez & Marsal Canada Securities ULC (the "Financial Advisor") as financial advisor to FirstOnSite, a copy of which is attached as Exhibit "F" to the Demos Affidavit (the "A&M Engagement Letter"), and the retention of the Financial Advisor under the terms thereof are hereby approved, including, without limitation, the Success Fee (as the term is defined in the A&M Engagement Letter). The Financial Advisor shall be entitled to the benefit of and is hereby granted a charge (the "Financial Advisor's Charge") on the Property, which charge shall not exceed an aggregate amount of \$1.1 million, as security for the Success Fee. The Financial Advisor's Charge shall have the priority set out in paragraphs 49 and 51 herein.

APPOINTMENT OF MONITOR

28. THIS COURT ORDERS that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of

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FirstOnSite with the powers and obligations set out in the CCAA or set forth herein and that FirstOnSite and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by FirstOnSite pursuant to this Order, and shall cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

29. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor FirstOnSite's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist FirstOnSite, to the extent required by FirstOnSite, in its dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between FirstOnSite and the DIP Lender and as contemplated to be provided to the DIP Lender pursuant to the DIP Agreement and the Definitive Documents;
- (d) advise FirstOnSite in its preparation of FirstOnSite's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (e) advise FirstOnSite in its development of the Plan and any amendments to the Plan;
- (f) assist FirstOnSite, to the extent required by FirstOnSite, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of FirstOnSite, to the extent that is necessary to adequately assess FirstOnSite's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

30. THIS COURT ORDERS that the Monitor, in its capacity as Escrow Agent under the Escrow Agreement, in connection with the agreement of purchase and sale (the "APA") entered into as between FirstOnSite LP, by its general partner FirstOnSite GP, and the Purchaser, is authorized and empowered to (a) hold the Deposit in a segregated account in the name of the Monitor, and (b) release the Deposit as contemplated by the Escrow Agreement or subject to further Order of the Court, and the Monitor shall incur no liability with respect to the foregoing. Unless otherwise defined in this Order, each capitalized term in this paragraph shall have the meaning ascribed to it in the APA.

31. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

32. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a

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spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. THIS COURT ORDERS that that the Monitor shall provide any creditor of FirstOnSite and the DIP Lender with information provided by FirstOnSite in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by FirstOnSite is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and FirstOnSite may agree.

34. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to FirstOnSite shall be paid their reasonable fees and disbursements, in each case at their

standard rates and charges, by FirstOnSite as part of the costs of these proceedings. FirstOnSite is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for FirstOnSite on a weekly basis and, in addition, FirstOnSite is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to FirstOnSite, retainers in the amount of \$100,000 each to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

36. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

37. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and FirstOnSite's counsel and the Financial Advisor (in respect of their monthly fees and expenses as set out in the A&M Engagement Letter) shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$1 million, as security for the professional fees and disbursements, incurred at standard rates and charges, of the Monitor, counsel to the Monitor and counsel to FirstOnSite, and, in the case of the Financial Advisor, pursuant to the A&M Engagement Letter, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 49 and 51 hereof.

DIP FINANCING

38. THIS COURT ORDERS that FirstOnSite is hereby authorized and empowered to obtain and borrow under a credit facility (the "DIP Facility") from Wells Fargo Capital Finance Corporation Canada (the "DIP Lender"), in order to finance FirstOnSite's working capital requirements and other general corporate purposes, expenses relating to these CCAA proceedings, and capital expenditures, provided that

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borrowings under such DIP Facility shall not exceed the availability under the DIP Facility and, in any event, shall not exceed \$15 million, subject to the further Order of this Court.

39. THIS COURT ORDERS that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Agreement attached to the Demos Affidavit as Exhibit "H" (the "DIP Agreement"), and the Definitive Documents.

40. THIS COURT ORDERS that the DIP Facility and the DIP Agreement are hereby approved.

41. THIS COURT ORDERS that FirstOnSite is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and FirstOnSite is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

42. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure any obligation to the ABL Lender (as defined in the Demos Affidavit) that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 49 and 51 hereof.

43. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

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- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) days' notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against FirstOnSite or the Property under or pursuant to the DIP Agreement, the Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to FirstOnSite and set off and/or consolidate any amounts owing by the DIP Lender to FirstOnSite against the obligations of FirstOnSite to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against FirstOnSite and for the appointment of a trustee in bankruptcy of FirstOnSite; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of FirstOnSite or the Property.

44. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by FirstOnSite LP under the CCAA, or any proposal filed by FirstOnSite under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the DIP Agreement or Definitive Documents.

KEY EMPLOYEE RETENTION PLAN ("KERP")

45. THIS COURT ORDERS that the KERP, as described in the Demos Affidavit, the details of which are included in the Confidential Supplement to the Pre-Filing Report, is

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hereby approved and FirstOnSite is authorized and directed to make payments in accordance with the terms thereof.

46. THIS COURT ORDERS that the KERP Participants (as such term is defined in the Demos Affidavit) shall be entitled to the benefit of and are hereby granted a charge (the "KERP Charge") on the Property, which charge shall not exceed an aggregate amount of \$2.26 million, to secure the amounts payable to the KERP Participants pursuant the KERP.

47. THIS COURT ORDERS that the KERP Charge shall have the priority set out in paragraphs 49 and 51 herein.

48. THIS COURT ORDERS that the summary of the KERP included in the Confidential Supplement to the Pre-Filing Report be sealed, kept confidential and not form part of the public record, but rather shall be placed separate and apart from all other contents of the Court File, in a sealed envelope attached to a notice that sets out the title of these proceedings a statement that the contents are subject to a sealing order and shall only be opened upon further Order of this Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

49. THIS COURT ORDERS that the priorities of the Administration Charge, the DIP Lender's Charge, the KERP Charge, the Financial Advisor's Charge, the Lien Charge, as among them, shall be as follows:

- First - the Administration Charge, to a maximum amount of \$1 million;
- Second - the DIP Lender's Charge, to a maximum amount of \$15 million;
- Third - the KERP Charge, to a maximum amount of \$2.26 million;
- Fourth - the Financial Advisor's Charge, to a maximum amount of \$1.1 million; and

Fifth - the Lien Charge, to the extent necessary to secure such Lien Claims as may arise (provided that the Lien Charge shall rank subordinate to the security interests granted in favour of Wells Fargo Capital Finance Corporation Canada, as agent and lender thereto, under the credit agreement dated November 25, 2014 (as amended) ("Wells Pre-filing Security") and the security interests granted in favour of BDC under the credit agreement dated November 25, 2014 ("BDC Pre-filing Security").

50. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, the DIP Lender's Charge, the KERP Charge, the Financial Advisor's Charge, and the Lien Charge, (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

51. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, notwithstanding the order of perfection or attachment, with notice of this Application, provided that the Lien Charge shall rank subordinate to the Wells Pre-filing Security and BDC Pre-filing Security. The Applicants and the chargees entitled to the benefit of the Charges (the "Chargees") shall be entitled to seek priority of the Charges ahead of all or certain additional Encumbrances on a subsequent motion on notice to those parties likely to be affected thereby.

52. THIS COURT ORDERS that notwithstanding anything contained in this Order, nothing in this Order shall affect or otherwise alter the priority of any claims of any Person in respect of amounts owing to any such Person by FirstOnSite in respect of

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supplied services or materials that are given priority over other Encumbrances by statute.

53. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, FirstOnSite shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless FirstOnSite also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

54. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds FirstOnSite, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by FirstOnSite of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from FirstOnSite entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- (c) the payments made by FirstOnSite pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

55. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in FirstOnSite's interest in such real property leases.

SERVICE AND NOTICE

56. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against FirstOnSite of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner (provided that the list shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual), all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

57. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil

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Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <http://cfcanada.fticonsulting.com/firstonsite>.

58. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, FirstOnSite and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to FirstOnSite's creditors or other interested parties at their respective addresses as last shown on the records of FirstOnSite and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

59. THIS COURT ORDERS that FirstOnSite or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

60. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of FirstOnSite, the Business or the Property.

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

this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist FirstOnSite and the Monitor and their respective agents in carrying out the terms of this Order.

62. THIS COURT ORDERS that each of FirstOnSite and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

63. THIS COURT ORDERS that any interested party (including FirstOnSite and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

64. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

APR 21 2016

PER / PAR: *RW*

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

Court File No: CV-16-11358-000

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIRSTONSITE G.P. INC.

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL
LIST

Proceeding commenced at Toronto

INITIAL ORDER

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

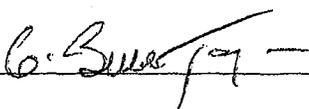
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Lawyers for the Applicant

TAB B

THIS IS EXHIBIT "B" REFERRED
TO IN THE AFFIDAVIT OF KEVIN McELCHERAN
SWORN BEFORE ME,
THIS 26 TH DAY OF April, 2016



Commissioner for Taking Affidavits

A NOTARY PUBLIC
IN AND FOR THE PROVINCE OF MANITOBA

Court File No. _____

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 FIRSTONSITE G.P. INC.

Applicant

AFFIDAVIT OF DAVE DEMOS
(Sworn April 20, 2016)
(Re CCAA Initial Application)

I, Dave Demos, of the City of Wilbraham, Massachusetts, MAKE OATH
AND SAY:

1. I am the Chief Executive Officer of the Applicant, FirstOnSite G.P. Inc. ("FirstOnSite GP"), the general partner of FirstOnSite Restoration L.P. ("FirstOnSite LP"), a limited partnership formed under the laws of Ontario (collectively, with "FirstOnSite GP", "FirstOnSite"). As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records of FirstOnSite and have spoken with certain of the directors, officers and/or employees of FirstOnSite, as necessary, and where I have relied upon such information do verily believe such information to be true.

2. Hereinafter, where reference is made to the FirstOnSite enterprise as a whole, which includes all of the entities referenced in Part B of this affidavit, the term FirstOnSite will be used. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.

A. INTRODUCTION

3. This affidavit is sworn in support of an application by FirstOnSite GP for an order (the "Initial Order") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), substantially in the form attached at Tab 3 of the Initial Application Motion Record, granting FirstOnSite protection from its creditors and certain ancillary relief as outlined in the draft Initial Order.

4. While FirstOnSite LP is not an applicant in this proceeding, FirstOnSite GP seeks to have a stay of proceeding and other benefits of an Initial Order under the CCAA extended to FirstOnSite LP as it carries on operations integral to FirstOnSite.

5. FirstOnSite carries on business in Canada and, through its subsidiary FirstOnSite Restoration, Inc. ("FOS US"), the United States, providing remediation, restoration and reconstruction services in the commercial, industrial and residential sectors. Residential revenue is primarily generated from insurance companies as part of their property coverage program. Commercial revenue is generated from both insurance companies and property owners, operators and managers. FirstOnSite services, *inter alia*, properties damaged by flood, fire, wind, mold and catastrophic events.

6. As described in greater detail below, FirstOnSite has been and continues to be facing severe financial and liquidity issues due to, among other issues, an overleveraged balance sheet and a substantial decline in revenue caused by unseasonably moderate weather and a related reduction in overall insurance claims in 2015 and thus far in 2016. For a period of time, and up until the fall of 2015, Torquest Partners Fund II, L.P. ("Torquest II Canada") and Torquest Partners Fund (U.S.) II, L.P. ("Torquest II US" and collectively with Torquest II Canada and other related entities, "Torquest") (which hold significant secured, unsecured and equity interests in FirstOnSite) provided substantial liquidity to FirstOnSite by way of, among other things, a series of unsecured promissory notes. In the fall of 2015, Torquest advised that it was no longer prepared to provide additional funding to support FirstOnSite.

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7. As a result of its financial difficulties and its ongoing and severe liquidity crisis, FirstOnSite has been unable to meet its various financial and other covenants with its secured lenders. On October 31, 2015, FirstOnSite defaulted with respect to its senior secured revolving credit facility and technically triggered a cascade of cross-defaults with respect to its senior and junior subordinated debt.

8. As part of its restructuring efforts FirstOnSite, with assistance from its professional advisors, conducted a thorough canvass of the market for prospective purchasers of its assets and business. One offer to purchase substantially all of the assets of FirstOnSite LP is considered by the board of directors of FirstOnSite GP (the "Board") to be the best offer in the circumstances.

9. It is estimated that the net proceeds of sale from this sale transaction will be sufficient to repay the DIP Facility (as defined below), first ranking ABL Facility (as defined below), and forecast that BDC and Capital (as defined below) will suffer a shortfall in recovering on their indebtedness and all subsequent ranking secured creditors, including Torquest, will not receive any distributions.

10. The foregoing offer and the resulting APA (as defined and described in greater detail below) is conditional upon a CCAA filing and Court approval. FirstOnSite intends to return to the Court to seek approval of the offer and resulting asset purchase agreement, and certain related relief, at a later date on notice to the appropriate parties.

11. At this time, however, FirstOnSite GP is only seeking protection under the CCAA and certain ancillary relief as outlined in the draft Initial Order.

12. Without protection under the CCAA, a shut-down of operations or the commencement of self-remedy measures by creditors is inevitable, which would be extremely detrimental to FirstOnSite's employees, suppliers, customers, and other stakeholders. CCAA protection will allow FirstOnSite to implement the sale of its assets for the benefit of all of its stakeholders.

13. The Board has authorized this application.

B. OVERVIEW

14. FirstOnSite is a leading national disaster service provider in Canada servicing commercial, industrial and residential sectors and providing remediation, restoration and reconstruction services nationwide (the "Remediation Services").

15. I am advised by Maria Konyukhova of Stikeman Elliott LLP, counsel to FirstOnSite, as to the organizational and ownership structure of FirstOnSite. Attached as Schedule "A" to this affidavit is an organizational chart setting out the ownership structure of FirstOnSite. Reviewed herein are the principal entities through which FirstOnSite does business.

FirstOnSite GP

16. FirstOnSite GP is the general partner of FirstOnSite LP and a private company incorporated under the *Business Corporations Act*, R.S.O 1990 c. B. 16 (the "OBCA") with its registered head office at 60 Admiral Boulevard, Mississauga, Ontario, L5T 2W1. FirstOnSite GP is 50% owned by Torquest II Canada and 50% owned by Torquest II US.

FirstOnSite LP

17. Founded in 2007, FirstOnSite LP is a limited partnership formed under the laws of Ontario by way of a limited partnership agreement dated December, 22, 2006 (as amended from time to time, the "Limited Partnership Agreement"). FirstOnSite LP has a principal place of business at 60 Admiral Boulevard, Mississauga, Ontario, L5T 2W1.

18. FirstOnSite LP has one class of general partnership units outstanding ("the GP Units"), and fourteen classes of limited partnership units outstanding (Class A Units to Class N Units). FirstOnSite LP has authorized an unlimited number of each class of units except for Class B Units, of which 5,000,000 are authorized. Each of the classes of units are non-voting, except for Class C units.

19. Classes A, B and C units are held by, *inter alia*, Torquest and its affiliates (with respect to Classes A and C), myself (with respect to Classes A and C), as well as certain other individual and corporate founders of FirstOnSite LP. Torquest and its affiliates hold, in the aggregate, 58.49% of the outstanding Class C Units, which are the only class of units entitled to vote.

20. Classes D, E, F, G, H, I, J, K, L, M and N Units are each owned by only one holder. These classes of Units (the "Deferred Unit Classes"), were issued by FirstOnSite to specific vendors during 2007 to 2009 in respect of asset acquisitions completed by FirstOnSite LP.

21. FirstOnSite LP owns 100% of FirstOnSite Holdings Limited ("FOS Holdings"). FOS Holdings is a holding company incorporated under the OBCA with a principal place of business at 60 Admiral Boulevard, Mississauga, Ontario, L5T 2W1.

22. FOS Holdings owns 100% of FOS US, which is a company incorporated under the laws of Delaware with its registered head office at 185 Molly Walton Drive in Hendersonville, Tennessee. FOS US is the operating company for FirstOnSite's U.S. business. Established in 2011, FOS US is licensed to operate in almost every state and is still developing the U.S. branch of FirstOnSite's business.

FirstOnSite's Business in Canada

23. The Canadian restoration market has annual sales in excess of \$2.0 billion. At the same time, the Canadian restoration services industry is highly fragmented, being made up of a large number of regional and local service providers, each with small market share.

24. FirstOnSite is one of the largest independently owned, non-franchised restoration services companies in Canada. FirstOnSite services properties damaged by flood, fire, wind, mold and catastrophic events in all major population centers across the country and many smaller locales. FirstOnSite holds a significant proportion of the

market share of the restoration services industry in each province where it has operations.

25. Substantial capital investment is required to establish and maintain a national or multi-regional platform. Service providers without a national presence lack the size and scale needed to acquire and service a large national commercial customer base. This is because larger national customers require national service providers with a presence in most markets. Also, the smaller restoration market competitors lack the ability to respond and mobilize to large catastrophes and inclement weather across the country in a quick and efficient way. Accordingly, it is difficult for small and independent restoration service providers to grow outside of their current regions.

26. FirstOnSite LP was established by the merger of two regional entrepreneur run businesses in Ontario and British Columbia. FirstOnSite GP has no source of income independent from FirstOnSite LP and is entirely dependent on the business, assets and performance of FirstOnSite LP for its continued operation

27. Following its founding, FirstOnSite's growth strategy was to consolidate the fragmented restoration industry. Between 2007 and 2009, FirstOnSite expanded across Canada. The consolidation strategy included the initial merger of the Ontario and British Columbia businesses and additional acquisitions in 2007 (six); 2008 (six); and 2009 (two).

28. In Canada, FirstOnSite carries on operations in: Ontario, Quebec, British Columbia, Alberta, Manitoba, Saskatchewan, Nova Scotia, New Brunswick and Prince Edward Island. FirstOnSite does not have operations in Newfoundland or in any of the three territories. FirstOnSite's revenue is broken down by region as follows:

Regional Revenue				
(CAD \$000)	2012	2013	2014	2015

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Atlantic	17,003	18,774	28,818	29,087
Quebec	25,558	21,510	21,378	14,934
Central ¹	50,626	47,520	59,195	41,727
Prairies ²	38,383	79,221	44,425	29,971
British Columbia	33,499	33,959	35,204	29,833
North America Large Loss ³	10,267	13,074	14,686	9,285
Totals	175,336	214,028	203,706	154,837

Services

29. FirstOnSite has a diverse customer base across both the residential and commercial sectors. Residential revenue is primarily generated from insurance companies as part of their property coverage program. When a restoration event occurs (e.g. flood, fire, wind and other weather related events), the insured property owner files a claim with the insurer. The business relationship is held with the insurer: FirstOnSite collects the majority of its receivables directly from insurance companies.

30. Commercial revenues are generated from both insurance companies and property owners, operators and managers. FirstOnSite services large office buildings, malls, plazas and university and government campuses. In addition to weather related damage, revenue is generated from maintenance related remediation paid for by the end user. FirstOnSite's revenue mix for the past two years was approximately 44% commercial to 56% residential.

¹ Ontario and Manitoba

31. For the fiscal year ended December 31, 2014 ("FY2014") FirstOnSite generated 35% of its revenue from emergency response work; 53% from follow-on rebuild and construction work; and the remainder from other specialty services including contents restoration, environmental cleanup and document processing. For the fiscal year ended December 31, 2015 ("FY2015") FirstOnSite generated 30% of its revenue from emergency response work and 57% from follow-on rebuild and construction work.

Suppliers

32. FirstOnSite has a number of essential supplier relationships, whose services are integral to the continued operation and viability of the enterprise. Essential suppliers primarily fall into five distinct categories: (i) subcontractors; (ii) equipment suppliers and equipment rental companies; (iii) safety supplies and material vendors; (iv) temporary staffers and labourers; and (v) vehicle and transport suppliers.

33. In providing restoration services, FirstOnSite frequently sub-contracts part of its work to, among others, construction companies, independent contractors and other material or service suppliers who, among other things, perform work on or supply materials to its various restoration projects (which projects include, but are not limited to, rebuilding damaged property).

Customers

34. FirstOnSite has a diverse customer base: its largest customer accounts for less than 15% of revenue and the five largest customers account for approximately 45% of revenue. FirstOnSite's customers include leading insurance companies (providing both residential and commercial restoration services), commercial property owners, operators and managers.

² Alberta and Saskatchewan.

³ Involving substantial restoration jobs of technical complexity.

FirstOnSite's Business in the US

35. FirstOnSite's U.S. operations are conducted through its subsidiary, FOS US, headquartered in Hendersonville, Tennessee. FOS US offers commercial Remediation Services, which it provides to its customers through use of subcontractors. In addition, and as described below, FOS US provides large loss and project management expertise in support of FirstOnSite's Canadian operations. For the reasons set out below, FOS US has consistently operated at a loss and relies on direct funding from FirstOnSite LP to continue operations as a going concern.

36. FOS US provides internal project management but not field crews and, therefore, relies on suppliers and subcontractors in a similar way as the Canadian operations (as described in paragraphs 32 and 33), but to an even greater extent.

37. FOS US does not have a diversified customer base, with its construction revenues deriving from a limited number of customers (with the substantial portion of revenues deriving from either two or three large loss events between 2012-2014). FOS US has entered into master agreements with certain national retail chains, which govern the individual contracts for each local renovation.

38. FOS US supports Canadian operations by providing specialized Large Loss Remediation Services and Project Management expertise to Canadian branch locations on a per-project basis. Accordingly, FOS US provides the FirstOnSite enterprise in Canada with leading-edge project management expertise and support with respect to catastrophic and complex losses. In addition to project management support, FOS US also provides expertise in sourcing materials and equipment, most particularly in extreme circumstances when large quantities are required in short periods of time. For events that occur in Canada, the local branch office, not FOS US, is typically credited with the financial results.

Employees

39. FirstOnSite has approximately 1,000 employees, supplemented by a team of independent contractors. There are fourteen individuals employed in connection with the U.S. enterprise, all of whom work in project management roles. Independent contractors and temporary workers are recruited as needed based on project scope and demands. A breakdown of employees by region (including operations and staff in the United States) is as follows:

Employees by Region as at January 31, 2016			
	Hourly	Salary	Total
Atlantic	128	58	186
Quebec	28	32	60
Central	97	75	172
Prairies	156	58	214
British Columbia	119	57	176
North America Large Loss	1	23	24
Totals	566	369	935

Offices and FacilitiesCanada

40. FirstOnSite LP leases its head office in Mississauga, Ontario. In addition, FirstOnSite has 42 leased properties in the following provinces in Canada: Ontario (19), Quebec (2), British Columbia (6), Alberta (4), Manitoba (2), Saskatchewan (1), Nova

Scotia (2), New Brunswick (4) and Prince Edward Island (2). Generally, these properties house project equipment and/or branch offices. FOS US also leases its head office in Hendersonville, Tennessee.

Management Services Agreement

41. On January 31, 2007, FirstOnSite and Torquest Management Services Limited Partnership entered into a management services agreement pursuant to which the latter provides management, financial and strategic support and other services to FirstOnSite on an exclusive basis. The agreement may only be terminated by mutual consent of the parties. In consideration, FirstOnSite agreed to pay a management fee of \$250,000 plus applicable taxes per annum. The management services agreement had approximately \$1.6 million in arrears accrued as at December 31, 2015.

Cash Management System

42. FirstOnSite maintains a centralized cash management system to deal with cash management, collections, and disbursements which is administered from the registered head office of FirstOnSite GP and FirstOnSite LP in Mississauga (the "Head Office"). This allows FirstOnSite to facilitate cash forecasting and reporting, and monitor collection and disbursement of funds. FirstOnSite reviews and monitors account activity on a daily basis.

43. FirstOnSite needs to be able to continue using the existing cash management system during the CCAA Proceedings.

Bank Accounts

44. FirstOnSite's bank accounts are managed and controlled by senior management from the Head Office. FirstOnSite utilizes cash management systems established at Toronto Dominion Bank ("TD") for its Canadian domiciled banking and Wells Fargo Bank N.A. ("Wells Fargo Bank") for its U.S. domiciled banking.

45. FirstOnSite LP holds three deposit accounts with TD: a Canadian account (the "Main Blocked Account"), a U.S. account (the "TD U.S. Blocked Account") and a Quebec account (the "Quebec Blocked Account"). FOS US holds a U.S. blocked deposit account in the United States with Wells Fargo Bank (the "Wells Fargo U.S. Blocked Account").

46. As described in greater detail further below, FirstOnSite LP utilizes an asset backed lending facility as its senior credit facility (the ABL Facility, as defined below), which is administered by Wells Fargo Capital Finance Corporation Canada ("Wells Fargo") as agent on behalf of a syndicate of lenders (in this capacity, the "ABL Agent").⁴ Pursuant to the provisions of the ABL Agreement (as defined below), FirstOnSite's deposit accounts are subject to cash dominion (the reasons for which are described in greater detail below in connection with the ABL Facility). All cash, credit and debit receipts are deposited into one of the blocked account with TD and Wells Fargo Bank (collectively, the "Blocked Accounts").

47. All cheque, electronic transfer fund ("EFT"), debit and credit card receipts are deposited daily into the Main Blocked Account with TD, except for receipts related to Quebec branches. Receipts for the Quebec region are initially deposited in the Quebec Blocked Account and then automatically transferred to the Main Blocked Account. All U.S. denominated deposits received in the United States are deposited into the Wells Fargo U.S. Blocked Account. Each branch has the ability to make deposits directly to its respective Blocked Account.

48. Each day, TD initiates a transfer of the funds in the Blocked Account to an account designated and controlled by the ABL Agent, which has the effect of reducing the amounts outstanding under the ABL Agreement. Given that the funds are deposited into the Blocked Accounts, FirstOnSite does not have access to funds to make

disbursements. FirstOnSite's current practice is to obtain funding from the ABL Agent by making formal requests for these borrowings on an as-needed basis. Funding provided by the ABL Agent in respect of FirstOnSite's borrowing requests is deposited into accounts at TD or Wells Fargo Bank used by FirstOnSite for its disbursements (the "Disbursement Accounts").

49. FirstOnSite holds four disbursement accounts with TD, including one main disbursement account (the "Main Disbursement Account"), and a Quebec disbursement account (the "Quebec Disbursement Account"), both of which have supporting U.S. dollar disbursement accounts which are seldom used. FOS US also holds one U.S. dollar disbursement account with each of Wells Fargo Bank and Bank of America for any disbursements required to U.S. suppliers.

EFT Payment System

50. FirstOnSite's cash management systems provided by TD also include EFT payment services. Through the EFT systems, FirstOnSite provides batch payments to TD regarding payments to be made to specified FirstOnSite vendors, following which TD then makes payments electronically to those vendors. These payments are immediately drawn from the Disbursement Accounts. The Chief Financial Officer and/or the Treasurer authorizes disbursements for all regions. Once authorized, the disbursement of funds for Quebec and Atlantic and the U.S. are processed at the regional levels while the remaining regions are processed at the Corporate head office. FirstOnSite also utilizes cheque payments to vendors and has VISA and MasterCard credit cards with Wells Fargo which are used by project managers and corporate employees for travel and project related expenses.

Payroll System

⁴ While the ABL Agreement (as defined below) provides for the possibility of other lenders, the only lender under the ABL Agreement at the date of this Affidavit is Wells Fargo.

51. FirstOnSite utilizes third-party payroll services providers, ADP Canada Co. and ADP, LLC, to disburse payroll directly to employees and to make necessary statutory remittances. Salaried employees are paid on the 15th and 30th of each month. Hourly employees are paid bi-weekly. Payroll is funded two business days prior to the payment to employees.

C. FINANCIAL STATUS

Assets

52. FirstOnSite's assets, as reflected in the consolidated unaudited balance sheet prepared as at February 29, 2016, had a net book value of approximately \$86,989,000 that consisted of the following (rounded to the nearest thousand):

Current Assets

Cash	-
Accounts Receivable	\$41,336,000
Work-in-process ⁵	\$2,959,000
Inventory	\$976,000
Prepaid Expenses (and other assets)	\$1,550,000
Total Current Assets	<u>\$46,821,000</u>

Non-Current Assets

Property and equipment	\$10,547,000
Goodwill and other intangible assets	\$29,621,000
Total Non-Current Assets	<u>\$40,919,000</u>

Total Assets	\$86,989,000
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53. The consolidated and unaudited financial statements of FirstOnSite for the two

⁵ Work incurred on ongoing projects.

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months ended February 29, 2016, and the twelve months ended December 31, 2015 are attached hereto collectively as Exhibit "A".

Liabilities

54. As at February 29, 2016, FirstOnSite had liabilities totaling approximately \$161,360,000 consisting of the following:

Current Liabilities

Bank Indebtedness ⁶	\$17,377,000
Accounts Payable	\$22,691,000
Accrued Liabilities ⁷	\$7,506,000
Unearned Revenue ⁸	\$487,000
Current portion of capital leases obligations	\$1,661,000
Current portion of term debt - BDC	\$1,169,000
Total Current Liabilities	<u>\$50,891,000</u>

Non-Current Liabilities

Capital lease obligations	\$2,763,000
Term debt - BDC (defined below)	\$1,292,000
Term debt - Capital (defined below)	\$4,903,000
Subordinated debt (Torquest)	\$13,048,000
Junior subordinated debt (Torquest)	\$53,405,000
Convertible debentures	\$35,058,000
Total Non-Current Liabilities	<u>\$110,469,000</u>

Total Liabilities	\$161,360,000
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⁶ Consisting of a revolving ABL Facility (including accrued interest) in terms of both its US and Canadian facilities, cash on hand and deferred finance charges (net of amortization).

⁷ Obligations for goods and services provided for which invoices have not yet been received.

⁸ The amounts received in advance of providing goods or services.

55. I am advised by Maria Konyukhova of Stikeman Elliott LLP as to the structure of the principal debt facilities of FirstOnSite, the most significant of which are described in greater detail below.

Revolving ABL Facility

56. FirstOnSite LP (as borrower) and FirstOnSite GP, FOS Holdings and FOS US (as guarantors) entered into a credit agreement dated November 25, 2014 (as amended, modified, supplemented, extended, renewed, restated or replaced, the "ABL Agreement") with a syndicate of lenders (each an "ABL Lender") comprising, at the time and to date, Wells Fargo alone (who acts in the capacity of the sole ABL Lender and the ABL Agent). Up to \$60 million (the "ABL Facility") is available pursuant to the ABL Agreement. The ABL Facility matures on the earlier of (a) November 25, 2019, (b) demand for payment under the ABL Agreement and (c) 90 days prior to each maturity date under the BDC Credit Agreement or the Capital Credit Agreement (each as defined below).

57. The ABL Facility is structured as a typical asset-based loan facility governed by a borrowing base calculation comprised of eligible accounts receivable and eligible unbilled accounts (collectively, the "Eligible Collateral"). The ABL Agreement contains various restrictive covenants that, *inter alia*, limit FirstOnSite's ability to incur additional indebtedness or encumber its assets.

58. Pursuant to this structure, FirstOnSite submits a written request for an advance and the ABL Lenders make the advance pursuant to such request based on a written borrowing base certificate which sets out the amount of credit available to FirstOnSite LP taking into account the value of the Eligible Collateral and the amount outstanding under the ABL Facility. An advance that is not completely supported by the borrowing base calculation would not be extended by the ABL Lenders.

59. Since amounts advanced pursuant to the ABL Facility are dependent on the

value of the Eligible Collateral and given that cash receipts represent a loss/replacement of the Eligible Collateral, the ABL Facility gives the ABL Lenders dominion over the cash receipts of FirstOnSite LP (the cash dominion and blocked accounts in connection with the cash management system are described in greater detail above). Payments on Eligible Collateral are applied to outstanding obligations under the ABL Facility on a regular basis and the ABL Lenders then re-advance amounts to FirstOnSite LP upon receipt of a written request for an advance based on a current calculation of the borrowing base and the amount of credit availability.

60. As at February 29, 2016, approximately \$17,377,000 was outstanding under the ABL Facility (inclusive of accrued interest on the Canadian Facility as defined further below).

61. The ABL Facility is principally comprised of two credit facilities: a U.S. dollar revolving loan facility (the "U.S. Facility") and a Canadian dollar revolving loan facility (the "Canadian Facility" and collectively, with the U.S. Facility, the "Revolving ABL Facilities"). The Revolving ABL Facilities are available at the following interest rates:

- (a) **U.S. Facility:** The U.S. Prime Rate at the time the amount is borrowed plus 0.50% *per annum* or, in the case of a LIBOR Rate Loan, the adjusted LIBOR Rate plus 2.90% *per annum*; and
- (b) **Canadian Facility:** The Canadian Prime Rate plus 0.50% *per annum* or, in the case of a BA Equivalent Loan, the BA Equivalent Rate plus 2.10% *per annum*.

62. The ABL Agreement requires that FirstOnSite LP maintain certain financial ratios (the "Fixed Charge Coverage Ratio" as defined in the ABL Agreement). The ABL Agreement specifies that the failure to maintain the Fixed Charge Coverage Ratio is an Event of Default (as defined therein).

63. FirstOnSite LP's obligations under the ABL Agreement are secured by way of,

inter alia: (i) a general security agreement ("GSA") dated November 25, 2014, granting the ABL Agent a continuing security interest in all of the present and after-acquired property of FirstOnSite LP; (ii) a pledge agreement ("Pledge") dated November 25, 2014, pledging to the ABL Agent all of the common shares of FOS Holdings owned by FirstOnSite LP; and (iii) a deed of hypothec dated November 18, 2014, pursuant to which FirstOnSite LP hypothecated to the ABL Agent, *inter alia*, all of the present and after-acquired moveable property of FirstOnSite LP.

64. Each of FirstOnSite GP, FOS Holdings and FOS US entered into a guarantee in favour of the ABL Agent dated November 25, 2014, guaranteeing, *inter alia*, the obligations owing by FirstOnSite to the ABL Lenders under the ABL Agreement.

65. The guarantees provided by FirstOnSite GP, FOS Holdings and FOS US are secured by way of, *inter alia*: GSAs dated November 25, 2014 granting the ABL Agent a continuing security interest in all of their present and after-acquired property; and a deed of hypothec, dated November 18, 2014, pursuant to which FirstOnSite GP hypothecated to the ABL Agent, *inter alia*, all of its present and after-acquired moveable property.

66. The security interests granted by FirstOnSite LP and FirstOnSite GP to the ABL Agent are perfected by way of registrations pursuant to the Personal Property and Security Act ("PPSA" or applicable provincial equivalent) in Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, British Columbia, Saskatchewan, Alberta, Manitoba and Newfoundland. The security interests granted by FOS Holdings to the ABL Agent are perfected by way of registrations pursuant to the PPSA in Ontario. The security interests granted by FOS US to the ABL Agent are perfected by a Uniform Commercial Code registration in Delaware.

67. Upon the occurrence of an Event of Default under the ABL Agreement, the ABL Lenders are entitled to, *inter alia*, accelerate the payment of all obligations owing thereunder (with certain limited exceptions) and may exercise any rights and remedies

available as a creditor at law. An Event of Default includes the failure to maintain the Fixed Charge Coverage Ratio and a failure to provide the relevant and Compliance Certificate (as defined in the ABL Agreement).

BDC Credit Agreement

68. On November 25, 2014, and at the same time as entering into the ABL Agreement, FirstOnSite LP accepted a letter offer of credit (the "BDC Credit Agreement") from the Business Development Bank of Canada ("BDC"). The principal amount available pursuant to the BDC Credit Agreement is a \$4.0 million term loan at a floating interest rate. The BDC Credit Agreement matures on November 30, 2017. As at February 29, 2016, approximately \$2,461,000 was outstanding under the term loan.

69. The BDC Credit Agreement requires that FirstOnSite LP maintain the same Fixed Charge Coverage Ratio as under the ABL Agreement. Failure to maintain the Fixed Charge Coverage Ratio will trigger a cross-default under the BDC Credit Agreement. On such default, BDC is entitled to accelerate the repayment of debt owing under the BDC Credit Agreement.

70. Each of FirstOnSite GP, FOS Holdings and FOS US entered into a guarantee in favour of BDC dated November 25, 2014, guaranteeing, *inter alia*, the obligations owing by FirstOnSite to BDC under the BDC Credit Agreement.

71. FirstOnSite LP's obligations under the BDC Credit Agreement are secured by way of: (i) a GSA dated November 25, 2014, granting BDC a continuing security interest in all of its present and after-acquired property; and (ii) a deed of hypothec dated November 18, 2014, pursuant to which FirstOnSite LP hypothecated to BDC, *inter alia*, all of its present and after-acquired moveable property.

72. The guarantee provided by FirstOnSite GP, FOS Holdings and FOS US are secured by way of: (i) GSAs dated November 25, 2014 granting BDC a continuing security interest in all of their respective present and after-acquired property; and (ii) a

deed of hypothec, dated November 18, 2014, pursuant to which FirstOnSite GP hypothecated to BDC, *inter alia*, all of its present and after-acquired moveable property.

73. The security interests granted by FirstOnSite LP, FirstOnSite GP, FOS Holdings and FOS US to BDC are perfected by way of registrations pursuant to the PPSA (or equivalent) in Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, British Columbia, Saskatchewan, Alberta, Manitoba and Newfoundland and by a UCC registration in Delaware, as applicable.

Capital Credit Agreement

74. On November 25, 2014, and at the same time as entering into the ABL Agreement and the BDC Credit Agreement, FirstOnSite LP accepted a letter of offer of financing (the "Capital Credit Agreement") from BDC Capital Inc. ("Capital") a wholly owned subsidiary of BDC. The principal amount available pursuant to the Capital Credit Agreement is a \$5.0 million term loan with interest fixed at 11.5%. The Capital Credit Agreement matures on November 30, 2019. As at February 29, 2016, \$4,903,000 was outstanding under the term loan.

75. The Capital Credit Agreement requires that FirstOnSite LP maintain the same Fixed Charge Coverage Ratio as under the ABL Agreement. Failure to maintain the Fixed Charge Coverage Ratio will trigger a cross-default under the Capital Credit Agreement. On such default, Capital is entitled to accelerate the repayment of debt owing under the Capital Credit Agreement.

76. Each of FirstOnSite GP, FOS Holdings and FOS US entered into a guarantee in favour of Capital dated November 25, 2014, guaranteeing, *inter alia*, the obligations owing by FirstOnSite to Capital under the Capital Credit Agreement.

77. FirstOnSite LP's obligations under the Capital Credit Agreement are secured by way of: (i) a GSA dated November 25, 2014, granting Capital a continuing security interest in all of its present and after-acquired property; and (ii) a deed of hypothec

dated November 18, 2014, pursuant to which FirstOnSite LP hypothecated to Capital, *inter alia*, all of its present and after-acquired moveable property.

78. The guarantees provided by FirstOnSite GP, FOS Holdings and FOS US are secured by way of: (i) a GSA dated November 25, 2014 granting Capital a continuing security interest in all of their present and after-acquired property; and (ii) a deed of hypothec, dated November 18, 2014, pursuant to which FirstOnSite GP hypothecated to Capital, *inter alia*, all of its present and after-acquired moveable property.

79. The security interests granted by FirstOnSite LP to Capital are perfected by way of registrations pursuant to the PPSA in Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick, British Columbia, Saskatchewan, Alberta, Manitoba and Newfoundland. The security interests granted by FirstOnSite GP to Capital are perfected by way of registrations pursuant to the PPSA in Ontario and Quebec. The security interests granted by FOS Holdings to Capital are perfected by way of registrations pursuant to the PPSA in Ontario. The security interests granted by FOS US to Capital are perfected by a Uniform Commercial Code registration in Delaware.

80. By way of landlord agreements dated November 25, 2014 and made in favour of the ABL Agent, BDC and Capital, landlords of certain properties leased by FirstOnSite LP agreed to waive and relinquish their rights of distraint, their landlord liens, and security interest in personal property falling under the ambit of the security interests granted to ABL Agent, BDC or Capital that may become affixed to or located on such properties.

Intercreditor Agreement

81. On November 25, 2014, the ABL Agent, BDC and Capital entered into an intercreditor agreement (the "Intercreditor Agreement") to determine the relative priorities of the security interests with respect to the assets of FirstOnSite under their respective credit agreements. Attached hereto as Exhibit "B" is a copy of the

Intercreditor Agreement.

82. Among other things, the Intercreditor Agreement sets out the relative priorities of BDC, Capital, the ABL Agent and the ABL Lenders, with respect to the assets of FirstOnSite LP, FirstOnSite GP, FOS Holdings and FOS US as follows:

- (a) BDC has priority on any and all machinery and equipment, including, without limitation, the fixed assets described in greater detail in Schedule "A" to the Intercreditor Agreement (the "BDC Priority Assets");
- (b) ABL Agent has priority with respect to all other personal moveable property, assets and undertakings including, without limitation, inventory and accounts (the "Wells Fargo Priority Assets"); and
- (c) Capital ranks subordinate in priority with respect to both the Wells Fargo Priority Assets and the BDC Priority Assets.⁹

Secured Convertible Debentures

83. Between December 10, 2010 and July 7, 2014 FirstOnSite issued four tranches of secured convertible debentures to certain of its Limited Partners (collectively, the "Secured Convertible Debentures"), described in greater detail below.¹⁰

Tranche 1 Debentures

84. On December 21, 2010, FirstOnSite LP issued secured convertible debentures to certain Limited Partners in the aggregate amount of \$5,100,002 at 14% payable in kind

⁹ The priority granted to BDC applies to the extent of the remaining balance of the BDC Debt owing to BDC under the BDC Credit Agreement at any applicable time. The priority granted to the Wells Fargo applies to the extent of the remaining balance of the amount owing under the ABL Facility at any applicable time.

¹⁰ All of the Secured Convertible Debentures have a cross-default to the "Credit Agreement"/"Senior Credit Agreement" as defined in the Limited Partnership Agreement. The "Senior Credit Agreement" as defined in the Limited Partnership Agreement references a predecessor credit agreement with the Bank of Montreal ("BMO") as "replaced from time to time". The "Senior Credit Agreement" definition captures the ABL Agreement which paid out and "replaced" the predecessor BMO facility.

interest, compounded annually (the "Tranche 1 Debentures"). The Tranche 1 Debentures mature on December 20, 2017.

85. The obligations owing by FirstOnSite LP under the Tranche 1 Debentures are secured by a security interest over, *inter alia*, all of its present and after-acquired property. The security interest created therein was perfected by way of PPSA (or equivalent) registrations in each province in Canada except for Quebec and Newfoundland. Attached at Schedule "B" of this affidavit is a list of all Tranche 1 Debenture payees (the "Tranche 1 Debentureholders") and the sums owing to them.

86. By way of subordination agreement between the Tranche 1 Debentureholders, Torquest II Canada, and FirstOnSite LP, Torquest II Canada agreed to subordinate all current and future unsecured subordinated Series A promissory notes (the "Torquest Notes" described in greater detail further below) and agreed not to, *inter alia*, receive (and FirstOnSite agreed not to make) any payment of principal and interest, or exercise any right of set-off, until all obligations owing to the Tranche 1 Debentureholders are paid in full.

Tranche 2 Debentures

87. On June 9, 2011, FirstOnSite LP further issued secured convertible debentures to, among others, two of its Limited Partners in the aggregate amount of \$150,000 at 14% payable in kind interest, compounded annually and with a maturity date of June 9, 2017 (the "Tranche 2 Debentures").

88. The obligations owing by FirstOnSite LP under the Tranche 2 Debentures are secured by way of a security interest over, *inter alia*, all of its present and after-acquired property. The security interest created therein was perfected by way of PPSA (or equivalent) registrations in each province in Canada except for Quebec and Newfoundland. Attached at Schedule "B" of this affidavit is a list of all Tranche 2 Debenture payees (the "Tranche 2 Debentureholders") and the sums owing to them.

89. By way of subordination agreement dated June 9, 2011, between the Tranche 2 Debentureholders, Torquest II Canada, and FirstOnSite LP, Torquest II Canada agreed to subordinate all current and future Torquest Notes and, *inter alia*, not to receive (and FirstOnSite agreed not to make) any payment of principal and interest, or exercise any right of set-off, until all obligations owing to the Tranche 2 Debentureholders are paid in full.

Tranche 3 Debentures

90. On February 8, 2012, FirstOnSite LP issued secured convertible debentures to Torquest II Canada and certain other of the Limited Partners in the aggregate amount of \$5,000,000 at 14% payable in kind interest, compounded annually and with a maturity date of February 7, 2019 (the "Tranche 3 Debentures").

91. The obligations owing by FirstOnSite LP under the Tranche 3 Debentures are secured by way of a security interest over, *inter alia*, all of its present and after-acquired property. The security interest created therein was perfected by way of PPSA (or equivalent) registrations in each province in Canada except for Quebec and Newfoundland. Attached at Schedule "B" of this affidavit is a list of all Tranche 3 Debenture payees (the "Tranche 3 Debentureholders") and the sums owing to them.

92. By way of subordination agreement dated February 8, 2012, between the Tranche 3 Debentureholders, Torquest II Canada, and FirstOnSite LP, Torquest II Canada agreed to subordinate all current and future Torquest Notes and, *inter alia*, not to receive (and FirstOnSite agreed not to make) any payment of principal and interest, or exercise any right of set-off, until all obligations owing to the Tranche 3 Debentureholders are paid in full.

Tranche 4 Debentures

93. On March 11, 2013, FirstOnSite LP issued secured convertible debentures to Torquest II Canada and certain other of the Limited Partners in the aggregate amount of

\$11,002,000 at 14% payable in kind interest, compounded annually and with a maturity date of March 10, 2020 (the "Tranche 4 Debentures"). Certain further Tranche 4 Debentures were issued on April 1, 2013 and July 7, 2014.

94. The obligations owing by FirstOnSite LP under the Tranche 4 Debentures are secured by way of a security interest over, *inter alia*, all of its present and after-acquired property. The security interest created therein was perfected by certain noteholders way of PPSA (or equivalent) registrations in each province in Canada except for Quebec and Newfoundland. Attached at Schedule "B" of this affidavit is a list of all Tranche 4 Debenture payees (the "Tranche 4 Debentureholders", and together with the Tranche 1 Debentureholders, the Tranche 2 Debentureholders and the Tranche 3 Debentureholders, the "Debentureholders") and the sums owing to them.

95. By way of identical subordination agreements between each of BDC and Capital, respectively, and FirstOnSite LP, FirstOnSite GP, FOS Holdings and FOS US, the Tranche 4 debentureholders agreed, *inter alia*, not receive any payments of principal and interest, or exercise any right of set-off, until all obligations owing to BDC and Capital were paid and satisfied in full.

Subordinated Secured Debentures

96. Between August 1, 2013 and November 25, 2014, FirstOnSite issued two tranches of secured, non-convertible debentures (collectively, the "Subordinated Secured Debentures"), as described below.

Tranche 1 Subordinated Debentures

97. On August 1, 2013 and September 16, 2013, FirstOnSite LP issued secured non-convertible debentures to Torquest II Canada and certain of the Limited Partners (the "Tranche 1 Subordinated Debentureholders") in the aggregate amount of \$2,100,000 at 16% payable in kind interest, compounded annually and with a maturity date of June 30, 2014 (the "Tranche 1 Subordinated Debentures"). The September 16, 2013 issue

ranks *pari passu* with the August 1, 2013 issue.

98. The obligations owing by FirstOnSite LP under the Tranche 1 Subordinated Debentures are secured by way of a security interest over, *inter alia*, all of its present and after-acquired property.

99. The Torquest Notes are not expressly subordinated to the Tranche 1 Subordinated Debentures.

Tranche 2 Subordinated Debentures

100. On November 25, 2014, FirstOnSite LP further issued secured non-convertible debentures to Torquest II Canada and Torquest II US (the "Tranche 2 Subordinated Debentureholders") in the aggregate amount of \$3,000,000 at 16% payable in kind interest, compounded annually, payable on demand (the "Tranche 2 Subordinated Debentures") all of which were expressly subordinated to the ABL Agreement, the BDC Credit Agreement, the Capital Credit Agreement and all four tranches of the Secured Convertible Debentures.

101. The obligations owing by FirstOnSite LP under the Tranche 2 Subordinated Debentures are secured by way of a security interest over, *inter alia*, all of its present and after-acquired property.

102. The Tranche 2 Subordinated Debentures are not expressly subordinated to the Tranche 1 Subordinated Debentures. The Torquest Notes are not expressly subordinated to the Tranche 2 Subordinated Debentures.

Promissory Notes

103. Between February 1, 2007 and July 28, 2015, Torquest (and related entities) (the "Noteholders") have provided approximately \$66,453,000 in unsecured loans to FirstOnSite LP by way of the Torquest Notes, which loans were used to fund FirstOnSite's operations.

104. On February 1, 2007 FirstOnSite issued Series 1 subordinated promissory notes (“Torquest Notes”) to Torquest (and its U.S. affiliate Torquest Partners Fund (U.S.) II, L.P.) (the “Noteholders”) in the principal amount of \$15,276,706 to provide funding to the partnership for its operations. The outstanding principal amount of the Torquest Notes bears interest at 14% per year. All interest earned on the Torquest Notes, to date, has been reinvested to the partnership by the Noteholders in exchange for the issuance of additional Torquest Notes, which also bear interest at 14% per year. The Torquest Notes are unsecured subordinated promissory notes and are payable on demand by the Noteholders. In addition, the Torquest Notes may be prepaid by FirstOnSite at any time.

Unitholders and Deferred Earnings

105. The Deferred Unit Classes (Class D to Class N) entitle the holders (the “Deferred Unitholders”), subject to certain conditions and adjustments, to fixed payments from FirstOnSite LP in the event a particular operating division of FirstOnSite satisfies a particular contribution margin threshold or EBITDA threshold (in each case, the “Payment Threshold”) during a particular period of time following the issuance of the units to the applicable holders (typically that period of time was 36 months). To date, a number of those Payment Thresholds have been satisfied. However, FirstOnSite has not had the funding availability needed to satisfy its payment obligations to the holders of any of the Deferred Unitholders.

Subordination Agreements

106. By way of a series of subordination, postponement and assignment agreements among the ABL Agent, BDC, Capital, FirstOnSite LP, FirstOnSite GP, FOS Holdings and FOS US and each of the Debentureholders, the Subordinated Debentureholders and the Noteholders dated November 25, 2014, (other than as set out in footnote 10 below) each of the Debentureholders, the Subordinated Debentureholders and the Noteholders agreed, *inter alia*, not to receive any payments of principal and interest pursuant to the

Secured Debentures, the Subordinated Secured Debentures or the Torquest Notes, subject to certain exceptions, or exercise any right of set-off, until all obligations owing to the ABL Agent, BDC and Capital were paid and satisfied in full.¹¹

D. FINANCIAL CHALLENGES AND RESPONSES THERETO

107. FirstOnSite has experienced several operational and liquidity challenges over the past few years, stemming from its 2007 to 2009 debt-financed industry consolidating acquisitions (described in greater detail above). As a result of that debt-financed consolidation, FirstOnSite came to be heavily leveraged (thereby hampering it with limited liquidity and limiting, *inter alia*, its ability to make any further acquisitions or to grow unit distributions).

108. After completing the aforementioned acquisitions, and between 2009 to 2012, FirstOnSite focused on assimilating the fragmented regional and local business into a single integrated and national operation. However, FirstOnSite was not able to leverage the synergies from its industry consolidation to meaningfully lower its cost structure and found itself incapable of sustaining growth beyond general market shifts. As a result, FirstOnSite experienced ongoing and serious financial problems, including:

- (a) Marked and substantial net losses in every year from 2010 to 2013 as follows: \$32.4 million in the fiscal-year ended 2010 ("FY2010"); \$6.9 million in the fiscal-year ended 2011 ("FY2011"); \$49.1 million in the fiscal-year ended 2012 ("FY2012"); and \$16.1 million in the fiscal-year ended 2013 ("FY2013"); and as such,
- (b) By December 31, 2013, total debt (interest bearing) totaled approximately \$124 million and total liabilities exceeded total assets by \$41 million.

¹¹ 2149530 Ontario Ltd. did not formally subordinate pursuant to a subordination agreement. This debenture was subsequently returned for cancellation.

109. Since 2012, FirstOnSite has pursued improvements to its operational and cost structure following its industry consolidation (including by closing underperforming locations, reducing headcounts, and reducing its fixed overhead costs). In FY2015, and as discussed in greater detail below, FirstOnSite has reduced annual project management costs by \$2.4 million and fixed overhead costs by \$2.6 million.

110. FirstOnSite has pursued a number of other strategies in an attempt to alleviate its financial difficulties, including aggressive expense management strategies, such as:

- (a) Entering into the ABL Agreement with the ABL Agent so as to finance its operations based on the strength of its receivables. In the short term, financing through the ABL Facility resolved a major cash-flow issue, by providing access to cash at the time of billing, as opposed to when receivables are paid, which is notoriously slow in the restoration business;
- (b) Taking steps to improve billings quality and to pursue receivables outside of the ABL Facility (i.e., extremely aged receivables), resulting in faster recovery of new billings and increased recovery of old billings (further alleviating immediate cash-flow issues);
- (c) Revising its payable management efforts to include constant diligence on various subcontractor and/or vendor profiles, paying in a more "on-demand" fashion rather than paying all vendors on the same schedule;
- (d) Reducing its cost base by closing unprofitable branches and restructuring low-profit branches;
- (e) Reducing real-estate costs by moving locations and downsizing branches (focusing less on large storage capacity given reduced industry demand for storage facilities);
- (f) Reducing headcounts in two tranches (between Q4 of FY2014 to Q1 of FY 2015 and subsequently between December 2015 to January 2016) with a multi-million dollar annualized value; and

- (g) Reducing fleet costs through an aggressive fleet management program to consolidate vehicle leasing and management, enabling tighter management control on vehicle refreshment, usage, fuel or maintenance.

111. In addition to improvements to its cost structure, FirstOnSite sought to improve revenue by investing in specialized resources to pursue recurring business with insurance and end-user customers. At the same time, FirstOnSite also increased the pursuit of key insurance customers in order to increase the volume of work received for one-off claims and to increase the quality of such claims received as part of the "roster" from whom insurance companies choose their contractors. The result – a stream of recurring revenue – better insulated FirstOnSite from the natural peaks and valleys associated with an insurance-driven and event-based restoration services industry.

112. Nevertheless, starting in the fall of 2014, continuing adverse economic conditions (caused by unseasonably mild weather conditions which substantially reduced insurance claims) dulled the effectiveness of the aforementioned improvements by FirstOnSite to its cost-structure and revenue streams. As a result:

- (a) Revenue continued to steadily (and precipitously) decline: from \$214 million in FY2013, to \$204 million in FY2014 and to \$155 million in FY2015;
- (b) Debt continued to accrue, with significant net losses: \$16 million in FY2013, \$10 million in FY2014, and \$24 million in FY2015;
- (c) Notwithstanding a decline in working capital of \$15 million during FY2014 and FY2015, debt over the same period increased by \$6 million;
- (d) As at February 29, 2016, total liabilities exceeded total assets by approximately \$74 million.

113. Accordingly, throughout this period, FirstOnSite has been depended on support by Torquest to finance its ongoing operations, which it did by way of the series of secure and unsecured loans described in greater detail above.

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114. In or about October 2015, Torquest advised that it was no longer prepared to fund FirstOnSite's operating losses. The lack of additional outside funding, combined with continued and adverse economic conditions has aggravated an already serious and ongoing financial and liquidity crisis.

115. At the same time, there was a significant erosion in the borrowing base availability of FirstOnSite under the ABL Facility due to: (i) a decline in the collateral value and (ii) a decline in cash receipts (decreasing the rate at which outstanding obligations under the ABL Facility are satisfied). Accordingly, the borrowing availability declined throughout 2015, with a correspondingly negative effect on liquidity at a time when FirstOnSite was already under significant financial strain.

E. THE CREDIT DEFAULTS

116. As a result of the foregoing financial difficulties (including falling revenues due to the mild weather and reduction in claims) and an increasingly over-leveraged balance sheet, FirstOnSite LP defaulted under the ABL Agreement. The default notices dated December 4, 2015, January 18, 2016, February 29, 2016 and March 22, 2016 are attached hereto as Exhibit "C" (the "ABL Default Notices").

117. By way of notices dated December 15, 2015 and January 12, 2016, attached hereto as Exhibit "D", BDC and Capital notified FirstOnSite LP of defaults under the BDC Credit Agreement and Capital Credit Agreements, respectively (the "BDC Default Notice" and "Capital Default Notice" as the case may be). The ABL Default Notices list the following two Events of Default:

- (a) FirstOnSite LP failed to furnish the ABL Agent with an executed Compliance Certificate (as defined in the ABL Agreement) within 30 days after the end of October 2015; and
- (b) FirstOnSite LP failed to maintain the Fixed Charge Coverage as required under the ABL Agreement,

(collectively, the "ABL Credit Agreement Defaults").

118. The ABL Credit Agreement Defaults resulted in cross-defaults under the BDC Credit Agreement (the "BDC Credit Defaults"), the Capital Credit Agreement (the "Capital Credit Defaults") Secured Convertible Debentures (the "Secured Convertible Debenture Defaults"), under the Tranche 1 Subordinated Debentures (the "Subordinated Secured Debenture Defaults", and collectively with the ABL Credit Defaults, the BDC Credit Defaults, the Capital Credit Defaults and the Secured Convertible Debenture Defaults, the "Credit Defaults"). The Credit Defaults have triggered acceleration of payment clauses (including accrued interest). On April 20, 2016, the ABL Agent delivered a demand for, among other things, all amounts owing under the ABL Agreement, and the termination of availability under the ABL Facility. The April 20, 2016 demand letter is attached hereto as Exhibit "E".

F. FIRSTONSITE IS INSOLVENT

119. As indicated by the financial information described above, FirstOnSite is cash-flow and balance-sheet insolvent. The Credit Defaults allow the ABL Lenders, BDC, Capital, and the holders of the Secured Convertible Debentures and the Subordinated Secured Debentures to exercise certain remedies, including acceleration of payment of all amounts due under their respective agreements. FirstOnSite does not have sufficient liquidity to satisfy the accelerated payment obligations resulting from the Credit Defaults.

120. Accordingly FirstOnSite does not have the liquidity to meet its payment obligations as they become due nor is it able to satisfy the financial covenants set out in its secured credit agreements.

121. Without the protection of the CCAA, a shut-down of operations is inevitable, which would be extremely detrimental to FirstOnSite's employees, suppliers, and customers. CCAA protection will allow FirstOnSite to maintain operations while giving

it the time necessary to implement their proposed restructuring strategy: the sale of substantially all of their business and assets pursuant to a sale and investor solicitation process discussed in greater detail below.

G. SALES AND INVESTOR SOLICITATION PROCESS

122. Following the cessation of funding by Torquest, the Board carefully considered its available options, and following consultations with its legal and financial advisors, concluded that the course of action that would most likely maximize returns for the stakeholders of FirstOnSite would be to pursue a transaction that would result in either a full sale of, or a substantial equity investment in, FirstOnSite LP.

123. As will be described in greater detail in the FirstOnSite materials to be filed in support of a motion (the "Sale Approval Motion") to approve, *inter alia*, a sale of substantially all of FirstOnSite's assets (if this Court grants the Initial Order sought herein), FirstOnSite commenced a sales and investor solicitation process ("SISP") in November 2015 to canvass the market for prospective purchasers or investors. At the time of the commencement of the process, the decision regarding whether the resulting sale transaction would be executed through CCAA proceedings or not had not been made. The decision to finalize the transaction through the CCAA was made based on, *inter alia*, the value of the bids received at the conclusion of the SISP and ongoing negotiations with the prospective purchaser.

124. FirstOnSite elected to pursue and complete the SISP outside of formal insolvency proceedings out of concern that, *inter alia*, the period of CCAA protection necessary to implement and execute any post-filing sales process, including the publicity associated with such a filing, would have serious and detrimental effects on FirstOnSite's business and customers.

125. Alvarez & Marsal Canada Securities ULC ("A&M") was engaged by FirstOnSite LP to act as its financial advisor pursuant to an engagement letter dated October 30,

2015 (the "Engagement Letter") to identify one or more purchasers or investors in FirstOnSite LP. Attached as Exhibit "F" hereto is a copy of the Engagement Letter. A&M had previously provided advisory services to FirstOnSite and therefore had knowledge of its business and operations.

126. The SISP was structured as a two phase process. Phase I of the SISP involved: (i) a thorough market canvass to attract strategic and financial buyers and ascertain their interest in a transaction; (ii) initial due diligence by the potential interested parties following execution of a non-disclosure agreement ("NDA"); and (iii) receipt by FirstOnSite of non-binding letters of intent for the purchase of the whole or part of their business and assets or an investment in the same. Phase II of the SISP involved additional due diligence, data room access and management presentations aimed the completion of binding documentation of the superior offer.

127. After completing Phase II of the SISP (as will be described in greater detail in materials to be filed in support of the Sale Approval Motion), FirstOnSite received two bids. Following a period of extensive and intensive arm's length negotiations with the two bidders and extensive deliberations and consultations with its professional advisors, FirstOnSite concluded, further to and on the basis of its commercial and business judgement, that the bid by 3297167 Nova Scotia Limited (in such capacity, the "Purchaser") was the best offer available in the circumstances and that proceeding with such transaction was in the best interest of all stakeholders.

128. The Asset Purchase Agreement ("APA") between FirstOnSite LP, by its general partner FirstOnSite GP, and the Purchaser requires FirstOnSite to make an expeditious application to this Court for the Initial Order sought herein.

129. FirstOnSite LP and the Purchaser executed and delivered a definitive version of the APA dated April 20, 2016, subject to Court approval. Further details and a copy of the APA will be served and filed with FirstOnSite's motion materials to approve same.

130. I understand that FTI Consulting Canada Inc. ("FTI"), who was retained as financial advisor and proposed Monitor by FirstOnSite during the latter part of Phase II of the SISP, will be providing a report in connection with the Sale Approval Motion.

131. On April 21, 2016, FirstOnSite LP, by its general partner FirstOnSite GP, will enter into an Escrow Agreement with the Purchaser and FTI (in its capacity as the Escrow Agent), pursuant to which the Purchaser will, at that time, deposit \$2,000,000 toward the satisfaction of the Purchase Price into an escrow account to be released as part of the closing of the sale transaction contemplated in the APA (each capitalized term as defined in the Escrow Agreement), after repayment of all indebtedness under the DIP Facility (as defined below) and all pre-filing indebtedness owing under the ABL Facility. The form of the Escrow Agreement is attached as Exhibit "G" hereto.

132. Subject to obtaining the Initial Order being sought herein, FirstOnSite intends to return to this Court to seek approval of the APA and various ancillary relief, including, if necessary, the assignment of certain agreements to the extent that necessary consents to such assignments are not obtained prior to the date of the motion.

H. FUNDING OF THESE PROCEEDINGS

Cash Flows

133. FirstOnSite has prepared cash flows forecasts for the period from April 21, 2016 to June 10, 2016 that forecast its receipts, disbursements and financing requirements. The cash flow forecast will be attached as an appendix to the Pre-Filing Report (as defined below). The cash flow forecast provides for FirstOnSite continuing to fund the operations of FOS US, which although not an applicant in these proceedings, is an integral part of FirstOnSite's business. In addition, the APA contemplates the purchase of the shares of FOS US by the Purchaser.

134. As a result of its current liquidity challenges, and as demonstrated by the cash flow forecast attached as an exhibit hereto, FirstOnSite requires interim financing to

fund its operations through the duration of the CCAA proceedings. FirstOnSite LP has requested, and the ABL Agent (in such capacity, the "DIP Lender") has agreed, subject to certain terms and conditions, to provide interim debtor-in-possession financing to FirstOnSite LP pursuant to a DIP facility (the "DIP Facility") on the terms and conditions contained in a DIP facility agreement (the "DIP Agreement"). A copy of the DIP Agreement is attached hereto as Exhibit "H".

135. The DIP Facility was the subject of arm's length negotiations between the DIP Lender and FirstOnSite and its professional advisors and FirstOnSite reviewed the key terms of the DIP Facility with FTI. The DIP Facility is expected to provide sufficient liquidity to allow FirstOnSite to complete the sale of its assets and operations to the Purchaser.

136. The Board is of the view that there will be no material prejudice to any of its existing creditors in securing DIP financing on the terms described herein, in part, due to the fact that the proposed DIP Facility is to be provided by Wells Fargo, the senior secured creditor of FirstOnSite LP (with the exception of its limited subordination pursuant to the Intercreditor Agreement).

Summary of the Proposed DIP Facility

137. The DIP Facility shall operate and be administered by the DIP Lender in the same manner as and shall be subject to the same terms and conditions as the ABL Facility under the ABL Agreement (except as expressly modified by the terms and conditions of the DIP Agreement and subject to the CCAA proceedings and orders of the Court).

138. The availability under the DIP Facility shall not exceed the lower of: (i) the sum (without duplication and as determined in the sole discretion of the DIP Lender, acting reasonably, at any time) of (1) a borrowing base calculation set out in the ABL Agreement, minus (2) the outstanding pre-filing obligations owing under the ABL

Facility, minus (3) outstanding advances under the DIP Facility, plus (4) any credit balance of Post-Filing Collections (as defined in the DIP Agreement) remaining in the DIP Lender's bank account after the DIP Lender has applied the Post-Filing Collections (as defined in the DIP Agreement) in the DIP Lender's bank account to repay the outstanding advances under the DIP Facility, and (ii) \$40,000,000.

139. It is a condition precedent to the availability of the DIP Facility that the Initial Order shall, among other things, authorize and direct FirstOnSite to continue to operate the cash management systems, daily cash sweep and blocked account arrangements in place between FirstOnSite LP and the DIP Lender on the same terms and conditions as set out in the ABL Agreement (as modified by the DIP Agreement). The DIP Lender shall apply the Post-Filing Collections (as defined in the DIP Agreement) to repay the outstanding advances under the DIP Facility but the DIP Lender shall not apply any Post-Filing Collections to repay the pre-filing obligations under the ABL Facility.

140. In addition to the foregoing, FirstOnSite has agreed under the DIP Agreement: (i) to take reasonable steps to ensure that the DIP Facility is fully paid out on the closing of the sale transaction, and that the ABL Lender is fully paid out on the closing of the Sale Transaction with respect to all pre-filing obligations owing under the ABL Facility; and (ii) to seek an order from the Court authorizing a disbursement to pay out the DIP Facility and such pre-filing obligations from the proceeds of the sale of the transaction.

I. PROPOSED INITIAL ORDER

Administration Charge

141. FirstOnSite seeks a charge (the "Administration Charge") on its assets, property and undertakings (the "Property") in the maximum amount of \$1 million to secure the fees and disbursements incurred in connection with services rendered to FirstOnSite, both before and after the commencement of the CCAA proceedings by:

- (a) The Monitor and its counsel;

- (b) Stikeman Elliott LLP, counsel to FirstOnSite; and
- (c) A&M (for their work fee, as defined in the Engagement Letter).

142. FirstOnSite worked with FTI, in its capacity as proposed Monitor, to estimate the proposed quantum of the Administration Charge and believes it to be reasonable and appropriate in view of the complexities of its CCAA proceedings and the services to be provided by the beneficiaries of the Administration Charge.

143. Subject to section 11.52 of the CCAA, the Administration Charge is proposed to rank ahead in priority to the existing security interests of all creditors who have notice of this application, but behind all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, the "Encumbrances") in favour of any persons that have not been served with notice of this application.

144. FirstOnSite intends to return to Court to seek an Order granting a super-priority ranking to the Administration Charge (and other charges) ahead of all Encumbrances on terms described in greater detail below.

Debtor-in-Possession ("DIP") Lender's Charge

145. The DIP Facility is conditional on the issuance of a Court order approving the DIP Facility and granting a priority charge over the Property (the "DIP Lender's Charge") as set out in the draft Initial Order. The Initial Order contemplates that the DIP Lender's Charge will rank in priority to all Encumbrances with notice of this application.

146. All of the credit advanced pursuant to the DIP Facility will be secured, *inter alia*, by the DIP Lender's Charge and the existing security and guarantees issued in favour of the ABL Agent (but for this purpose, the DIP Lender) pursuant to the ABL Agreement (except as modified by the DIP Agreement).

147. The DIP Lender's Charge will not secure obligations incurred prior to the CCAA proceeding. The DIP Lender's Charge is proposed to rank behind the Administration Charge but ahead of the KERP Charge (as defined below) and the Financial Advisor's Charge (as defined below).

Key Employee Retention Plan ("KERP") and KERP Charge

148. At the outset of the SISP, the Board approved a targeted bonus program for senior management based on their annual bonus for 2016, pro-rated for the period of time closing of a sale transaction, such as the sale transaction that is contemplated by the APA (the "Stub Bonus Program"). The purpose of the Stub Bonus Program was to incentivize senior management to stay with the company and work towards a successful SISP during a period of uncertainty for FirstOnSite. The bonus payable under the Stub Bonus Program is payable as soon as practicable after the closing of a restructuring transaction, subject to satisfying three performance-based metrics, directly out of the available cash flow. In the event that the bonuses are fully earned, the aggregate amount payable to Stub Bonus Program Participants is \$78,104 for each month prior to closing of a transaction.

149. In an effort to ensure that certain key employees were retained during the SISP and the Applicant's CCAA proceedings, FirstOnSite developed two KERPs that are described herein.

150. Firstly, FirstOnSite developed and offered KERPs (the "First KERP") to certain employees identified as essential to ensuring the success of the SISP during a period of significant upheaval for the business (the "First KERP Participants"). The First KERP Participants are the same individuals who participate in the Stub Bonus Program. Without retention of the First KERP Participants, the ability of FirstOnSite to maximize the value realizable through the SISP would have been compromised to the detriment of all of its stakeholders.

151. A copy of the standard form of the First KERP letter offered to the First KERP Participants is attached hereto as Exhibit "I". Payments pursuant to the First KERP were structured as follows: a guaranteed sum subject to certain additional amounts depending on the value of the transaction secured by the SISP, if any (subject to certain terms and conditions described in the First KERP Letter). First KERP Participant will be paid as soon as practicable after the closing by FirstOnSite of the sale transaction that is contemplated by the APA, subject to certain terms and conditions described in greater detail therein. The maximum aggregate amount which may become payable under the First KERP is \$929,000. Approximately \$836,000 of that amount has been allocated. An additional \$93,000 is available for future allocation (should the need arise prior to closing of the transactions contemplated by the APA).

152. Secondly, FirstOnSite has identified six key employees (the "Second KERP Participants" and collectively with the First KERP Participants, the "KERP Participants") who occupy essential management and operational roles and are considered essential to the success of the restructuring efforts and FirstOnSite's continued operations as a going concern (the "Second KERP").

153. A copy of the standard form of the Second KERP letter sent to the Second KERP Participants is attached hereto as Exhibit "J". The Second KERP contemplates that, in addition to regular salary and existing benefits, 90% of the annual base salary of a Second KERP Participant will be paid as soon as practicable after the closing by FirstOnSite GP of the sale transaction that is contemplated by the APA, subject to certain terms and conditions described in greater detail therein (included but not limited to a series of specific criteria, all of which constitute a condition precedent to the receipt of the Second KERP). The maximum amount payable under the Second KERP is \$1,323,000. The aggregate maximum amount payable under the First KERP and the Second KERP is \$2,252,000. The maximum amount payable under the Stub Bonus Program is, at most, \$429,573 (if closing on the Outside Date, as defined in the APA).

154. A detailed listing of the KERP Participants with the personal information of each participant, their roles within FirstOnSite and reasons for being included in the KERP (the "KERP Participant Listing") will be attached as Appendix "A" to the Confidential Supplement to the Pre-Filing Report (as defined below). The KERP Participant Listing contains individually identifiable personal and financial information of the KERP Participants. In order to protect the KERP Participants and to minimize disruption during the CCAA proceedings, FirstOnSite seeks an order sealing the KERP Participant Listing pending further order of this Court.

155. The KERP Participants are critical to a successful restructuring, and their continued employment is essential for the stability of FirstOnSite during the pendency of the CCAA. The Board believes and has been advised by other members of management that the KERP Participants are likely to consider other employment options if a KERP on the terms described herein is not approved to incentivize them to remain with FirstOnSite throughout the CCAA proceedings. Each KERP Participant has an extensive history with and knowledge of FirstOnSite's business and operations, including long-standing relationships with key customers and suppliers. If these individuals were to depart, it would be necessary to replace them. However, finding qualified replacements would be disruptive and very difficult, and in light of the contemplated CCAA proceedings and FirstOnSite's financial position, expensive. The Second KERP Participants are considered by the Purchaser to form an essential part of the business of FirstOnSite and, consequently, the parties' bargain. Without the Second KERP Participants, the viability of the transaction itself would be in jeopardy.

156. In order to secure the amounts payable under the KERP, FirstOnSite seeks a charge (the "KERP Charge") in the maximum amount of \$2.26 million. The KERP Charge is proposed to rank subsequent to the Administration Charge and the DIP Lender's Charge, but ahead of the Financial Advisor's Charge (defined below).

Financial Advisor's Charge

157. As described below, A&M is entitled to receive, among other things, a Success Fee upon the achievement of certain milestones (as defined in the Engagement Letter). In addition to the amounts secured by the proposed Administration Charge, the Applicants are seeking a charge (the "Financial Advisor's Charge") on the Property in the amount of \$1.1 million to secure payment to A&M of the Success Fee.

Critical Suppliers

158. FirstOnSite has identified a number of suppliers that are critical to the ongoing operation of its business (the "Critical Suppliers"). Any interruption of supply or service by the Critical Suppliers could have an immediate material adverse impact on FirstOnSite's business, operations and cash flow, and could materially impact the value of the business and jeopardize its ability to restructure and continue as a going concern.

159. Accordingly, FirstOnSite seeks the authorization of this Court to pay certain amounts (with the consent of the Monitor for amounts in excess of \$10,000 each) owing for goods and services actually supplied to FirstOnSite, or to obtain the release of goods contracted for, prior to the date of this Order, by suppliers, if in the opinion of FirstOnSite, the supplier of the goods or services is a Critical Supplier.

160. Both bidders in the SISP recognized the importance of the Critical Suppliers to the viability of the FirstOnSite enterprise. Accordingly, the purchase price proposed in the SISP by both of the prospective bidders reflected that the payments contemplated herein (including payments of pre-filing amounts) would be made, in the ordinary course throughout these CCAA proceedings or assumed by the Purchaser, with the purchase price reduced accordingly.

Lien Charge

161. FirstOnSite, in the usual course of its business as a restoration services provider,

is party to a myriad of contractual relationships for, *inter alia*, services and materials that are essential to the work necessary to complete their projects. Consequently, the properties that are serviced by FirstOnSite are potentially subject to potential builders', mechanics' or construction liens pursuant to applicable provincial construction builders', mechanics' or construction lien legislation ("Provincial Lien Legislation").

162. FirstOnSite has significant concerns that any lien registrations against their clients' properties will substantially compromise the ability of FirstOnSite to operate as a going concern as such registrations may jeopardize FirstOnSite's long-standing relationship with commercial and residential insurers who, as described in greater detail above, form an essential element of the FirstOnSite enterprise. In addition, such registration may lead to such commercial and residential insurers withholding payment on outstanding accounts. Having to deal with and seek discharge of any such liens individually and in multiple different jurisdiction would further strain FirstOnSite's already strained finances and compromise its ability to successfully conclude its CCAA proceedings.

163. Accordingly, FirstOnSite is seeking to stay the rights of potential claimants ("Lien Claimants") to register any claim for lien ("Lien Claim") against any projects to which FirstOnSite is a counterparty.

164. In order to preserve the position of potential lienholders while, at the same time, ensuring that FirstOnSite is able to reorganize in an orderly fashion, the draft Initial Order contemplates a procedure whereby the statutory rights of lienholders against the property serviced are substituted for a charge over the assets of FirstOnSite equal in the value to that which could otherwise have been secured by way of a lien under applicable provincial lien legislation (the "Lien Charge"). The Lien Charge is intended to rank behind the other Court-ordered charges described above and behind FirstOnSite's secured pre-filing obligations owing to the ABL Agent pursuant to the ABL Facility.

165. All interested parties' rights to dispute the validity and quantum of the Lien Claims (except with respect to their registration under the applicable provincial lien legislation) are maintained.

166. The Lien Charge is designed to provide comfort and security to the Lien Claimants that their ultimate position - being able to realize against valuable collateral in the event of a cessation of operations by FirstOnSite - is preserved to the greatest extent possible while, at the same time, providing FirstOnSite with the necessary flexibility to continue to operate as a going concern to the benefit of all its stakeholders.

Proposed Ranking of Court-Ordered Charges

167. Pursuant to the aforementioned charges, the proposed ranking of the Court-ordered Charges is as follows:

- (a) First, the Administration Charge, to a maximum amount of \$1 million;
- (b) Second, the DIP Lender's Charge, to a maximum amount of \$15 million;
- (c) Third, the KERP Charge, to a maximum amount of \$2.26 million;
- (d) Fourth, the Financial Advisor Charge, to a maximum amount of \$1.1 million; and
- (e) Fifth, and after the pre-filing amounts owing by FirstOnSite to the ABL Agent and BDC, the Lien Charge, to the extent necessary to secure such Lien Claims as may arise.

168. In accordance with the CCAA, the Court-ordered charges will rank ahead of all other existing security interests of any persons, except for any person who is a secured creditor (as defined in the CCAA) as of the date of the Initial Order and who has not received notice of this Application, with the exception of the Lien Charge, which is to rank subordinate to the pre-filing amounts owing by FirstOnSite to the ABL Agent.

FirstOnSite is not seeking to affect or otherwise alter the priority of any claims in respect of any amounts owing by FirstOnSite in respect of supplied services or materials that are given priority over other Encumbrances by statute.

Approval of the Engagement Letter

169. FirstOnSite seeks an order approving the Engagement Letter *nunc pro tunc*. A&M is a well-known and respected investment banking firm that provides, among other things, corporate advisory and investment banking services.

170. The continued involvement of A&M is essential to the completion of the CCAA proceedings in as expeditious and inexpensive a manner as possible. A&M has worked closely with management throughout the months leading up to the filing of this application, and has gained a thorough and intimate understanding of FirstOnSite's enterprise. A&M's knowledge of and experience with FirstOnSite would be wasted if FirstOnSite were deprived of the benefit of A&M's continued advice and assistance and were required to retain a new financial advisor. The loss of A&M's services would be detrimental to FirstOnSite and its stakeholders and would delay and hinder the advancement of these CCAA proceedings.

171. The fee structure contained in the Engagement Letter was the subject of significant negotiations between FirstOnSite (with the assistance of counsel) and A&M and was approved by the Board prior to the commencement of the CCAA proceedings.

Comeback Motion

172. FirstOnSite intends to return to Court during the week of April 25, 2016 (subject to Court availability) to seek certain relief on notice to parties to be affected (the "Comeback Motion"). Among other things, FirstOnSite intends to seek an Order granting super-priority ranking to the Administration Charge, the DIP Lender's Charge, the KERP Charge, the Financial Advisor's Charge and the Lien Charge over all other Encumbrances. FirstOnSite will not seek to affect or otherwise alter the priority of any

claims in respect of any amounts owing by FirstOnSite in respect of supplied services or materials that are given priority over other Encumbrances by statute.

173. Additional information with respect to the relief to be sought on the Comeback Motion will be provided in advance of same.

Sale Approval Motion

174. FirstOnSite GP intends to seek the following relief during the week of May 2, 2016 (subject to Court availability):

- (a) Approving the APA between FirstOnSite GP and the Purchaser for the sale of the Purchased Assets (as defined in the APA) and the transactions contemplated thereby;
- (b) Vesting all of the Purchased Assets in the Purchaser free and clear of any Encumbrances other than Permitted Encumbrances (as defined in the APA); and
- (c) Assigning the rights and obligations of FirstOnSite under certain agreements to the Purchaser.

175. FirstOnSite GP also intends to seek an order authorizing and directing the Monitor to distribute certain transaction proceeds following the closing of the APA (if approved).

J. MONITOR

176. FTI has consented to act as the Court-appointed Monitor of FirstOnSite, subject to Court approval.

177. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, as amended, and is not subject to any of the restrictions on who

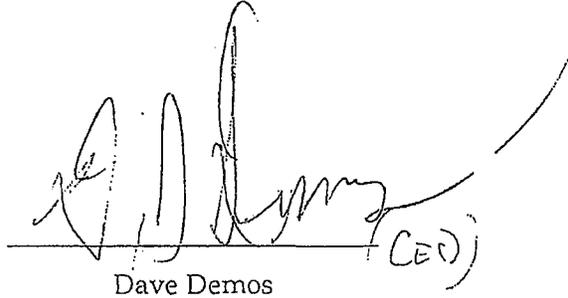
may be appointed as monitor set out in section 11.7(2) of the CCAA.

178. I have been informed by the proposed Monitor that it intends to file a report (the "Pre-Filing Report") in which it will provide its views on the relief being sought in favour of FirstOnSite and the existence and amounts of the Administration Charge, the DIP Lender's Charge, the KERP Charge, the Financial Advisor's Charge and the Lien Charge.

SWORN BEFORE ME at the City
of Toronto, Province of Ontario,
on April 20, 2016.



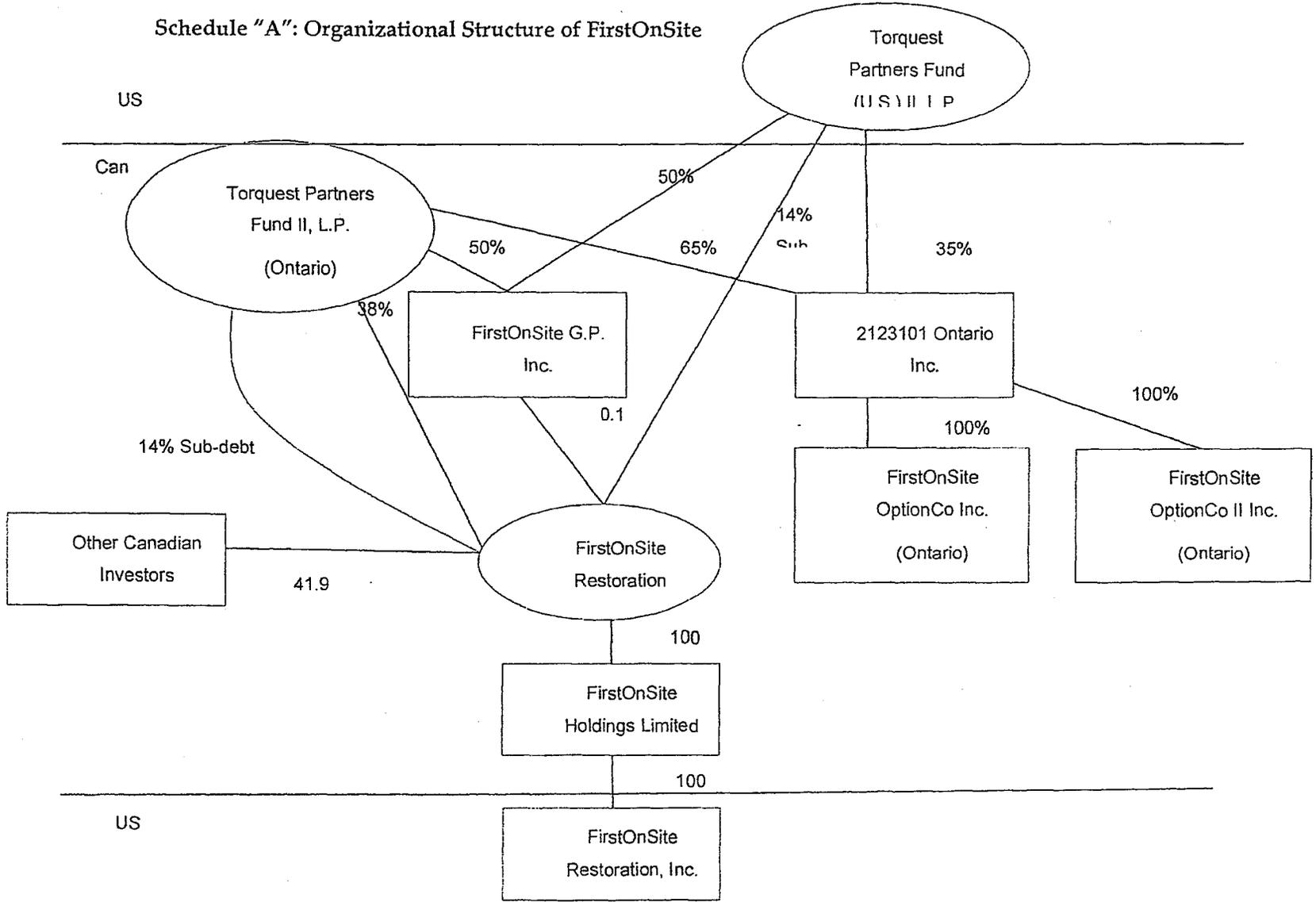
Commissioner for Taking
Affidavits


(CED)

Dave Demos

Tracy Liang Chen, a Commissioner, etc.,
Province of Ontario, while a Student of Law,
Expires April 1, 2017.

Schedule "A": Organizational Structure of FirstOnSite



Schedule "B": FirstOnSite LP Secured Convertible Debentures

Name of Payee	Principal Balance	Description
Tranche 1 - Convertible Debentures issued by FirstOnSite Restoration L.P., December 21, 2010		
Torquest Partners Fund II, L.P.	\$1,981,318	<ul style="list-style-type: none"> • First ranking secured convertible debentures. • Holders of Convertible Debentures subordinated to bank facility. • Torquest Notes (unsecured) subordinated to Convertible Debentures. • 14% payable in kind interest, compounded annually. • Maturity Date December 20, 2017
2123101 Ontario Inc.	\$1,049,231	
Andrew Boulanger	\$10,304	
Woodhouse Investments Inc. (formerly 1347605 Ontario Ltd.)	\$631,289	
Edenvale Restoration Specialists Ltd.	\$525,508	
Fournier Brothers Holdings Inc. (formerly 330214 Ontario Inc.)	\$174,419	
2976367 Manitoba Ltd.	\$156,921	
2356723 Nova Scotia Limited	\$107,147	
Barry-Robert Enterprises Ltd.	\$188,844	
1640334 Ontario Inc.	\$42,567	
Spring Fresh Cleaning & Restoration Canada Inc.	\$124,656	
Demos Canada Limited	\$104,581	
2149530 Ontario Ltd.	\$3,217	
Total:	\$5,100,002	
Tranche 2 - Convertible Debentures issued by FirstOnSite Restoration L.P., June 9, 2011		
Mark Jackson	\$75,000	<ul style="list-style-type: none"> • Second ranking secured convertible debentures. • Holders of Convertible Debentures subordinated to bank facility. • Torquest Notes (unsecured) subordinated to Convertible Debentures. • 14% payable in kind interest, compounded annually. • Maturity Date June 9, 2017
Noel Walpole	\$75,000	
Total:	\$150,000	

Tranche 3 - Convertible Debentures issued by FirstOnSite Restoration L.P., February 8, 2012		
Torquest Partners Fund II, L.P.	\$2,440,489	<ul style="list-style-type: none"> • Third ranking secured convertible debentures. • Holders of Convertible Debentures subordinated to bank facility. • Torquest Notes (unsecured) subordinated to Convertible Debentures. • 14% payable in kind interest, compounded annually. • Maturity Date February 7, 2019
2123101 Ontario Inc.	\$1,292,391	
Woodhouse Investments Inc. (formerly 1347605 Ontario Ltd.)	\$777,591	
Fournier Brothers Holdings Inc.	\$174,419	
2356723 Nova Scotia Limited	\$107,147	
Barry-Robert Enterprises Ltd.	\$188,844	
101109 P.E. I. Inc.	\$14,538	
Demos Canada Limited	\$4,581	
Total:	\$5,000,000	
Tranche 4 - Convertible Debentures issued by FirstOnSite Restoration L.P. to various debentureholders, March 11, 2013 (unless otherwise indicated below)		
Torquest Partners Fund II, L.P.	\$6,695,214	<ul style="list-style-type: none"> • Fourth ranking secured convertible debentures. • Holders of Convertible Debentures subordinated to bank facility. • Holders of Convertible Debentures in this round specifically subordinated to previous rounds of Convertible Debentures (above). • Torquest Notes (unsecured) subordinated to Convertible Debentures. • 14% payable in kind interest, compounded annually. • Maturity Date March 10, 2020
2123101 Ontario Inc.	\$3,545,532	
JJAB Holdings Inc.	\$149,725	
Demos Canada Limited	\$9,528	
Ames Family Trust (issued April 1, 2013)	\$260,000	
Barry Ross (issued July 7, 2014)	\$342,000	
Total:	\$11,002,000	

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Subordinated Debentures issued August 1, 2013 and September 16, 2013, as amended		
Torquest Partners Fund II, L.P.	\$1,353,070.78	<ul style="list-style-type: none"> • Secured, non-convertible. • Holders of Non-Convertible Debentures subordinated to bank facility. • Holders of Non-Convertible Debentures in this round specifically subordinated to previous rounds of Convertible Debentures (above). • Torquest Notes (unsecured) subordinated to Non-Convertible Debentures. • 16% payable in kind interest, compounded annually. • Maturity Date June 30, 2020.
2123101 Ontario Inc.	\$716,535.22	
JJAB Holdings Inc.	\$30,394	
Total:	\$2,100,000	
Subordinated Debentures issued November 25, 2014		
Torquest Partners Fund II, L.P.	\$1,961,345.45	<ul style="list-style-type: none"> • Secured, non-convertible. • Holders of Non-Convertible Debentures subordinated to bank facility. • Holders of Non-Convertible Debentures in this round specifically subordinated to previous rounds of Convertible Debentures (but were silent as to subordination to the Aug and Sept 2013 Non-Convertible Debentures). • 16% payable in kind interest, compounded annually. • Payable on demand.
Torquest Partners Fund (U.S.) II, L.P.	\$1,038,654.55	
Total:	\$3,000,000	

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

Court File No: _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIRSTONSITE G.P. INC.

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF DAVE DEMOS
(SWORN APRIL 20, 2016)

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Lawyers for the Applicant

TAB C

THIS IS EXHIBIT "C" REFERRED
TO IN THE AFFIDAVIT OF KEVIN McELCHERAN
SWORN BEFORE ME,
THIS 20 TH DAY OF APRIL, 2016

C. Sweet Jay

Commissioner for Taking Affidavits

A NOTARY PUBLIC
IN AND FOR THE PROVINCE OF MANITOBA

FIRSTONSITE RESTORATION L.P.

(by its general partner

FIRSTONSITE G.P. INC.)

as Vendor

and

3297167 NOVA SCOTIA LIMITED

as Purchaser

ASSET PURCHASE AGREEMENT

April 20, 2016

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ASSET PURCHASE AGREEMENT

This asset purchase agreement is made as of April 20, 2016, between FirstOnSite Restoration L.P., a limited partnership formed under the laws of Ontario, by its general partner FirstOnSite G.P. Inc., a corporation incorporated under the laws of Ontario (collectively the "Vendor"), and 3297167 Nova Scotia Limited, a corporation incorporated under the laws of Nova Scotia (the "Purchaser").

RECITALS:

- (1) Pursuant to the Initial Order, the Vendor will be subject to the CCAA Proceedings; and
- (2) The Vendor desires to sell the Purchased Assets and assign the Assumed Obligations and the Purchaser has agreed to purchase the Purchased Assets and assume the Assumed Obligations subject to the terms and conditions set forth in this Agreement and in accordance with the applicable provisions of the CCAA.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendor and the Purchaser agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement and the recitals above, the following terms have the following meanings:

"Accounting Referee" means an accounting firm independent of the Vendor and the Purchaser, acceptable to both the Vendor and the Purchaser, acting reasonably, represented by members of such firm's Toronto office.

"Accounts Receivable" means, on any date, all accounts receivable, notes receivable, trade receivables, rights to receive payment, book debts and other amounts due, owing or accruing due to the Vendor, including recoverable advances and deposits, proceeds owing to the Vendor pursuant to insurance claims, income tax and sales tax refunds and prepaid expenses related to the Business, together with any unpaid interest or fees accrued thereon which are outstanding on such date and the full benefit of all security or collateral for such amounts but excluding any amounts owing to the Vendor from any of its limited partners, or Affiliates, or from any other Person who does not deal at arm's length with it.

"Affiliate" of any Person means any other Person who, directly or indirectly, controls, or is controlled by, or is under common control with, such Person, and for these purposes:

- (a) a body corporate is controlled by one or more Persons if (i) securities of the body corporate to which are attached more than 50% of the votes that may be cast to

elect directors of the body corporate are beneficially owned by the Person or Persons, and (ii) the votes attached to those securities are sufficient to elect a majority of the directors of the body corporate;

- (b) an association, partnership or other organization is controlled by one or more Persons if (i) more than 50% of the partnership or other ownership interests, however designated, into which the association, partnership or other organization is divided are beneficially owned by the Person or Persons, and (ii) the Person or Persons are able to direct the business and affairs of the association, partnership or other organization or the appointment of its management;
- (c) a body corporate, association, partnership or other organization is controlled by one or more Persons if the Person or Persons have, directly or indirectly, control in fact of the body corporate, association, partnership or other organization; and
- (d) a body corporate, association, partnership or other organization that controls another body corporate, association, partnership or other organization is deemed to control any body corporate, association, partnership or other organization that is controlled or deemed to be controlled by the other body corporate, association, partnership or other organization;

and “control”, “controlled” and similar expressions have corresponding meanings.

“**Agreement**” means this asset purchase agreement, as amended from time to time.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“**Applicable Lien Legislation**” means the Construction Lien Act (Ontario), the Mechanics Lien Acts of New Brunswick and Prince Edward Island or the Builders Lien Acts of Nova Scotia, Manitoba, British Columbia, Saskatchewan and Alberta.

“**Approval and Vesting Order**” means an order by the Court substantially in the form attached as Schedule E (with such changes as may be agreed by the Parties, acting reasonably) approving this Agreement, authorizing the Transaction, vesting in the Purchaser all the right, title and interest of the Vendor in and to the Purchased Assets free and clear of all Encumbrances other than any Permitted Encumbrances.

“**Assignment Order**” means an order or orders of the Court pursuant to applicable provisions of the CCAA, in form and substance satisfactory to the Purchaser, acting reasonably, authorizing and approving (i) the assignment of any Consent Required Contract for which a consent, approval or waiver necessary for the assignment of such Consent Required Contract has not been obtained, (ii) the prevention of any counterparty to such Consent Required Contracts from exercising any right or remedy under such Consent Required Contracts by reason of any defaults arising from the

CCAA Proceedings or the insolvency of the Vendor, and (iii) the vesting in the Purchaser of all right, title and interest of the Vendor in such Consent Required Contracts.

“**Assumed Contracts**” means all Contracts including Consent Required Contracts but excluding Excluded Contracts.

“**Assumed Obligations**” has the meaning set out in Section 2.4.

“**Base Purchase Price**” means [REDACTED].

“**BDC**” means the Business Development Bank of Canada, the lender pursuant to the Loan Agreement (BDC).

“**BDC Capital**” means BDC Capital Inc., the lender pursuant to the Loan Agreement (BDC Capital).

“**Books and Records**” means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including tax and accounting books and records, used or intended for use by the Vendor or its subsidiaries, in connection with the ownership or operation of the Purchased Assets or the operation of the Business, including the Assumed Contracts, active and non-active customer lists, customer information and account records, sales records, invoices, service request documents, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Purchased Assets, and, for greater certainty, excluding the minute books and corporate records of the Vendor and its subsidiaries.

“**Business**” means the business carried on by the Vendor, being the provision of disaster restoration services in Canada and the United States of America.

“**Business Day**” means a day on which banks are open for business in Toronto, Ontario and New York, New York but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario or the State of New York.

“**CCAA**” means *Companies' Creditors Arrangement Act* (Canada).

“**CCAA Proceedings**” means the proceedings under the CCAA to which the Vendor will be subject pursuant to the Initial Order.

“**Claims**” means all rights, claims of any nature or kind (including any cross-claim or counterclaim), actions, demands, investigations, choses in or cause of action, suits, defaults, assessments, litigation, third party actions, arbitral proceedings or proceedings by or before any Person, including rights to refunds and rights of recovery, setoff, recoupment, indemnity or contribution and other similar rights (known and unknown, matured and unmatured, accrued or contingent, regardless of whether such rights are currently exercisable).

“Closing” means the successful completion of the Transaction.

“Closing Cash Payment” has the meaning set out in Section 3.2(b).

“Closing Cash Purchase Price” has the meaning set out in Section 3.2.

“Closing Date” means the date on which Closing occurs and that is the Business Day after the date the Approval and Vesting Order is obtained and is final, not stayed or varied in a manner prejudicial to the Purchaser, or vacated or appealed, unless the Purchaser has provided written consent that Closing occur despite such appeal, or such other earlier or later date as may be agreed by the Parties.

“Closing Time” means 9:00 a.m. (Toronto time) on the Closing Date.

“Competition Act” means the *Competition Act* (Canada).

“Consent Required Contract” has the meaning set out in Section 2.2.

“Contracts” means all of the contracts and other written agreements to which the Vendor is a party in connection with the Purchased Assets and the Business, including, for greater certainty, leases of real or personal property or equipment, and any unfilled purchase orders.

“Court” means Ontario Superior Court of Justice (Commercial List).

“Credit Agreement” has the meaning set out in Appendix 3 to Schedule A.

“Cure Costs” means the amounts to be paid to cure any monetary defaults of the Vendor in relation to the Consent Required Contracts to the extent required to be paid pursuant to Section 11.3 of the CCAA and to otherwise satisfy the requirements of Section 11.3 of the CCAA, which shall in each case have been reasonably incurred by the Vendor and the quantum of which, having been determined by the Vendor, acting reasonably and in consultation with the Monitor, shall be acceptable to the Purchaser, acting reasonably.

“Debentures” means those secured convertible and non-convertible debentures listed in Schedule D under Heading (b).

“Debt Commitment Letter” means one or more binding, executed commitment letters from a lender or group of lenders, as required with respect to the provision of the requisite third party debt financing needed by the Purchaser (together with the financing represented by the Equity Commitment Letter) to consummate the transactions contemplated hereby.

“Deposit” has the meaning set forth in Section 3.3.

“Employee” means an individual who is employed by the Vendor, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long term disability leave.

"Employee Plan" means all plans with respect to the Employees or former Employees to which the Vendor is a party to or bound by or to which the Vendor has an obligation to contribute relating to retirement savings, pensions, bonuses, profit sharing, deferred compensation, share purchase or share option, share appreciation, phantom stock, incentive compensation, life or accident insurance, hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance or termination pay or other benefit plan.

"Encumbrances" means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing (including any conditional sale or title retention agreement, or any capital or financing lease).

"Equity Commitment Letter" means one or more binding, executed commitment letters from Affiliates of the Purchaser and any equity co-investors, as required with respect to the provision of the requisite equity financing needed by the Purchaser (together with the financing represented by the Debt Commitment Letter) to consummate the transactions contemplated hereby.

"Escrow Agent" means the Monitor in its capacity as escrow agent pursuant to the Escrow Agreement.

"Escrow Agreement" means the escrow agreement to be dated on or about the date hereof between the Purchaser, the Vendor and the Escrow Agent in substantially the form attached as Schedule G.

"Essential Contracts" means those contracts listed in Appendix 5 to Schedule A;

"Estimated Closing Working Capital" has the meaning set forth in Section 3.5(a).

"Excise Tax Act" means the *Excise Tax Act* (Canada).

"Excluded Assets" means cash and cash equivalents, the assets listed on Appendix 4 to Schedule A, and the Excluded Contracts.

"Excluded Contracts" means those Contracts that (i) are listed in Appendix 3 to Schedule A, (ii) are deemed to be an Excluded Contract pursuant to Section 2.2(a); or (iii) become an Excluded Contract pursuant to Section 2.6.

"Final Working Capital" has the meaning set forth in Section 3.5(c).

"Financing Commitment Letters" means the Debt Commitment Letters and the Equity Commitment Letters.

"FOS Holdings" means FirstOnSite Holdings Limited, an Ontario company and a wholly owned subsidiary of the Vendor.

“**FOS U.S.**” means FirstOnSite Restoration, Inc., a Delaware company and a wholly owned subsidiary of FOS Holdings.

“**GAAP**” means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting*, as applicable, at the relevant time applied on a consistent basis.

“**General Partner**” means FirstOnSite G.P. Inc.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“**Income Tax Act**” means the *Income Tax Act* (Canada).

“**Indemnified Party**” means a Person with indemnification rights or benefits under this Agreement.

“**Initial Order**” means an order of the Court, in form and substance satisfactory to the Purchaser, acting reasonably, to be sought by the Vendor with respect to the appointment of the Monitor as monitor, and with respect to the CCAA Proceedings.

“**Intellectual Property**” means all intellectual property of the Vendor used by or currently being developed for use in the Business, and all rights of the Vendor therein, including all claims for past infringement, worldwide and under any international conventions, whether registered or unregistered, in whatever form or medium (and includes any copies of such information), including:

- (a) the Vendor’s proprietary “mobileCT” software and “ClaimTrak” claims management system;
- (b) all patents, patent applications and other patent rights, including any applications which may be filed, including any and all divisional patent applications, provisionals, continuations, continuations-in-part, and any and all patents which may issue or re-issue;
- (c) all registered and unregistered trade-marks, service marks, logos, slogans, corporate names, business names and other indicia of origin, and all applications and registrations therefor;
- (d) registered and unregistered copyrights and mask works, including all copyright in and to computer software programs and applications and registrations of such copyright;
- (e) internet domain names, applications and reservations for internet domain names, uniform resource locators and the corresponding internet sites;

- (f) industrial designs;
- (g) trade secrets and proprietary information not otherwise listed in (a) through (f) above, including all inventions (whether or not patentable), invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, mask works, circuit topography, formulae, methods (whether or not patentable), designs, processes, procedures, technology, business methods, source codes, object codes, computer software programs (in either source code or object code form), databases, data collections and other proprietary information or material of any type, and all derivatives, feedback, improvements and refinements thereof, howsoever recorded or unrecorded; and
- (h) all other intellectual property of the Vendor used to support the Business.

"Loan Agreement (BDC)" has the meaning set out in Appendix 3 to Schedule A.

"Loan Agreement (BDC Capital)" has the meaning set out in Appendix 3 to Schedule A.

"Monitor" means the monitor appointed by the Court in respect of the CCAA Proceedings.

"Monitor's Certificate" means the certificate to be filed with the Court by the Monitor substantially in the form attached to the Approval and Vesting Order.

"Offered Employees" has the meaning set out in Section 4.1(1).

"Ordinary Course of Business" means the ordinary course of business of the Vendor with respect to the Purchased Assets or the Business consistent with the conduct of the Business on the date hereof and consistent with the orders of the Court in the CCAA Proceedings.

"Outside Date" means June 15, 2016, unless extended by mutual agreement of the Parties.

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

"Permitted Encumbrances" means those Encumbrances to be listed on Schedule C hereto, and such additional Encumbrances as may be added to such Schedule C by the Purchaser at any time prior to the Closing Date.

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“Potential Trust Claim” means a trust claim which may be asserted against the Vendor by a Potential Trust Claimant pursuant to Applicable Lien Legislation, provided always that the amount of such claim is limited to owed funds which are an Assumed Obligation.

“Potential Trust Claimant” means a Person who, as of the Closing Date, is owed funds by the Vendor who, if unpaid, would be entitled to assert a trust claim against the Vendor under Applicable Lien Legislation, but specifically excludes a Person who is owed funds by the Vendor which is not an Assumed Obligation.

“Potential Trust Claimant List” has the meaning set out in Section 8.3(o).

“Potential Trust Claimant L/C” means, collectively, one or more unconditional, irrevocable standby letters of credit in an aggregate face amount of \$5,000,000:

- (a) issued or confirmed by any of the Schedule I Canadian chartered banks or financial institutions which are subject to supervision or regulation by the Office of the Superintendent of Financial Institutions of Canada and have and maintain a long-term issuer rating of at least “A-” by S&P or “A3” by Moody’s or an equivalent rating as rated by another nationally recognized statistical rating agency;
- (b) providing for the Vendor and the Escrow Agent as beneficiary thereof;
- (c) providing that the Potential Trust Claimant L/C shall be scheduled to expire not earlier than six (6) months after the Closing Date, and without provision for automatic renewal;
- (d) permitting the Escrow Agent to make multiple draws against the Potential Trust Claimant L/C and distribute the proceeds to the Monitor in accordance with the terms of Section 6.9 and the Escrow Agreement up to a maximum aggregate amount of \$5,000,000 (for the avoidance of doubt the Potential Trust Claimant L/C shall not be required to be replenished or replaced following any draw thereon); and
- (e) which are otherwise in form and substance satisfactory to the Purchaser, the Vendor and the Monitor, acting reasonably.

“Potential Trust Claimant Reserve” means, at the option of the Purchaser, the Potential Trust Claimant L/C, or an amount of \$5,000,000, each of which may be reduced from time to time in accordance with Section 6.9(3).

“Promissory Notes” means those unsecured subordinated promissory notes issued by the Vendor listed in Schedule D under Heading (c).

“Purchase Price” has the meaning set out in Section 3.1.

"Purchased Assets" means the Vendor's right, title and interest, in and to all tangible and intangible assets, properties and rights of the Vendor, used in or required for ownership, operation or conduct of the Business, wherever located, including those assets set forth in Schedule A, but excluding the Excluded Assets.

"Purchased Shares" means all of the issued and outstanding shares of FOS Holdings, the sole shareholder of FOS U.S.

"Purchaser" has the meaning set out in the recitals hereto.

"QST Act" means An Act Respecting the Quebec Sales Tax (Quebec).

"Representative" means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party's Affiliates.

"Target Working Capital" means [REDACTED].

"Tax Authority" means the Canada Revenue Agency, the Minister of Revenue for Quebec and any other Governmental Authority having taxing authority and their respective successors, if any.

"Taxes" includes any taxes, duties, assessments, imposts, fees, dues, withholdings, levies and other charges of any nature imposed by any Tax Authority and includes all interest, penalties, fines, additions to tax or other additional amounts imposed by any Tax Authority including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, property, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervailing and anti-dumping and all employment insurance, health insurance and Canada, Québec and other government pension plan and other employer plan premiums, contributions or withholdings and all other taxes and similar governmental charges of any kind imposed by any Governmental Authority.

"Tax Returns" means all returns, reports, decisions, elections, notices, filings, forms, statements and other documents (whether in written, electronic or other form) and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or are required to be prepared or filed in respect of Taxes.

"Transaction" means the transaction of purchase and sale contemplated by this Agreement.

"Transfer Taxes" means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, harmonized sales taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer

or registration of the transfer of the Purchased Assets excluding any taxes imposed or payable under the Income Tax Act and any other applicable income tax legislation.

“Transferred Employees” has the meaning set out in Section 4.2.

“Trust Claim Reserve” means the reserve in the amount determined by the Monitor, that the Monitor will hold out of the proceeds of the Cash Purchase Price on Closing against potential trust claims which may be asserted against the Vendor pursuant to Applicable Lien Legislation, and against the Vendor’s payment obligations, if any, arising pursuant to Section 3.5(d)(ii), which reserve shall not be less than \$3,000,000.

“Vendor” has the meaning set out in the recitals hereto.

“Wells Fargo” means Wells Fargo Capital Finance Corporation Canada, as agent for and on behalf of the senior lenders and other secured parties pursuant to the Credit Agreement.

“Working Capital” means, at any time, the amount by which those current assets of the Vendor exceed those current liabilities of the Vendor, as indicated in, and calculated pursuant to the methodology set forth on, Schedule F and, to the extent not inconsistent with such methodology, in accordance with GAAP applied on a basis consistent with past practices of the Vendor.

Section 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Section 1.3 General Construction.

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

Section 1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

Section 1.5 Currency.

All references in this Agreement to dollars, monetary amounts or to \$ are expressed in Canadian currency unless otherwise specifically indicated.

Section 1.6 Statutes.

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

Section 1.7 Schedules

The Schedules hereto are incorporated in and form part of this Agreement.

**ARTICLE 2
SALE AND PURCHASE AND ASSIGNMENT****Section 2.1 Sale and Purchase of Purchased Assets**

Subject to the terms and conditions hereof, at the Closing Time, the Vendor hereby agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor, the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order.

Section 2.2 Assignment of Contracts

In the event that there are any Assumed Contracts which are not assignable in whole or in part without the consent, approval or waiver of another party or parties to them and that such contracts are set out in a list to be provided by the Purchaser to the Vendor no later than one Business Day prior to the service of the motion for the Approval and Vesting Order (such list, once delivered shall be incorporated into this Agreement as Appendix 6 to Schedule A)(each a "Consent Required Contract"):

- (a) if any such consents, approvals or waivers or Assignment Orders therefor have not yet been obtained as of the Closing Date, then nothing in this Agreement will be construed as an assignment of any such Consent Required Contract and the Purchaser shall have no liability or obligation whatsoever in respect of any such Consent Required Contract and all such Consent Required Contracts shall be deemed to be Excluded Contracts;
- (b) until the Approval and Vesting Order is granted, the Vendor shall use its commercially reasonable efforts to obtain any such consent, approval or waiver and shall regularly apprise the Purchaser on the status of same. The Purchaser shall provide its reasonable cooperation to assist the Vendor in obtaining any such consent, approval or waiver;
- (c) if any consent, approval or waiver is not obtained for any Consent Required Contract prior to the service of the motion for the Approval and Vesting Order, the Vendor shall bring a motion to the Court for issuance of an Assignment Order with respect to such Consent Required Contracts together with the motion for the Approval and Vesting Order and the Purchaser will provide reasonable assurances to the Court, in respect of such application for an Assignment Order,

that the Purchaser will perform the applicable obligations of the Consent Required Contracts which are the subject of such Assignment Order including, without limitation, providing materials to be served and filed in connection with any motion pursuant to section 11.3 of the CCAA;

- (d) once the consent, approval or waiver to the assignment of a Consent Required Contract is obtained or the assignment of such Assumed Contract has been ordered by the Court pursuant to an Assignment Order, such Consent Required Contract shall be deemed to be assigned to the Purchaser on Closing; and
- (e) other than as described above in respect of Consent Required Contracts, the Vendor is not required to provide notice to counterparties of the assignment of other Assumed Contracts.

With respect to each Consent Required Contract, subject to Closing and to either (i) the consent of the other parties thereto to the assignment thereof, or (ii) in the absence of such consent, the obtaining of an Assignment Order, in addition to its other obligations under this Agreement, the applicable Cure Costs related to such Consent Required Contract on Closing shall be paid by the Purchaser, without any inclusion of such costs in Working Capital.

Section 2.3 “As is, Where is”

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an “as is, where is” basis as they shall exist at the Closing Time. No representation, warranty or condition is expressed or can be implied as to Encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), the Civil Code of Québec or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Schedules is for purpose of identification only. Except as otherwise provided in Section 5.1, no representation, warranty or condition has or will be given by the Vendor concerning completeness or accuracy of such descriptions.

Section 2.4 Assumed Obligations

The Purchaser agrees to assume and perform, discharge and pay when due the following obligations and liabilities of the Vendor (the “Assumed Obligations”) after the Closing:

- (a) all debts, liabilities and obligations under the Assumed Contracts (to the extent assigned or transferred to the Purchaser on Closing) for the period from and after the Closing Time, in each case provided that such debts, obligations or liabilities are not arising from, due to or attributable to (i) any default existing or breach (with or without the giving of notice, the lapse of time, or both) by the Vendor occurring prior to or as a consequence of Closing, or (ii) any default, breach or violation of the Vendor of any term or condition of this Agreement;

- (b) all current liabilities included in the definition of Working Capital, as indicated in and consistent with the methodology in Schedule F, it being understood that items described as adjustments in such schedule shall not constitute Assumed Obligations;
- (c) the obligation and liability of the Vendor to pay Cure Costs in respect of any Assumed Contract;
- (d) all debts, liabilities and obligations for which the Purchaser is responsible pursuant to Section 4.2 (Employee Liability); and
- (e) all debts, liabilities and obligations arising from ownership and use of the Purchased Assets for the period from and after the Closing Time.

Section 2.5 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume, pay, satisfy, discharge, perform or fulfill and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations or Claims of the Vendor, including the foregoing:

- (a) all bank indebtedness including that indicated in Schedule D;
- (b) all outstanding secured and unsecured debentures including those indicated in Schedule D;
- (c) all unsecured subordinated promissory notes including those indicated in Schedule D;
- (d) all debts, liabilities and obligations of the Vendor or related to any Purchased Asset arising out of or related to the period prior to the Closing Time;
- (e) all obligations and liabilities owing by the Vendor pursuant to any Excluded Contract;
- (f) all obligations and liabilities owing by the Vendor to any Affiliate;
- (g) obligations or Claims under or relating to any Employee Plan including any obligation or liability to make any payment or payments to any Person as a result of the transactions contemplated hereby, whether or not such liability or obligation arises prior to, on or following the Closing Date;
- (h) relating to, resulting from or arising out of the employment or termination of any Employee of the Vendor prior to Closing or of any Employee who does not become a Transferred Employee;
- (i) all debts, liabilities and obligations for or related to any obligation for any taxes that are not expressly assumed by the Purchaser pursuant to Section 2.4 or Section 3.7;

- (j) all Taxes imposed on or relating to the Vendor or any of its partners, directors, officers, Affiliates or related persons and all Taxes imposed on or relating to the Purchased Assets that are attributable to any pre-Closing tax period whether or not any such period ends on or before the Closing Date (other than any Transfer Taxes which are the responsibility of the Purchaser under this Agreement); and
- (k) all debts, liabilities and obligations of the Vendor arising under this Agreement, including, for certainty, all legal, accounting, broker or other professional fees, costs and expenses incurred by the Vendors in connection with the CCAA Proceedings and the transactions contemplated by this Agreement.

Section 2.6 Additions to Excluded Assets and Excluded Contracts

Notwithstanding any other provisions to the contrary in this Agreement, the Purchaser shall have the right, at any time prior to the Closing Date to add to the list of assets and/or contracts and other written agreements listed in Appendix 3 and Appendix 4 to Schedule A (respectively) by notice in writing to the Vendor and the Monitor so that any asset or contract or other written agreement so added shall be an Excluded Asset or an Excluded Contract (as the case may be) and shall not be acquired, transferred or assigned to the Purchaser (as applicable) at Closing, without any adjustment to the Purchase Price.

ARTICLE 3 PURCHASE PRICE

Section 3.1 Purchase Price

The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets is: (i) the Base Purchase Price, subject to adjustment pursuant to Section 3.5 (the "Closing Cash Purchase Price", plus (ii) the assumption by the Purchaser of the Assumed Obligations (the "Purchase Price").

Section 3.2 Satisfaction of Purchase Price

Provided that all conditions precedent to Closing have been satisfied or waived in accordance with Article 7, the Purchase Price shall be paid and satisfied on Closing as follows:

- (a) as to the amount of the Deposit and interest accrued thereon, by the crediting and set-off of such amount against the Closing Cash Purchase Price;
- (b) as to the balance of the Closing Cash Purchase Price (the "Closing Cash Payment"), by wire transfer in immediately available funds paid as follows:
 - (i) as to the amount of the Trust Claim Reserve, by the Purchaser paying such amount to the Monitor. In order to secure the Vendor's payment obligations arising pursuant to Section 3.5(d)(ii), the Trust Claim Reserve will be subject to a first ranking \$2,000,000 charge in favour of the Purchaser subject only to (A) an amount sufficient to repay all amounts owing by the Vendor to Wells Fargo in respect of the Vendor's pre-CCAA

filing indebtedness pursuant to the Credit Agreement; and (B) the Monitor's ability to pay or settle trust claims made against the Vendor pursuant to Applicable Lien Legislation out of the Trust Claim Reserve after first seeking recourse to the Potential Trust Claimant Reserve (to the extent available for such trust claim); and

- (ii) as to the balance, by the Purchaser paying such amount to the Monitor to be held pending further order of the Court; and
- (c) as to the dollar value of the Assumed Obligations, by the assumption by the Purchaser of the Assumed Obligations.

Section 3.3 Deposit

The Vendor acknowledges receipt of a deposit (the "**Deposit**") of \$2,000,000, paid to the Escrow Agent on behalf of the Vendor and held by the Escrow Agent subject to the terms of the Escrow Agreement. If the Closing takes place, the Deposit and interest thereon (net of any taxes, if applicable) shall be credited and set off against the Closing Cash Purchase Price as indicated in Section 3.2(a). The Deposit and interest thereon shall be forfeited in favour of the Vendor on the Outside Date only in the event that the Closing does not occur by the Outside Date solely as a result of the failure by the Purchaser to perform any of its obligations hereunder. The forfeiture of the Deposit and interest thereon in such circumstances to the Vendor shall be as liquidated damages, and not as a penalty and shall be the Vendor's sole and exclusive remedy and recourse (whether at law, in equity, in contract, in tort or otherwise) in connection with the termination of the Agreement prior to Closing or any loss or other liability of any kind (including any knowing or intentional breach) under or related to this Agreement, all other agreements, documents and certificates contemplated hereby and the transaction contemplated hereunder in the event that the Closing does not occur, and the Vendor shall not have any right to seek damages, recover expenses or other equitable remedies, including specific performance, in the event of a breach of this Agreement by the Purchaser prior to Closing. For greater certainty, and solely in the event that there has been a Closing, the foregoing limitation of the Vendor's remedies and recourse shall not apply against the Vendor with respect to a failure by the Purchaser to perform any of its post-Closing obligations, in which case the general limitations of liability provided in Section 10.5 shall apply. In all other instances, the Deposit and interest thereon will be returned to the Purchaser upon the termination of this Agreement if Closing has not occurred or if the Agreement is terminated by the Purchaser pursuant to Section 8.6(3).

Section 3.4 Allocation of Purchase Price

The Purchase Price is allocated among the Purchased Assets as specified in Schedule B. The Vendor and the Purchaser shall each report the sale and purchase of the Purchased Assets for all Tax purposes in a manner consistent with such allocation, and will complete all Tax Returns, designations and elections in a manner consistent with such allocation and otherwise follow such allocation for all Tax purposes on and subsequent to the Closing Date and may not take any position inconsistent with such allocation except as required by Applicable Laws.

Section 3.5 Working Capital

- (a) The Vendor shall prepare in good faith and deliver to the Purchaser no later than 6:00 p.m. EST on the tenth (10th) Business Day prior to the scheduled Closing Date, a written statement (together with supporting documentation and calculations) setting forth and representing an estimate of Working Capital (the “**Estimated Closing Working Capital**”) as of the expected Closing Time. The Parties shall work expeditiously and in good faith in an attempt to resolve any objections which the Purchaser may have to the Estimated Closing Working Capital prepared by the Vendor. The Vendor shall provide access, upon every reasonable request, to the Purchaser and its Representatives to all work papers of the Vendor and its Representatives, accounting books and records and the appropriate personnel to verify the accuracy, presentation and other matters relating to the preparation of the Estimated Closing Working Capital.
- (b) The amount by which the Estimated Closing Working Capital exceeds the Target Working Capital, if any, is the “**Working Capital Positive Adjustment**”. The amount by which the Estimated Closing Working Capital is less than the Target Working Capital, if any, is the “**Working Capital Negative Adjustment**”. The Working Capital Positive Adjustment or the Working Capital Negative Adjustment, as applicable, will be treated as a positive or negative adjustment to the Closing Cash Purchase Price paid at the Closing.
- (c) No later than 90 days following the Closing Date, Purchaser shall deliver to the Vendor: a written statement (together with supporting documentation and calculations) setting forth the Purchaser’s good faith determination of the actual Working Capital (the “**Final Working Capital**”) as at the Closing Time. The Purchaser shall provide timely access, upon every reasonable request, to the Vendor and its Representatives to all work papers of the Purchaser and its Representatives, accounting books and records and the appropriate personnel to verify the accuracy, presentation and other matters relating to the preparation of the statement of Final Working Capital. Within 20 days of the Vendor’s receipt of the statement of Final Working Capital, the Vendor must notify the Purchaser in writing if it objects to any of the amounts or calculations in the statement of Final Working Capital and identify the objectionable amounts or calculations in its written notice to the Purchaser. The Purchaser and the Vendor shall cooperate in a diligent good faith manner to resolve such objections as soon as possible after the Purchaser’s receipt of the Vendor’s objections, but not later than 30 days after the Purchaser’s receipt of the Vendor’s objections, and the Final Working Capital shall be adjusted to reflect any changes agreed to by the Purchaser and the Vendor. In the event of an unresolved dispute regarding the Final Working Capital, the Parties shall utilize the dispute resolution procedure set forth in Section 3.5(e) as the exclusive mechanism to resolve such dispute.
- (d) If the Vendor does not notify the Purchaser of any objection within the 20 day period or following a determination by the Accounting Referee in accordance with Section 3.5(e) below with respect to the Final Working Capital:

- (i) If the Final Working Capital is more than the Estimated Closing Working Capital, the Purchaser shall pay such difference to the Monitor by wire transfer of immediately available funds within five Business Days following finalization of the Final Working Capital; or
 - (ii) If the Final Working Capital is less than the Estimated Closing Working Capital, the Vendor shall promptly direct the Monitor to pay such difference to the Purchaser, up to a maximum of [REDACTED], from the Trust Claim Reserve by wire transfer of immediately available funds. Notwithstanding the foregoing, the Monitor shall be entitled to withhold payment of such difference to the Purchaser until such time as the Monitor is satisfied that following payment of such difference to the Purchaser, the sum of (A) the Trust Claim Reserve, and (B) the Potential Trust Claimant Reserve would exceed the sum of (X) potential trust claims which maybe asserted against the Vendor pursuant to Applicable Lien Legislation (as determined by the Monitor), and (Y) the remaining amounts owing by the Vendor to Wells Fargo in respect of all the Vendor's pre-CCAA filing indebtedness pursuant to the Credit Agreement. There shall not be any purchase price adjustment in respect of any Final Working Capital adjustment deficiency that is in excess of [REDACTED].
- (e) Failing resolution of any objection to the statement of Final Working Capital raised by the Vendor pursuant to Section 3.5(c), only the amount(s) in dispute may be submitted for determination to the Accounting Referee, in consultation with the Monitor, subject to any order of the Court. Unless otherwise ordered by the Court, the Accounting Referee's determination of any of the matters set forth above shall be final and binding on the parties to this Agreement. All fees and expenses of the Accounting Referee shall be borne equally by the Purchaser on the one hand, and the Vendor on the other hand.

Section 3.6 No Effect on Other Rights.

The determination and adjustment of the Purchase Price in accordance with the provisions of this Article will not limit or affect any other rights or causes of action either the Purchaser or the Vendor may have with respect to the representations, warranties and covenants in its favour contained in this Agreement.

Section 3.7 Transfer Taxes

The Parties agree that:

- (a) The Purchase Price is exclusive of any Transfer Taxes. The Purchaser shall pay to the Vendor all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets.
- (b) The Vendor will timely file all Tax Returns with respect to all Transfer Taxes, and will timely remit to the appropriate Tax authority, all Transfer Taxes required to

be remitted by the Vendor with respect to the transfer of the Purchased Assets, whether or not such Transfer Taxes are recorded on any Tax Return of the Vendor. Within ten (10) Business Days after payment by the Purchaser, the Vendor will provide the Purchaser with evidence that all such Transfer Taxes have been remitted to the appropriate Tax authority. The Purchaser and the Vendor will reasonably cooperate to reduce or eliminate Transfer Taxes to the extent permitted by applicable law, including by making the elections described in Section 3.7(c) below. The Purchaser may provide the Vendor with any valid resale certificate, exemption certificate, and other documentation to establish any exemption from the collection or payment of Transfer Taxes.

- (c) The Purchaser and the Vendor shall execute elections under section 167 of the Excise Tax Act and section 75 of the QST Act, each in the prescribed form, such that Purchaser will not be required to pay, and the Vendor will not be required to collect, any goods and services tax, harmonized sales tax or Quebec sales tax with respect to the purchase and sale of the Purchased Assets. Purchaser will file such elections within the time and in the manner prescribed by the Excise Tax Act and the QST Act.
- (d) The Purchaser shall indemnify the Vendor for any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) for which the Vendor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes.

ARTICLE 4 EMPLOYEE MATTERS

Section 4.1 Offer to Employees.

- (1) The Purchaser agrees to offer employment, conditional on Closing and effective as of the Closing Time, to no less than 90% of the Employees (the identity of whom shall be communicated by the Purchaser to the Vendor, no later than 10 Business Days prior to the Closing Date (collectively, the "Offered Employees")). The Purchaser shall make such conditional offer of employment to the Offered Employees no later than 5 Business Days prior to the Closing Date. Each such offer will be on terms and conditions substantially similar to those existing as of the Closing Date, it being acknowledged and agreed that the Vendor shall deliver to the Purchaser a summary of all material terms and conditions of the employment of each Employee, contemporaneously with the execution of this Agreement by the Vendor.
- (2) The Vendor shall not attempt in any way to discourage any of the Offered Employees from accepting the offer of employment made by the Purchaser.

Section 4.2 Employee Liability.

Without limiting the Purchaser's obligations in respect of those Offered Employees who accept the Purchaser's offer of employment (the "Transferred Employees"), the Purchaser shall be responsible for:

- (a) all liabilities (whether accrued or not) for salary, wages, bonuses, commissions, vacation pay and other compensation relating to employment of all Transferred Employees, for the period prior to, on and after the Closing Date (it being understood that all such liabilities in respect of the period prior to the Closing Date shall be included in Working Capital);
- (b) all severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Purchaser of the employment of any Transferred Employee after the Closing Time; and
- (c) all liabilities for Claims for injury, disability, death, workers' compensation or other employment-related penalties or assessments arising from or related to the employment of the Transferred Employees arising on or subsequent to the Closing Date.

Section 4.3 Vacation

The Transferred Employees will receive vacation accruals from the Purchaser no less than those which they had accrued with the Vendor immediately prior to the Closing Time.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.1 Vendor's Representations

The Vendor represents and warrants to the Purchaser as of the date hereof and as of the Closing Time as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) the Vendor is a limited partnership duly formed and validly subsisting under the laws of the Province of Ontario;
- (b) the General Partner is a corporation duly formed and validly subsisting under the laws of the Province of Ontario;
- (c) the Vendor has the requisite power and authority to conduct its business as now conducted and to own the Purchased Assets and is duly licensed or otherwise qualified to carry on its business, and the General Partner is duly licensed or otherwise qualified to carry on its business as an extra-provincial or foreign corporation in each jurisdiction in which the ownership of the Purchased Assets would require such licensing or other qualification;
- (d) subject to obtaining the Approval and Vesting Order and, if applicable, the Assignment Orders, it has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;

- (e) this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding agreement of it enforceable against it in accordance with its terms, subject to Court approval and any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;
- (f) the Vendor is a "Canadian partnership" within the meaning of subsection 102(1) of the Income Tax Act;
- (g) the Vendor is not a party, either directly, voluntarily or by operation of law, to any agreement, letter of understanding, letter of intent or other written communication with any bargaining agent, trade union or association which may qualify as a trade union, which would apply to any Employees;
- (h) there are no outstanding or, to the knowledge of the Vendor, threatened unfair labour practices, organizing activities complaints or applications of any kind, including any proceedings which could result in certification of a trade union as bargaining agent for any Employees, and there have not been any such proceedings within the last five years;
- (i) the Vendor, together with its affiliates (as the term "affiliate" is defined under the Competition Act), neither have assets in Canada with an aggregate book value in excess of \$400 million, nor aggregate gross revenues from sales in, from or into Canada in excess of \$400 million all as determined in accordance with and for the purposes of subsection 109(1) of the Competition Act; and
- (j) the Vendor is registered for the goods and services tax and the harmonized sales tax under the Excise Tax Act, and for the Quebec sales tax under the QST Act, and its registration numbers are 828022327 and 1213591131 respectively.

Section 5.2 Purchaser's Representations

The Purchaser represents and warrants to the Vendor as of the date hereof and as of the Closing Time that and acknowledges that the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation;
- (b) the Purchaser has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;
- (c) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding agreement of it enforceable against it in

accordance with its terms, subject to any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;

- (d) the Purchaser has sufficient available funds and/or Financing Commitment Letters, true and complete copies of which, if applicable, have been delivered to the Vendor prior to the date hereof, to pay the Purchase Price and all other necessary fees, expenses and other amounts in connection with the consummation of the transactions contemplated hereby. Such Financing Commitment Letters are and will remain up to and including the Closing, in full force and effect and, have not been modified, amended, restated or replaced. None of the respective commitments contained in the Financing Commitment Letters have been withdrawn, terminated or rescinded in whole or in part. The Purchaser has fully paid any and all commitment fees or other fees required by the Financing Commitment Letters to be paid on or before the date of this Agreement. There are no conditions precedent or other contingencies related to the funding of the full amount of the financing provided for in the Financing Commitment Letters other than as specified in the Financing Commitment Letters and the Purchaser has no reason to believe that the conditions set forth in the Financing Commitment Letters will not be satisfied, that such available funds will not be available at the Closing or that the Financing Commitment Letters will not be funded at the Closing;
- (e) the Purchaser, together with its affiliates (as the term "affiliate" is defined under the Competition Act), neither have assets in Canada, nor aggregate gross revenues from sales in, from or into Canada all as determined in accordance with and for the purposes of subsection 109(1) of the Competition Act;
- (f) the Purchaser is registered for the goods and services tax and the harmonized sales tax under the Excise Tax Act and its registration number is 777094921, and will be registered for the Quebec sales tax under the QST Act prior to the Closing Time; and
- (g) the Purchaser is either not a non-Canadian or is controlled by a "WTO investor", each within the meaning of the *Investment Canada Act*.

Section 5.3 Limitations

With the exception of the Vendor's representations and warranties in Section 5.1 and the Purchaser's representations and warranties in Section 5.2, none of the Vendor or the Purchaser, or their respective Representatives, make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Vendor, the Purchaser or the Purchased Assets, or the sale and purchase of the Purchased Assets pursuant to this Agreement.

**ARTICLE 6
COVENANTS**

Section 6.1 Conduct of Business in the Ordinary Course

- (1) The Vendor shall use commercially reasonable efforts to conduct the Business in the Ordinary Course of Business except to the extent required to comply with its obligations under this Agreement, subject in all cases to any limitation or obligation imposed by being subject to CCAA Proceedings or any Court order.
- (2) Without limiting the generality of Section 6.1(1), the Vendor shall use its commercially reasonable efforts to:
 - (a) remain in possession of the Purchased Assets until Closing, use the Purchased Assets only in the Ordinary Course of Business and maintain, preserve and protect the Purchased Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the Ordinary Course of Business;
 - (b) not dispose of any of the Purchased Assets, other than assets that are included in Working Capital which are disposed of in the Ordinary Course of Business;
 - (c) not amend in any material respect or in a manner outside the Ordinary Course of Business any Assumed Contract or waive any material rights thereunder, or disclaim this Agreement or any Assumed Contract that is material to the Business without the consent of the Purchaser;
 - (d) not (i) alter or promise to alter in any manner the compensation of, or enter into any new bonus or incentive agreement or arrangement with, any of its Employees, other than a key employee retention plan or similar incentive plan in connection with the CCAA Proceedings, which, in each case, is acceptable to the Purchaser, or (ii) pay or agree to pay any additional pension, retirement allowance or other employee benefit under any Employee Plan to any of their Employees, whether past or present, except in the Ordinary Course of Business;
 - (e) not terminate any Contract with an Employee or otherwise terminate the employment of any employee outside the Ordinary Course of Business other than as contemplated herein without the consent of Purchaser; and
 - (f) not enter into any material contract or arrangement in respect of any of the Purchased Assets other than in the Ordinary Course of Business; except, in each case, with the prior written consent of the Purchaser, such consent not to be unreasonably withheld or delayed, or upon an order of the Court;
- (3) Except as required by Applicable Law, the Vendor will not change its accounting policies, credit policies or collection procedures, in each case, without the consent of Purchaser or an order of the Court.

Section 6.2 Actions to Satisfy Closing Conditions

- (1) The Vendor agrees to take all such actions as are within its power to control and shall use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to permit good title to the Purchased Assets to be duly transferred to the Purchaser at the Closing and ensure compliance with all of the conditions set forth in Section 7.1 and Section 7.3.
- (2) The Purchaser agrees to take all such actions as are within its power to control and shall use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 7.2 and Section 7.3.

Section 6.3 Access Rights

Upon reasonable prior notice by the Purchaser to the Vendor and at any time prior to the Closing Date, the Purchaser may have reasonable access to the Purchased Assets and Employees during normal business hours and in each case prior to Closing for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets and the Business as it deems appropriate, acting reasonably. Such inspection shall only be conducted in the presence of a representative of the Vendor, if so required at the discretion of the Vendor. The Purchaser agrees to indemnify and save the Vendor and its Representatives harmless from and against all Claims incurred or arising from or in any way directly related to physical harm to property or people caused by the Purchaser's inspection of the Purchased Assets or the Business or the attendance of the Purchaser, its employees or agents at properties comprising part of the Purchased Assets or at which any of the Purchased Assets are situate. For greater certainty, other than a breach of this Agreement by the Vendor, the Vendor shall not be responsible to indemnify and save the Purchaser harmless from or against the findings of the Purchaser's inspection.

Section 6.4 CCAA

- (1) As promptly as practicable after execution of this Agreement, the Vendor shall: (i) file motions for the issuances of the Initial CCAA Order, the Approval and Vesting Order and the Assignment Orders, respectively; and (ii) serve such parties as the Court requires for the motion seeking the issuance of the Approval and Vesting Order and the Assignment Orders, and the Purchaser shall be satisfied with the timing of service of such motions and the parties to be so served.
- (2) The Vendor shall ensure that all motion materials and forms of Initial Order and Assignment Orders and any proposed amendments to the Approval and Vesting Order, are provided in advance to the Purchaser for review and comment.
- (3) The Vendor covenants to use commercially reasonable efforts to seek, under the terms of the Approval and Vesting Order, an order of the Court, sealing, until further order of the Court, the financial terms of this Agreement and of the Transaction.

Section 6.5 Confidentiality

In addition to the obligations under the non-disclosure agreement between the Vendor and Delos Capital Management, LP dated November 13, 2015, the Parties shall keep confidential and shall not disclose to any other Person the existence or terms of this Agreement or of the Transaction except with the prior written consent of the other Party, provided that the Vendor may disclose this Agreement to the Court, the Monitor and the Monitor's counsel, its legal and financial advisors, and to its secured creditors, and as otherwise may be required under the CCAA, in connection with filing and obtaining the Approval and Vesting Order or the Assignment Order, or as otherwise may be required by the Court.

Section 6.6 Customer Notices

The Vendor will work together with Purchaser to send a joint letter to all customers affected by the Transaction at or before Closing, the costs and expenses of which shall be paid by the Purchaser.

Section 6.7 Exclusive Dealing

The Vendor, the General Partner, directly or indirectly, through any officer, director, shareholder, partner, employee, agent or other Affiliate shall not (a) solicit, initiate or encourage the submission of any proposal or offer from any Person (other than the Purchaser) relating to the acquisition of any debt of the Vendor or of any of the Purchased Assets (including any acquisition structured as a plan of arrangement, of compromise or of reorganization), (b) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner, any effort or attempt by any Person to do or seek any of the foregoing or (c) enter into any agreement, arrangement or understanding with respect to the foregoing.

Section 6.8 Financing Cooperation

- (1) Prior to the Closing, the Vendor shall, and shall cause its subsidiaries to, use its and their commercially reasonable efforts, at the sole cost and expense of the Purchaser, to cooperate and cause its and their representatives and Affiliates, including its legal and accounting representatives, to cooperate in connection with Purchaser's proposed debt financing (as used in this Section, the "Debt Financing") of the Transactions contemplated hereby in such manner as may be customary and reasonably requested by the Purchaser (provided that such requested cooperation does not unreasonably interfere with the ongoing operations of the Vendor and its subsidiaries). Such cooperation by the Vendor and its subsidiaries shall include, but not be limited to, using their commercially reasonable efforts to: (i) furnish financial and other pertinent information regarding the Vendor as reasonably requested by Purchaser to prepare the definitive debt financing documents (including schedules thereto), including the furnishing of all information and data necessary to satisfy the conditions set forth in the Debt Commitment Letter; (ii) facilitate the pledging and granting of security interests (and perfection thereof) in collateral, including the assembly and furnishing of all pertinent information regarding the collateral necessary to facilitate such pledges, security interests and guarantees; and (iii) take all other such actions as are reasonably

requested by Purchaser to facilitate the satisfaction of all conditions precedent to obtaining the debt financing set forth in the Debt Commitment Letter to the extent within the control of the Vendor.

- (2) Notwithstanding Section 6.8(1), (i) none of the Vendor or any of its subsidiaries shall be required to incur any liability in connection with the Debt Financing prior to the Closing Time, (ii) the board of directors of the Vendors and the pre-Closing boards of directors of its subsidiaries shall not be required to adopt resolutions approving the agreements, documents and instruments pursuant to which the Debt Financing is obtained, (iii) none of the Vendor or its subsidiaries shall be required to execute any definitive financing documents, including any credit or other agreements, pledge or security documents, or other certificates, legal opinions or documents in connection with the Debt Financing that are effective prior to the Closing Time, and (iv) the Purchaser shall indemnify, defend and hold harmless the Vendor and its Affiliates, and their respective pre-Closing directors, officers, employees, agents and representatives, from and against any damages suffered or incurred by them in connection with the arrangement of the Debt Financing, except in the event such damages arose out of or result from the gross negligence, fraud or willful misconduct of the Vendor or any of its subsidiaries or any of their respective Affiliates or representatives. The Purchaser shall promptly reimburse the Vendor and its subsidiaries for all reasonable and documented out-of-pocket costs incurred by the Vendor or its subsidiaries in connection with such cooperation (it being understood and agreed, however, that the Vendor (and not the Purchaser) shall be responsible for (w) de minimis expenses, (x) fees payable to existing legal, financial or other advisors of the Vendor with respect to services provided prior to the Closing Date, (y) any ordinary course amounts payable to existing employees of, or consultants to, the Vendor or any of its Affiliates with respect to services provided prior to the Closing Date and (z) any amounts that would have been incurred in connection with the transactions contemplated hereby regardless of the Debt Financing).

Section 6.9 Potential Trust Claimants

- (1) No later than 6:00 p.m. EST on the fifth (5th) Business Day prior to the scheduled Closing Date, Vendor shall provide the Purchaser and the Monitor with a draft of the Potential Trust Claimants List to be delivered on Closing in accordance with Section 8.3(o) which the Vendor in good faith believes is current, complete and accurate as of a recent date that is acceptable to the Purchaser, and which shall be updated by the Vendor between that day and Closing for changes relating to: (i) the Ordinary Course of Business of the Vendor (which updates the Vendor will promptly notify the Purchaser of in writing prior to Closing); or (ii) the operation of Section 2.6. The parties will work expeditiously and in good faith in an attempt to resolve any objections which the Purchaser may have to the draft Potential Trust Claimants List. The Vendor shall provide access, upon every reasonable request to the Purchaser and its Representatives to all work papers of the Vendor and its Representatives, accounting books and records and the appropriate personnel to verify the accuracy, presentation and other matters relating to the preparation of the Potential Trust Claimants List. At the Closing, the final Potential Trust Claimants List shall be the draft Potential Trust Claimants List with whatever changes to that draft which have been agreed upon by the parties. Following the

Closing the Potential Trust Claimants List may be updated from time to time to include additional Potential Trust Claimants with Potential Trust Claims and to remove any Persons who have been incorrectly included in the Potential Trust Claimants List, all as may be agreed by the parties, or as required by the Monitor or the Court, and such list as amended, shall be considered, at such relevant time to be the Potential Trust Claimants List.

- (2) Following Closing, if the Vendor is subject to a *bona fide* claim pursuant to Applicable Lien Legislation for an amount stated to be payable on the Potential Trust Claimants List and the Vendor or the Monitor intends to seek recourse to the Potential Trust Claimant Reserve, the Vendor or Monitor shall provide to the Purchaser, written notice of its intention to seek such recourse, and shall enclose evidence of such claim and full particularities (the "Trust Claimant Notice"). Upon receipt of the Trust Claimant Notice, the Purchaser shall, within ten (10) Business Days, either:
 - (a) provide the Monitor and the Vendor with evidence of payment or satisfaction of the amounts reflected in the Potential Trust Claimants List which were owing to such Potential Trust Claimant; or
 - (b) notify the Monitor and the Vendor that it disputes the claim reflected in the Trust Claimant Notice, or the Vendor's or Monitor's entitlement to the Potential Trust Claimant Reserve in respect of such claim, in which case the relevant parties will work expeditiously and in good faith in an attempt to resolve any objections which the Purchaser may have. The parties shall provide access to the other parties and their Representatives, upon reasonable request to such work papers accounting books and records and the appropriate personnel to verify the accuracy, validity, presentation and other matters relating to the claim contemplated in the Trust Claimant Notice. If the parties are not able to reach an agreement within 20 days either party may commence the dispute resolution procedures in accordance with Section 8.5. Once finally determined by mutual agreement or in accordance with Section 8.5, the parties will prepare and deliver to the Escrow Agent such joint directions, if any, as are required under the Escrow Agreement to give effect to such determination or resolution.

For clarity, the Purchaser shall not be liable to the Vendor or the Monitor for any trust claims (or portions thereof): (i) from Persons that were not reflected in the Potential Trust Claimants List; (ii) which are in excess of the amounts owing to a Potential Trust Claimant reflected in the Potential Trust Claimant List which remain outstanding at the relevant time; or (iii) which relate to payables of the Vendor which were not Assumed Obligations.

- (3) Following Closing, on the fourteenth day following Closing and on every fourteenth day thereafter, the Purchaser will provide the Vendor and the Monitor with a report, certified by an officer of the Purchaser, detailing which of the amounts owing to Persons on the Potential Trust Claimant List have not been paid or satisfied. The parties, acting reasonably, and from time to time (but no more frequently than on a monthly basis) will, with the consent of the Monitor, authorize the full or partial return of the Potential Trust Claimant Reserve (which for certainty may include the replacement of the Potential

Trust Claimant L/C with one or more acceptable letters of credit in a lesser amount) to reflect the reduction in exposure to the Vendor, on a dollar for dollar basis, to Potential Trust Claims listed in the Potential Trust Claimant List as such amounts owing are paid or otherwise satisfied, or the parties determine that a Person or potential claim had been incorrectly included in the Potential Trust Claimant List. The parties will prepare and deliver to the Escrow Agent such joint directions or other instructions as are required under the Escrow Agreement to give effect to the foregoing.

ARTICLE 7 CONDITIONS PRECEDENT

Section 7.1 Conditions Precedent in favour of the Purchaser

- (1) The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed:
 - (a) all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date;
 - (b) the Vendor shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 8.3, as applicable;
 - (c) the Purchaser shall have received at or before the Closing Time, duly executed copies of the documents listed in Section 8.3;
 - (d) the Purchaser shall have received the benefit of the Essential Contracts, whether through agreements, consents, approvals or waivers from the applicable counterparty required for the assignment of the Essential Contracts or, such Essential Contracts shall have been assigned pursuant to the Approval and Vesting Order or an Assignment Order subject to the payment of Cure Costs by the Purchaser;
 - (e) the Vendor shall have obtained an order from the Court in a form acceptable to the parties and the Monitor, giving effect to the Trust Claim Reserve provisions and the Purchaser's secured priority interest therein, including the Final Working Capital adjustment provisions in Section 3.5(d)(ii); and
 - (f) all stays of proceedings contained in the Initial Order shall have remained in effect as at the Closing Time except where any such stay is terminated or lifted or amended in a manner which is not prejudicial to the Purchaser or which does not adversely affect the Purchaser's rights under this Agreement or the Purchased Assets and the exercise of rights contained in the Initial Order has not been amended or modified in any manner materially prejudicial to the Purchaser as at the Closing Time.

- (2) The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 7.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 7.1 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

Section 7.2 Conditions Precedent in favour of the Vendor

- (1) The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed:
- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date;
 - (b) the Purchaser shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 8.2; and
 - (c) the Vendor shall have received on or before the Closing Time, duly executed copies of the documents listed in Section 8.2, as applicable.
- (2) The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 7.2 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in Section 7.2 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

Section 7.3 Conditions Precedent in favour of both the Purchaser and the Vendor

- (1) The obligations of the Vendor and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:
- (a) each of the Initial Order and Approval and Vesting Order shall have been obtained and shall be final and not have been stayed, varied, or vacated;
 - (b) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
 - (c) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

- (2) The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser. If the conditions set out in this Section 7.3 are not satisfied, performed or mutually waived on or before the Outside Date, any Party shall have the option to terminate this Agreement upon written notice to the other Party.

ARTICLE 8 CLOSING

Section 8.1 Closing

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, or as otherwise determined by mutual agreement of the Parties in writing and the Parties shall exercise commercially reasonable efforts to cause Closing to occur at the Closing Time and, in any event, prior to the Outside Date.

Section 8.2 Purchaser's Deliveries on Closing

At or before the Closing Time, the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) the Closing Cash Payment in accordance with Section 3.2(b);
- (b) payment of Transfer Taxes, if any, required to be collected by the Vendor in accordance with Section 3.7(a);
- (c) the elections referred to in Section 3.7(c), executed by the Purchaser;
- (d) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all respects the covenants to be performed by it prior to the Closing Time;
- (e) evidence of delivery of the Potential Trust Claimant Reserve to the Escrow Agent; and
- (f) such further and other documentation as the Vendor may reasonably require to give effect to this Agreement.

Section 8.3 Vendor's Deliveries on Closing

At or before the Closing Time, the Vendor shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;
- (b) a copy of the Approval and Vesting Order that has been issued and entered, is final and shall not have been stayed, varied, or vacated;
- (c) a true and complete copy of any consents obtained by the Vendor pursuant to Section 2.2(b), and all Assignment Orders, if any;
- (d) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor has performed in all respects the covenants to be performed by it prior to the Closing Time;
- (e) a full and final release or termination agreement, in form satisfactory to the Purchaser acting reasonably, conditional only on Closing, from Wells Fargo releasing FOS Holdings from any and all obligations owing by FOS Holdings to Wells Fargo;
- (f) a full and final release or termination agreement, in form satisfactory to the Purchaser acting reasonably, conditional only on Closing, from Wells Fargo releasing FOS U.S. from any and all obligations owing by FOS U.S. to Wells Fargo;
- (g) a full and final release or termination agreement, in form satisfactory to the Purchaser acting reasonably, conditional only on Closing, from BDC releasing FOS Holdings from any and all obligations owing by FOS Holdings to BDC;
- (h) a full and final release or termination agreement, in form satisfactory to the Purchaser acting reasonably, conditional only on Closing, from BDC releasing FOS U.S. from any and all obligations owing by FOS U.S. to BDC;
- (i) a full and final release or termination agreement, in form satisfactory to the Purchaser acting reasonably, conditional only on Closing, from BDC Capital releasing FOS Holdings from any and all obligations owing by FOS Holdings to BDC Capital;
- (j) a full and final release or termination agreement, in form satisfactory to the Purchaser acting reasonably, conditional only on Closing, from BDC Capital releasing FOS U.S. from any and all obligations owing by FOS U.S. to BDC Capital;
- (k) a full and final release or termination agreement, in form satisfactory to the Purchaser acting reasonably, conditional only on Closing, from the Bank of Montreal releasing FOS U.S. from any and all obligations owing by FOS U.S. to the Bank of Montreal;

- (l) a share certificate representing the Purchased Shares duly endorsed in blank for transfer, or accompanied by an irrevocable security transfer power of attorney duly executed in blank, in either case by the holder of record, together with evidence satisfactory to the Purchaser that the Purchaser or its nominee(s) have been entered on the applicable share register as the holder of the Purchased Shares;
- (m) a share certificate representing all of the issued and outstanding shares of FOS U.S.;
- (n) the Monitor's Certificate;
- (o) a list (the "Potential Trust Claimant List") of all Potential Trust Claimants who may, in the judgment of the Vendor, acting reasonably, be entitled to assert a Potential Trust Claim and the amounts owed;
- (p) such other necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary to transfer the Purchased Assets to the Purchaser or to obtain, perfect, maintain, protect, and enforce the Purchaser's rights in the Purchased Assets;
- (q) the elections referred to in Section 3.7(c), executed by the Vendor; and
- (r) such further and other documentation as the Purchaser may reasonably require to give effect to this Agreement.

Section 8.4 Possession of Assets

- (1) On Closing, the Purchaser shall take possession of the Purchased Assets where situate at Closing. The Purchaser acknowledges that the Vendor has no obligation to deliver physical possession of the Purchased Assets to the Purchaser, other than the Purchased Shares and the shares of FOS U.S. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser and Vendor have satisfied all delivery requirements outlined in Section 8.2 and Section 8.3, as applicable.
- (2) The Purchased Assets shall be and remain until Closing at the risk of the Vendor. In the event of material damage by fire or other hazard to the Purchased Assets or any part thereof occurring before the Closing Date, the Vendor shall immediately advise the Purchaser thereof by notice in writing. Notwithstanding the occurrence of any of the foregoing, the Purchaser shall complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price and the proceeds of any insurance available or actually paid or payable to the Vendor shall be paid or assigned, as the case may be, to the Purchaser.

Section 8.5 Dispute Resolution

Subject to Section 3.5(e), if any dispute arises with respect to any matter related to the Transaction or the interpretation or enforcement of this Agreement such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct.

Section 8.6 Termination

- (1) This Agreement may be terminated at any time prior to the Closing Time by mutual written agreement of the Vendor and the Purchaser and on consent of the Monitor.
- (2) This Agreement may be terminated at any time prior to the Closing Time upon the occurrence of any of the following:
 - (a) a condition precedent has not been satisfied or waived pursuant to and in accordance with Article 7 and a Party entitled to terminate this Agreement as a result thereof has delivered written notice of termination pursuant to Section 10.2 (provided that the terminating Party has not failed to satisfy a closing condition under this Agreement); or
 - (b) Closing shall not have occurred on or prior to 11:59 p.m. EST on the Outside Date in accordance with Article 7 and either Party shall have delivered written notice of termination to the other Party terminating this Agreement as a result thereof (provided that the terminating Party has not failed to perform any one or more of its obligations or covenants under this Agreement required to be performed at or prior to Closing and the Closing has not occurred because of such failure).
- (3) This Agreement may be terminated by the Purchaser at any time prior to the Closing Time in the event that (i) the Court orders that a post-filing sale process be conducted in respect of the Vendor or the Purchased Assets, (ii) the Monitor does not recommend that the Court grant the Approval and Vesting Order or recommends that a post-filing sale process be conducted in respect of the Vendor or the Purchased Assets or that any other offer for the Purchased Assets be considered, (iii) the Purchaser becomes aware of a material breach by the Vendor or any of its Representatives of Section 6.7, or (iv) a default or event of default occurs under the Vendor's debtor-in-possession financing with Wells Fargo, and Wells Fargo either terminates all advances thereunder or takes any steps to accelerate or enforce any of its rights, including pursuant to any charge granted by the Court in favour of Wells Fargo in its capacity as debtor-in-possession lender.

Section 8.7 Effects of Termination

- (1) If this Agreement is terminated pursuant to Section 8.6, all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other except for: (a) the provisions of: (i) Section 3.3 (Deposit); and (ii) this Section 8.7 (Effects of Termination and Closing); and (b) the Purchaser's right to seek

damages or other equitable remedies in the event of a breach of Section 6.7 by the Vendor, each of which shall survive termination.

ARTICLE 9 MONITOR

Section 9.1 Monitor's Certificate

- (1) The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation by the Monitor, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no liability to the Parties or any other Person in connection therewith.
- (2) The Parties further acknowledge and agree that (i) upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived (other than the payments contemplated in Section 3.2 and the delivery of the executed Monitor's Certificate), the Monitor may deliver an executed copy of the Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation of receipt of the payments contemplated in Section 3.2 to be delivered to it, and (ii) upon the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

Section 9.2 Monitor's Capacity

The Vendor and the Purchaser acknowledge and agree that the Monitor will have no liability, in its capacity as Monitor or in its personal or corporate capacity or otherwise, in connection with this Agreement whatsoever.

ARTICLE 10 GENERAL

Section 10.1 Access to Books and Records

- (1) For a period of six years from the Closing Date or for such longer period as may be reasonably required for the Vendor to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement and subject to Section 10.1(2), the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

- (2) If the Vendor or its Affiliates are engaged in any business that competes, directly or indirectly, with the business carried on by Purchaser, then the Purchaser shall only be required to provide the right to inspect as contemplated in Section 10.1(1) to the Vendor if the sole purpose is of evaluating or preparing any of its tax returns, the sale of the remaining assets of the Vendor, in respect of any third party claim against such Person or in connection with any bankruptcy and insolvency proceeding. For greater certainty, the right of the Monitor, any former director or officer or any trustee in bankruptcy of the estate of the Vendor to inspect Books and Records and make copies thereof shall not be restricted under this Section 10.1(2).

Section 10.2 Notice

- (1) Any notice or other communication under this Agreement shall be in writing and may be delivered personally, by courier or by email, addressed:

- (a) in the case of the Purchaser, as follows:

3297167 Nova Scotia Limited

c/o Delos Capital
101 Fifth Avenue
Suite 601 New York, NY 10003

Attention: Matt Constantino
Email: matt.constantino@deloscap.com
with a copy to:

Goodwin Procter LLP
The New York Times Building, 620 Eighth Avenue
New York, New York 10018

Attention: Christian Nugent
Liam Timoney
Email: cnugent@goodwinprocter.com
ltimoney@goodwinprocter.com

and an additional copy to

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street
Toronto, Ontario M5J 2Z4

Attention: Virginie Gauthier
Email: virginie.gauthier@nortonrosefulbright.com

- (b) in the case of the Vendor, as follows:

FirstOnSite Restoration L.P.
60 Admiral Blvd.
Mississauga, Ontario L5T 2W1

Attention: David Demos
Email: ddemos@firstonsite.ca

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Attention: Brian M. Pukier
Email: bpukier@stikeman.com

- (c) in each case (a) or (b) above, with a further copy to the Monitor, at the address provided to the parties by the Monitor.
- (2) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.
- (3) Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

Section 10.3 Name Change

The Vendor shall, and shall cause each of its Affiliates to, as soon as practicable after the Closing, but in no event later than 20 days after the Closing, change the corporate name of the Vendor and each of its Affiliates so as to bear no resemblance to the current name of the Vendor.

Section 10.4 Announcements

No press release, public statement or announcement or other public disclosure (a "Public Statement") with respect to this Agreement or the transactions contemplated in this Agreement may be made except with the prior written consent and joint approval of the Vendor and the Purchaser, or if required by Applicable Law or a Governmental Authority. Where the

Public Statement is required by Applicable Law or a Governmental Authority, the Party required to make the Public Statement will use its commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure.

Section 10.5 Limitation

Under no circumstance shall any of the Parties or the Monitor, their respective Representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

Section 10.6 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser.

Section 10.7 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing and the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

Section 10.8 Personal Information

Purchaser hereby acknowledges that it is aware, and that it will advise its Representatives, that privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada), applies to certain information that may be disclosed to the Purchaser and its Representatives pursuant to this Agreement and/or the Transaction, particularly pursuant to Article 4. The Purchaser agrees to comply, and cause its Representatives to comply, with such privacy legislation in connection with any such information disclosed to it or any of them.

Section 10.9 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except as specifically provided herein and except for with respect to the Indemnified Parties, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns. Despite the foregoing, the Vendor acknowledges to each of those Indemnified Parties who are Representatives of the Purchaser, their specific direct rights against the Vendor under this Agreement and the Purchaser acknowledges to each of the Indemnified Parties who are Representatives of the Vendor, their specific direct rights against the Purchaser under this Agreement. To the extent required by law to give full effect to these direct rights, each of the Vendor and the Purchaser agrees and acknowledges that it is acting as agent and/or as trustee of its Indemnified Parties. The Parties reserve their right to vary or rescind the rights, granted by or under this Agreement to any Person who is not a Party, at any

time and in any way whatsoever, without notice to or consent of that Person, including any Indemnified Party.

Section 10.10 Entire Agreement

This Agreement, the attached Schedules hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

Section 10.11 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

Section 10.12 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 10.13 Commission

The Purchaser agrees to indemnify the Vendor and its Representatives against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction and the Vendor shall indemnify the Purchaser and its Representatives for any third party or agent or broker fees or other commissions payable by the Vendor on the Purchase Price or otherwise in connection with the Transaction.

Section 10.14 Assignment by Purchaser

This Agreement may not be assigned by the Purchaser without the prior written consent of the Vendor; provided, however that the Purchaser shall be permitted to assign, without the prior written consent of the Vendor, the benefit of all or a portion of this Agreement prior to the issuance of the Approval and Vesting Order to an Affiliate thereof in circumstances where (i) prior notice of such assignment is provided to the Vendor, (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment, and (iii) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor and the Purchaser shall acknowledge and confirm its continuing obligations and liabilities in favour of the Vendor in form and substance satisfactory to the Vendor. This Agreement may not be assigned by the Vendor without the prior written consent of the Purchaser.

Section 10.15 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

Section 10.16 Severability

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

Section 10.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Remainder of page left intentionally blank]

- S-1 -

IN WITNESS WHEREOF, the Parties have executed this Agreement.

PURCHASER:

3297167 NOVA SCOTIA LIMITED

By: 
Name: Matt Constantino
Title: Authorized Signatory

VENDOR:

FIRSTONSITE RESTORATION L.P. by
its general partner FIRSTONSITE G.P.
INC.

By: _____
Name:
Title:

- S-1 -

IN WITNESS WHEREOF, the Parties have executed this Agreement.

PURCHASER:

3297167 NOVA SCOTIA LIMITED

By: _____

Name: Matt Constantino

Title: Authorized Signatory

VENDOR:

FIRSTONSITE RESTORATION L.P. by
its general partner FIRSTONSITE G.P.
INC.

By: _____

Name: Kevin Watson

Title: CFO

Schedule A - Purchased Assets

All of the Vendor's rights, title and interest in and to:

- (1) all movable property, leasehold improvements and equipment, furniture, fixtures, trade fixtures, computer hardware and other fixed assets used in connection with the Business;
- (2) all Books and Records;
- (3) all inventory of the Vendor used in the carrying on of the Business, including all finished goods and goods in transit to be sold to customers in the operation of the Business;
- (4) all vehicles leased or used by the Vendor in the operation of the Business and all lease deposits thereunder, including those leased vehicles listed on Appendix 1 hereto;
- (5) all leasehold interests used in connection with the Business, including the leasehold interests in respect of the real property leases and all lease deposits thereunder at those addresses listed on Appendix 2;
- (6) the benefit of the Assumed Contracts, excluding for clarity, the Excluded Contracts;
- (7) all Accounts Receivable;
- (8) all prepaid expenses;
- (9) all supplies owned by the Vendor and used in connection with the Business;
- (10) all Intellectual Property owned or licensed by the Vendor and used in or relating to the carrying on of the Business and any products, services or technology based on or using the Intellectual Property;
- (11) all customer guarantees, customer notes, security agreements, financing statements under applicable personal property security legislation, customer deposits or collateral, filings or property securing customer obligations (in each case, solely to the extent related to any of the Accounts Receivables and/or the Assumed Contracts);
- (12) all government licenses, approvals, permits or similar used in connection with the Business;
- (13) all goodwill associated with the Business or the Purchased Assets, including the exclusive right to use all corporate names, domain names, business names, trademarks, trade-dress, brand names, know-how, trade names and other brand elements associated with the Business worldwide, whether registered or unregistered, in whatever form or medium (and includes copies of such information) and the exclusive right of the Purchaser to hold itself out as carrying on the Business; and
- (14) all of the Purchased Shares.

Appendix 1 to Schedule A - Leased Vehicles

(See attached)

<u>JPL Unit #</u>	<u>ReportGroup</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Plate Number</u>	<u>VIN</u>	<u>Term</u>	<u>Term Start</u>	<u>Term End</u>
882122	Group : CC - Belleville	2015	Ford	Escape	BWSB722	1FMCU9G98FUB84370	48	#####	01/05/2019
869636	Group : CC - Brockville	2014	Ford	F-150	AH12194	1FTFW1EF2EFB51017	48	#####	01/05/2018
885242	Group : CC - Ottawa	2015	Ford	F-150	AK48446	1FTEW1E8XFFB84460	48	#####	01/09/2019
885446	Group : CC - Brockville	2016	Ford	Escape	BWWF763	1FMCU9GX4GUA40654	48	#####	01/09/2019
859422	Group : CC - Chatham	2013	Ford	F-150	AD18860	1FTFW1EFXDA62939	48	#####	01/01/2017
869384	Group : CC - Chatham	2014	Ford	Escape	BTXH350	1FMCU9GX1EUD19685	48	#####	01/05/2018
869387	Group : CC - Guelph	2014	Ford	Escape	BTXH282	1FMCU9GX7EUD19688	48	#####	01/05/2018
848111	Group : CC - Hamilton	2012	Ford	Edge	BNAS003	2FMDK4JC4CBA50930	48	#####	01/12/2015
868642	Group : CC - Hamilton	2013	GMC	Savana Cargo Van	AF73131	1GTZ7UCG0D1172354	48	#####	01/04/2018
869588	Group : CC - Hamilton	2014	Ford	Edge	BTKT173	2FMDK3JC0EBA30994	48	#####	01/04/2018
856873	Group : CC - Hamilton	2012	Ford	Econoline Cargo Van	AH52980	1FTNE2EW2CDA49987			
884633	Group : CC - Hamilton	2015	GMC	Savana Cutaway	AL44070	1GD374CG5F1150919	48	#####	01/08/2019
880673	Group : CC - Kingston	2014	GMC	Savana Cutaway	AJ99811	1GD374CG4E1162669	48	#####	01/03/2019
867700	Group : CC - Kitchener	2013	Ford	F-150	AF63149	1FTEX1CM5DFD13067	48	#####	01/01/2018
869385	Group : CC - Kitchener	2014	Ford	Escape	BTXH289	1FMCU9GX3EUD19686	48	#####	01/05/2018
867616	Group : CC - Kitchener	2013	Ford	Edge	BVSF902	2FMDK4JC3DBE12229	48	#####	01/01/2018
882102	Group : CC - Kitchener	2014	GMC	Savana Cutaway	AK51576	1GD374CG7E1168580	48	#####	01/04/2019
866979	Group : CC - Large Loss ()	2014	Ford	Super Duty F-350 DRW	AF53362	1FT8W3DT8EEB20677	48	#####	01/02/2018
870990	Group : CC - Large Loss ()	2014	Ford	Super Duty F-250 SRW	AH43049	1FT7W2BT3EEB44149	48	#####	01/06/2018
883533	Group : CC - Large Loss ()	2016	Ford	F-350	AK48465	1FT8W3BT3GEA33792	48	#####	01/09/2019
886477	Group : CC - Large Loss ()	2015	Ford	F-150	AM13055	1FTEW1EF3FFB99378	48	#####	01/11/2019
869386	Group : CC - London	2014	Ford	Escape	BTXH349	1FMCU9GX5EUD19687	48	#####	01/05/2018
885751	Group : CC - London	2015	Ford	F-150	AL75822	1FTEW1EF2FFC34394	48	#####	01/10/2019
887060	Group : CC - London	2015	GMC	Savana Cutaway	AM36316	1GD374CG1F1175882	48	#####	01/12/2019
848907	Group : CC - Mississauga	2011	Ford	F-150	AA79044	1FTFW1EF4BFC78783	48	#####	01/12/2015
868537	Group : CC - Mississauga	2014	Ford	Escape	BTEP425	1FMCU9G98EUB50380	48	#####	01/02/2018
868368	Group : CC - Mississauga	2014	Ford	Escape	BTDP970	1FMCU9GX2EUB86984	48	#####	01/02/2018
868527	Group : CC - Mississauga	2014	Ford	Escape	BWDJ808	1FMCU9G93EUB02740	48	#####	01/03/2018
868528	Group : CC - Mississauga	2014	Ford	Escape	BTKS108	1FMCU9G95EUB02741	48	#####	01/03/2018
857164	Group : CC - Mississauga	2012	Ford	Econoline Cargo Van	AH52979	1FTNE2EW9CDA68665			
870292	Group : CC - Mississauga	2014	Ford	Escape	BTSF957	1FMCU9GXXEUC78621	48	#####	01/05/2018
882108	Group : CC - Mississauga	2015	Ford	Escape	BWZC107	1FMCU9GX6FUB75987	48	#####	01/05/2019

886400	Group : CC - Mississauga	2015 Gmc	Savana Cargo Van	AM10147	1GTW7FCF5F1125264	48	#####	01/11/2019
886631	Group : CC - Mississauga	2016 Ford	Escape	BXLC570	1FMCU9GX6GUB17363	48	#####	01/11/2019
886808	Group : CC - Mississauga	2015 GMC	Savana Cargo Van	AM10383	1GTW7FCF3F1207087	48	#####	01/11/2019
869362	Group : CC - Mississauga	2007 YALE	FÖRKLIFF		A910V10141E	36	#####	01/04/2017
	Group : WC - Mississauga	2015 GMC	Savana			48		
869388	Group : CC - North Bay	2014 Ford	Escape	BTHX409	1FMCU9GX9EUD19689	48	#####	01/05/2018
865625	Group : CC - RHO ()	2013 Ford	Edge	BSLX634	2FMDK3GC0DBC19358	48	#####	01/09/2017
881877	Group : CC - RHO ()	2016 Ford	Escape	BXTL513	1FMCU9GX7GUA15280	48	#####	01/09/2019
881878	Group : CC - RHO ()	2016 Ford	Escape	BXTL512	1FMCU9GX9GUA15281	48	#####	01/09/2019
869390	Group : CC â€" St.Catherines ()	2014 Ford	Escape	BTFL845	1FMCU9GX7EUD26978	48	#####	01/06/2018
885546	Group : CC â€" Winnipeg	2015 Chevrolet	Express Cargo Van	CEB115	1GCWGF9F1193051	48	#####	01/10/2019
885547	Group : CC â€" Winnipeg	2015 Ford	Edge	HCY273	2FMTK4J93FBB86955	48	#####	01/10/2019
849264	Group : CC â€" Winnipeg	2012 Ford	F-150	CEB114	1FTFW1EF1CKD08167	48	#####	01/01/2016
851384	Group : CC â€" Winnipeg	2012 Ford	F-150	GHB756	1FTFW1EFXCFA31513	48	#####	01/04/2016
851383	Group : CC â€" Winnipeg	2012 Ford	F-150	GHB755	1FTFW1EF8CFA31512	48	#####	01/04/2016
851382	Group : CC â€" Winnipeg	2012 Ford	Econoline Cargo Van	GHF324	1FTSE3ELXCDA19814	48	#####	01/04/2016
851501	Group : CC â€" Winnipeg	2012 Ford	F-150	GGK772	1FTFW1EF2CFA31621	48	#####	01/04/2016
851374	Group : CC â€" Winnipeg	2013 Ford	Escape	GJJ206	1FMCU9GX3DUA43329	48	#####	01/09/2016
851375	Group : CC â€" Winnipeg	2013 Ford	Escape	GJJ201	1FMCU9GXDXDUA43330	48	#####	01/09/2016
856872	Group : CC â€" Winnipeg	2012 Ford	Econoline Cargo Van	CER255	1FTNE2EW3CDA36827	48	#####	01/09/2016
857165	Group : CC â€" Winnipeg	2012 Ford	Econoline Cargo Van	CER258	1FTNE2EL1CDA94540	48	#####	01/10/2016
857731	Group : CC â€" Winnipeg	2012 Ford	Econoline Cargo Van	CER262	1FTNE2EW8CDA15455	48	#####	01/10/2016
857732	Group : CC â€" Winnipeg	2012 Ford	Econoline Cargo Van	CER261	1FTNE2EW5CDA65942	48	#####	01/10/2016
848373	Group : EC - AMHERST	2011 Ford	F-150	FGS565	1FTNF1EF3BKE11407	48	#####	01/11/2015
849000	Group : EC - AMHERST	2011 Ford	Econoline Cargo Van	FAF741	1FTNS2EW0BDB10700	48	#####	01/01/2016
883220	Group : EC - AMHERST	2015 Ford	Transit 350	FPB853	1FTSW3XG5FKA35514	48	#####	01/06/2019
847068	Group : EC - BRIDGEWATER	2011 Ford	F-150	CPW808	1FTMF1EM9BKD45701	48	#####	01/11/2015
848910	Group : EC - BRIDGEWATER	2012 Ford	Econoline Cargo Van	FAX252	1FTNS2EL1CDA49817	48	#####	01/04/2016
885020	Group : EC - BRIDGEWATER	2015 Ford	F-150	FRD744	1FTFX1E81FFB02791	48	#####	01/09/2019
847070	Group : EC - CHARLOTTETOWN	2011 Ford	F-150	338KP	1FTNF1EF6BKD87975	48	#####	01/10/2015
850248	Group : EC - CHARLOTTETOWN	2012 Ford	Econoline Cargo Van	874EJ	1FTNE2EW8CDA74702	48	#####	01/06/2016
850249	Group : EC - CHARLOTTETOWN	2012 Ford	Econoline Cargo Van	873EJ	1FTNE2EWXCDA74703	48	#####	01/06/2016
850250	Group : EC - CHARLOTTETOWN	2012 Ford	Econoline Cargo Van	868EJ	1FTNE2EW6CDA74701	48	#####	01/06/2016
864755	Group : EC - CHARLOTTETOWN	2012 Ford	Econoline Cargo Van	969KT	1FTNE2EW6CDB26554	48	#####	01/08/2017

872435 Group : EC - CHARLOTTETOWN	2014 Ford	Transit Connect	.	NMOLS7E78E1146389	48 #####	01/08/2018
883218 Group : EC - CHARLOTTETOWN	2014 Ford	E-250	898VU	1FTNE2EW0EDA15579	48 #####	01/06/2019
883219 Group : EC - CHARLOTTETOWN	2014 Ford	E-150	312NS	1FTNE1EW7EDB20095	48 #####	01/06/2019
884654 Group : EC - CHARLOTTETOWN	2015 Ford	F-150	734VY	1FTFX1EF5FFB50765	48 #####	01/08/2019
846108 Group : EC - DARTMOUTH	2011 Ford	Econoline Cargo Van	EZC417	1FTNE2EL9BDA93358	48 #####	01/09/2015
848911 Group : EC - DARTMOUTH	2012 Ford	Super Duty F-350 SRW	FAL730	1FT8W3BT3CEB01454	48 #####	01/02/2016
861803 Group : EC - DARTMOUTH	2013 Ford	Escape	FEK001	1FMCU9GXDXUA31629	48 #####	01/03/2017
864752 Group : EC - DARTMOUTH	2012 Ford	Econoline Cargo Van	FFX785	1FTNE2EW9CDB26550	48 #####	01/08/2017
859223 Group : EC - DARTMOUTH	2013 Ford	Edge	FGY665	2FMDK4JC1DBB47987	48 #####	01/02/2017
867702 Group : EC - DARTMOUTH	2014 Ford	F-150	FHH286	1FTVX1EF1EKD22114	48 #####	01/02/2018
868590 Group : EC - DARTMOUTH	2014 Ford	F-150	FHP989	1FTEX1EM5EFA39514	48 #####	01/02/2018
869361 Group : EC - DARTMOUTH	2014 Ford	Escape	FHX308	1FMCU9GX6EUB03136	48 #####	01/03/2018
869368 Group : EC - DARTMOUTH	2014 Ford	Escape	FJM140	1FMCU9GX3EUD26976	48 #####	01/06/2018
869369 Group : EC - DARTMOUTH	2014 Ford	Escape	FJP457	1FMCU9GX5EUD26977	48 #####	01/06/2018
869785 Group : EC - DARTMOUTH	2014 Ford	F-150	FLB526	1FTFW1EF7EFC19196	48 #####	01/07/2018
881103 Group : EC - DARTMOUTH	2014 Ford	F-150	FNJ110	1FTEX1EM1EKF98873	48 #####	01/03/2019
881533 Group : EC - DARTMOUTH	2014 GMC	Savana Extended Cargo Van	FNN260	1GTW7GCA5E1198451	48 #####	01/05/2019
881555 Group : EC - DARTMOUTH	2014 Gmc	Savana	FNN258	1GTW7GCA2E1195877	48 #####	01/05/2019
881557 Group : EC - DARTMOUTH	2014 Chevrolet	Express Express 2500 - Ext CV	FNN259	1GCWGGCA8E1193079	48 #####	01/05/2019
881718 Group : EC - DARTMOUTH	2015 Ford	F-150	FNH031	1FTEX1E80FFA44608	48 #####	01/04/2019
883423 Group : EC - DARTMOUTH	2015 Dodge	Grand Caravan	FNX209	2C4RDGBGXF8565952	48 #####	01/06/2019
883443 Group : EC - DARTMOUTH	2015 Dodge	Grand Caravan	FNX208	2C4RDGBG1FR598743	48 #####	01/06/2019
885270 Group : EC - DARTMOUTH	2014 Ford	E-250	FRP801	1FTNE2EW2EDA69188	48 #####	01/09/2019
885271 Group : EC - DARTMOUTH	2014 Ford	E-250	FRF757	1FTNE2EW7EDA78825	48 #####	01/09/2019
886315 Group : EC - DARTMOUTH	2016 Dodge	Grand Caravan	FSF588	2C4RDGBGXGR109404	48 #####	01/11/2019
886321 Group : EC - DARTMOUTH	2016 Dodge	Grand Caravan	FSF589	2C4RDGBG8GR109403	48 #####	01/11/2019
886358 Group : EC - DARTMOUTH	2016 Ford	Transit	FSN910	1FTYR2XM7GKA19303	48 #####	01/12/2019
886478 Group : EC - DARTMOUTH	2016 Ford	E-450 Cutaway	44312D	1FDWE4FLXGDC09345	48 #####	01/11/2019
847067 Group : EC - MONCTON	2011 Ford	Econoline Cargo Van	CPW757	1FTNS2EW8BDA77798	48 #####	01/10/2015
848592 Group : EC - MONCTON	2011 Ford	F-150	CRW246	1FTFW1EF0BFC98058	48 #####	01/12/2015
849262 Group : EC - MONCTON	2012 Ford	F-150	CRW366	1FTFW1EF4CFB04598	48 #####	01/05/2016
866505 Group : EC - MONCTON	2013 GMC	Savana Commercial Cutaway	CRW319	1GD374CG9D1162116	48 #####	01/11/2017
869781 Group : EC - MONCTON	2014 Ford	Escape	JHU890	1FMCU9GX6EUD53928	48 #####	01/07/2018
869784 Group : EC - MONCTON	2014 Ford	Econoline Cargo Van	CSF725	1FTNS2EW3EDB20092	48 #####	01/08/2018

872433 Group : EC - MONCTON	2014 Ford	Transit Connect	CSH291	NMOLE7H73E1137571	48	#####	01/09/2018
881567 Group : EC - MONCTON	2015 Ford	Transit High Roof	CSM236	1FTNR2XG1FKA35511	48	#####	01/04/2019
881568 Group : EC - MONCTON	2015 Ford	Transit High Roof	CSP282	1FTNR3XM8FKA26560	48	#####	01/04/2019
881630 Group : EC - MONCTON	2015 Ford	Escape	JJG389	1FMCU9GX3FUA01116	48	#####	01/04/2019
881714 Group : EC - MONCTON	2015 Dodge	Grand Caravan SXT	JJG075	2C4RDGBG1FR701501	48	#####	01/04/2019
856822 Group : EC - NEW MINAS	2012 Ford	F-150	FEU078	1FTFW1EF7CFB89193	48	#####	01/09/2016
868656 Group : EC - NEW MINAS	2014 Ford	Escape	FNA550	1FMCU9G92EUB82595	48	#####	01/02/2018
883247 Group : EC - NEW MINAS	2015 Dodge	Grand Caravan	FNX210	2C4RDGBG4FR622727	48	#####	01/06/2019
886430 Group : EC - NEW MINAS	2015 Ford	F-150	FSB520	1FTEX1E86FFC23932	48	#####	01/11/2019
847344 Group : EC - QUEBEC	2011 Ford	Econoline Cargo Van	FHG2077	1FTNS2EW4BDB28620	48	#####	01/10/2015
847345 Group : EC - QUEBEC	2011 Ford	Econoline Cargo Van	FHG2078	1FTNS2EW0BDB28632	48	#####	01/10/2015
848055 Group : EC - QUEBEC	2012 Ford	Econoline Cargo Van	FHG2881	1FTNS2EW2CDA25018	48	#####	01/12/2015
847127 Group : EC - QUEBEC	2012 Ford	Econoline Cargo Van	FHG2882	1FTNS2EW0CDA25017	48	#####	01/12/2015
848054 Group : EC - QUEBEC	2012 Ford	Econoline Cargo Van	FHG2181	1FTNS2EW9CDA25016	48	#####	01/12/2015
849258 Group : EC - QUEBEC	2012 Ford	Escape	FFD7632	1FMCU9D72CKC30575	48	#####	01/04/2016
849002 Group : EC - QUEBEC	2012 Ford	Escape	FFD7634	1FMCU9D74CKC30576	48	#####	01/04/2016
849265 Group : EC - QUEBEC	2012 Ford	Econoline Cargo Van	FHV9336	1FTNS2EL7CDA49952	48	#####	01/09/2016
849086 Group : EC - QUEBEC	2012 Ford	Econoline Cargo Van	FHV9337	1FTNS2EW6CDA46146	48	#####	01/09/2016
856648 Group : EC - QUEBEC	2011 GMC	Savana Commercial Cutaway	FHW6264	1GD374CG3B1156292	48	#####	01/09/2016
857449 Group : EC - QUEBEC	2013 Ford	Econoline Cargo Van	FJC2250	1FTNS2EL5DDA12013	48	#####	01/12/2016
864858 Group : EC - QUEBEC	2012 Ford	Econoline Cargo Van	FJS4911	1FTNE2EWXCDA73910	48	#####	01/09/2017
864859 Group : EC - QUEBEC	2012 Ford	Econoline Cargo Van	FJS4910	1FTNE2EWXCDA73924	48	#####	01/09/2017
872151 Group : EC - QUEBEC	2014 Hino	195-173	L626895	2AYS2M2HXE1000499	48	#####	01/08/2018
880764 Group : EC - QUEBEC	2015 Ford	Transit 250	FKP3340	1FTNR2CM4FKA39760	48	#####	01/03/2019
883630 Group : EC - QUEBEC	2015 Ford	Escape	FKW8003	1FMCU9GX6FUB84804	48	#####	01/06/2019
847346 Group : EC - Quebec City ()	2011 Ford	Econoline Cargo Van	FHG2079	1FTNS2EW7BDB37621	48	#####	01/10/2015
863652 Group : EC - Quebec City ()	2013 Ford	Escape	FJE4022	1FMCU9GX7DUD05384	48	#####	01/06/2017
864857 Group : EC - Quebec City ()	2012 Ford	Econoline Cargo Van	FJS4914	1FTNE2EWXCDA54077	48	#####	01/09/2017
883631 Group : EC - Quebec City ()	2015 Ford	Escape	FKW8002	1FMCU9GX4FUB84803	48	#####	01/06/2019
849001 Group : EC - SUMMERSIDE	2011 Ford	Econoline Cargo Van	341KP	1FTNS2EL1BDB37622	48	#####	01/01/2016
848163 Group : EC - SUMMERSIDE	2012 Ford	Explorer	323KP	1FMHK8D83CGA45596	48	#####	01/03/2016
861107 Group : EC - SUMMERSIDE	2013 Dodge	Grand Caravan	332KP	2C4RDGBG7DR593012	48	#####	01/03/2017
869787 Group : EC - SUMMERSIDE	2014 Ford	F-150	.	1FTFW1EF5EFC19195	48	#####	01/07/2018
880790 Group : EC - SUMMERSIDE	2015 Ford	Escape	FNJ107	1FMCU9G93FUA13087	48	#####	01/03/2019

882045 Group : EC - SUMMERSIDE	2015 Ford	Transit	705VY	1FTSW3XG4FKA98278	48 #####	01/07/2019
882047 Group : EC - SUMMERSIDE	2015 Ford	Transit	699VY	1FTSW3XG6FKA98279	48 #####	01/07/2019
864753 Group : EC - YARMOUTH	2012 Ford	Econoline Cargo Van	FFY982	1FTNE2EW3CDB26558	48 #####	01/08/2017
883217 Group : EC - YARMOUTH	2015 Ford	F-150	FPB851	1FTEX1E8XFFB02790	48 #####	01/06/2019
886429 Group : EC - YARMOUTH	2014 Ford	E-250	FSB365	1FTNE2EW2EDB01198	48 #####	01/11/2019
881874 Group : QC - QUEBEC ()	2016 Ford	Escape	FJL2655	1FMCU9GX7GUA15277	48 #####	01/08/2019
881875 Group : QC - QUEBEC ()	2016 Ford	Escape	FJL2652	1FMCU9GX9GUA15278	48 #####	01/08/2019
887808 Group : QC - QUEBEC ()	2016 Lincoln	MKX	FLG1242	2LMPJ8KR6GBL25766	#####	
856823 Group : WC - Abbotsford	2012 Ford	F-150	EL9788	1FTFW1ET7CKD90170	48 #####	01/10/2016
857768 Group : WC - Abbotsford	2012 Ford	F-150	EL9793	1FTFW1EF1CKE01352	48 #####	01/11/2016
857769 Group : WC - Abbotsford	2012 Ford	F-150	EL9794	1FTFW1EF5CKE12483	48 #####	01/11/2016
871108 Group : WC - Abbotsford	2014 Ford	Econoline Cargo Van	HV8241	1FTSS3EL4EDA89336	48 #####	01/08/2018
871110 Group : WC - Abbotsford	2014 Ford	Econoline Cargo Van	HV8430	1FTSS3EL9EDA66117	48 #####	01/10/2018
871107 Group : WC - Abbotsford	2014 Ford	Econoline Cargo Van	HR0538	1FTNS2EL8EDA66116	48 #####	01/07/2018
880791 Group : WC - Abbotsford	2015 Ford	F-150	JC7238	1FTVX1EFXEKG27224	48 #####	01/03/2019
884971 Group : WC - Abbotsford	2014 Ford	E-250	JX7491	1FTNE2EW1EDB01225	48 #####	01/08/2019
885189 Group : WC - Abbotsford	2015 Ram	3500 PROMASTER	JP8964	3C6URVHD7FE510476	48 #####	01/09/2019
841347 Group : WC - CALGARY	2010 GMC	Savana Cargo Van	BCM5795	1GTZGFBAG6A1128444	48 #####	01/03/2015
854954 Group : WC - CALGARY	2012 Ford	F-150	BGR4576	1FTFW1EF7CFB18222	48 #####	01/06/2016
848591 Group : WC - CALGARY	2011 Ford	F-150	BFF8653	1FTFW1EF2BFC98062	48 #####	01/12/2015
849257 Group : WC - CALGARY	2012 Ford	Escape	BFM2838	1FMCU9D72CKA18923	48 #####	01/01/2016
847475 Group : WC - CALGARY	2011 Ford	F-150	BPW0197	1FTFW1EF4BFC32418	48 #####	01/11/2015
849260 Group : WC - CALGARY	2011 Ford	F-150	BFD9217	1FTFW1EF8BFC67057	48 #####	01/01/2016
848940 Group : WC - CALGARY	2012 Ford	Econoline Cargo Van	BGB7832	1FTNS2EW7CDA46009	48 #####	01/03/2016
848941 Group : WC - CALGARY	2012 Ford	Econoline Cargo Van	BGB7833	1FTNS2EW1CDA46006	48 #####	01/03/2016
848942 Group : WC - CALGARY	2012 Ford	Econoline Cargo Van	BGB7835	1FTNS2EW5CDA46008	48 #####	01/03/2016
848943 Group : WC - CALGARY	2012 Ford	Econoline Commercial Cutaway	BHB1955	1FDXE4FLOCD468669	48 #####	01/08/2016
848939 Group : WC - CALGARY	2012 Ford	Econoline Cargo Van	BGB7834	1FTNS2EW3CDA46007	48 #####	01/03/2016
855736 Group : WC - CALGARY	2012 Ford	Econoline Cargo Van	BKW1967	1FTNS2EW2CDA84957	48 #####	01/07/2016
859727 Group : WC - CALGARY	2012 Ford	Transit Connect	BJC2663	NMOLS7DN1CT118547	48 #####	01/01/2017
859729 Group : WC - CALGARY	2012 Ford	Transit Connect	BJC2661	NMOLS7DN0CT097478	48 #####	01/01/2017
859730 Group : WC - CALGARY	2012 Ford	Transit Connect	BJC2693	NMOLS7DN2CT117665	48 #####	01/01/2017
868577 Group : WC - CALGARY	2014 Ford	Escape	BMG7565	1FMCU9GX1EUC54711	48 #####	01/04/2018
869711 Group : WC - CALGARY	2014 Ford	Econoline Cargo Van	BLY4782	1FTNE1EW7EDA32437	48 #####	01/04/2018

876243	Group : WC - CALGARY	2015	Ford	Escape	BPN1845	1FMCU9GX8FUA69895	48	#####	01/02/2019
876244	Group : WC - CALGARY	2015	Ford	Escape	BPN1846	1FMCU9GX8FUA69896	48	#####	01/02/2019
881871	Group : WC - CALGARY	2015	Ford	Edge	BRR1412	2FMTK4J87FBB29374	48	#####	01/06/2019
881872	Group : WC - CALGARY	2016	Ford	Escape	BSD6152	1FMCU9GX3GUA15275	48	#####	01/09/2019
881873	Group : WC - CALGARY	2016	Ford	Escape	BSD5995	1FMCU9GX5GUA15276	48	#####	01/09/2019
882880	Group : WC - CALGARY	2015	Ford	Transit 250	BRR8218	1FTYR2CG9FKA25232	48	#####	01/05/2019
848774	Group : WC - EDMONTON	2012	Ford	Econoline Wagon	BFM2508	1FBSS3BLOCA17166	48	#####	01/12/2015
848775	Group : WC - EDMONTON	2012	Ford	Econoline Wagon	BFM2507	1FBSS3BL2CDA17167	48	#####	01/12/2015
848593	Group : WC - EDMONTON	2011	Ford	Econoline Cargo Van	BFF8657	1FTSS3EL4BDA73777	48	#####	01/12/2015
849268	Group : WC - EDMONTON	2011	Ford	F-150	BFM3002	1FTFW1EF9BFC54219	48	#####	01/01/2016
855857	Group : WC - EDMONTON	2012	Ford	F-150	BGS7497	1FTFW1EF9CFB77479	48	#####	01/07/2016
851704	Group : WC - EDMONTON	2012	Ford	F-150	BGC9552	1FTFW1EF3CFB16418	48	#####	01/05/2016
851706	Group : WC - EDMONTON	2012	Ford	Econoline Cargo Van	BGH9806	1FTSS3EL8CDA65943	48	#####	01/05/2016
851707	Group : WC - EDMONTON	2012	Ford	Econoline Cargo Van	BGL0014	1FTSS3EL8CDA81222	48	#####	01/05/2016
856430	Group : WC - EDMONTON	2012	Ford	F-150	BHD6765	1FTFW1ET6CFC25512	48	#####	01/09/2016
856429	Group : WC - EDMONTON	2012	Ford	F-150	BHD6764	1FTFW1ET9CFC12351	48	#####	01/09/2016
855742	Group : WC - EDMONTON	2012	Ford	Econoline Cargo Van	BGX2563	1FTSE3EL1CDA50028	48	#####	01/07/2016
857174	Group : WC - EDMONTON	2012	Chevrolet	Express Commercial Cutaway	BHG6279	1GB3G4CGXC1144876	48	#####	01/10/2016
857329	Group : WC - EDMONTON	2013	Ford	Escape	BHL5631	1FMCU9G95DUA56343	48	#####	01/10/2016
857439	Group : WC - EDMONTON	2012	Ford	Econoline Cargo Van	BGH9806	1FTSS3EL4CDB32523	48	#####	01/10/2016
857440	Group : WC - EDMONTON	2012	Ford	Econoline Cargo Van	BHL6455	1FTSS3EL2CDB32522	48	#####	01/10/2016
857441	Group : WC - EDMONTON	2012	Ford	Econoline Cargo Van	BHP8870	1FTSS3EL9CDB36891	48	#####	01/10/2016
855559	Group : WC - EDMONTON	2010	GMC	Savana Commercial Cutaway	BGR7659	1GD6G4AG9A1136403	48	#####	01/07/2016
855858	Group : WC - EDMONTON	2012	Ford	F-150	BGS7496	1FTFW1ETXCKD55011	48	#####	01/07/2016
855555	Group : WC - EDMONTON	2013	Chevrolet	Express Passenger	BLD7641	1GNSHCF44D1139987	48	#####	01/03/2017
881627	Group : WC - EDMONTON	2014	Ford	Edge	BRB2992	2FMDK4JC4EBB80175	48	#####	01/04/2019
881747	Group : WC - GRAND PRAIRIE	2011	GMC	Savana Passenger	BDW4387	1GKS8BF40B1185224	24	#####	01/03/2017
848588	Group : WC - GRAND PRAIRIE	2011	Ford	F-150	BFF8655	1FTFW1EF0BFC98061	48	#####	01/12/2015
848590	Group : WC - GRAND PRAIRIE	2011	Ford	F-150	BFF8656	1FTFW1EF9BFC98060	48	#####	01/12/2015
848771	Group : WC - GRAND PRAIRIE	2012	Ford	Econoline Wagon	BFM2757	1FBSS3BL4CDA17168	48	#####	01/01/2016
849081	Group : WC - GRAND PRAIRIE	2011	Ford	Econoline Cargo Van	BFM2542	1FTNE1EW5BDA97430	48	#####	01/12/2015
849263	Group : WC - GRAND PRAIRIE	2012	Ford	F-150	BFS1505	1FTFW1EF8CKD08165	48	#####	01/01/2016
849280	Group : WC - GRAND PRAIRIE	2013	Ford	Edge	BGC9238	2FMDK4JC0DBA00172	48	#####	01/04/2016
851813	Group : WC - GRAND PRAIRIE	2012	Ford	F-150	BGC9553	1FTFW1EF5CFB16419	48	#####	01/05/2016

851708 Group : WC - GRAND PRAIRIE	2012 Ford	Econoline Cargo Van	BGC9298	1FTNS2EL9CDA49905	48 #####	01/04/2016
851966 Group : WC - GRAND PRAIRIE	2012 Ford	Econoline Cargo Van	BGC9297	1FTNS2ELXCDA67720	48 #####	01/04/2016
851715 Group : WC - GRAND PRAIRIE	2012 GMC	Savana Passenger	BGY6050	1GKS8CF48C1192736	48 #####	01/08/2016
851714 Group : WC - GRAND PRAIRIE	2012 GMC	Savana Passenger	BJD4886	1GKS8CF44C1193494	48 #####	01/08/2016
851685 Group : WC - GRAND PRAIRIE	2012 Ford	Super Duty F-450 DRW	BHL6117	1FDTF4GT4CEC40061	48 #####	01/10/2016
865417 Group : WC - GRAND PRAIRIE	2012 Ford	Econoline Cargo Van	BKW1954	1FTNS2EL4CDA67745	48 #####	01/09/2017
860230 Group : WC - GRAND PRAIRIE	2013 GMC	Savana Passenger	BJB9721	1GKS8CF40D1127705	48 #####	01/02/2017
860231 Group : WC - GRAND PRAIRIE	2013 GMC	Savana Passenger	BJB9720	1GKS8CF41D1128572	48 #####	01/02/2017
860232 Group : WC - GRAND PRAIRIE	2013 Chevrolet	Express Passenger	BGT8481	1GNSHCF43D1139799	48 #####	01/02/2017
860233 Group : WC - GRAND PRAIRIE	2013 Ford	Econoline Cargo Van	BJK2419	1FTNE1EW0DDA12092	48 #####	01/02/2017
860234 Group : WC - GRAND PRAIRIE	2013 Ford	Econoline Cargo Van	BJK2420	1FTNE1EW3DDA37410	48 #####	01/02/2017
860235 Group : WC - GRAND PRAIRIE	2012 Ford	Econoline Cargo Van	BJJ6635	1FTSS3EL5CDA84952	48 #####	01/02/2017
865426 Group : WC - GRAND PRAIRIE	2012 Ford	Econoline Cargo Van	BKW2055	1FTNS2ELXCDB11845	48 #####	01/09/2017
869309 Group : WC - GRAND PRAIRIE	2014 Ford	Escape	BMT0791	1FMCU9GX9EUD19692	48 #####	01/06/2018
869463 Group : WC - GRAND PRAIRIE	2014 Ford	Escape	BLY5052	1FMCU9GX5EUC61774	48 #####	01/04/2018
869464 Group : WC - GRAND PRAIRIE	2014 Ford	Escape	BJY0611	1FMCU9GX9EUC32360	48 #####	01/04/2018
869554 Group : WC - GRAND PRAIRIE	2014 Ford	Escape	BLY5209	1FMCU9GX7EUC77880	48 #####	01/04/2018
869555 Group : WC - GRAND PRAIRIE	2014 Ford	Escape	BLY5212	1FMCU9GX9EUC77881	48 #####	01/04/2018
869556 Group : WC - GRAND PRAIRIE	2014 Ford	Escape	BLY5311	1FMCU9GX0EUC77882	48 #####	01/05/2018
869557 Group : WC - GRAND PRAIRIE	2014 Ford	Escape	BLY5211	1FMCU9GX2EUC77883	48 #####	01/04/2018
869623 Group : WC - GRAND PRAIRIE	2014 Ford	Escape	BNC7549	1FMCU9GX6EUD46574	48 #####	01/07/2018
869618 Group : WC - GRAND PRAIRIE	2014 Ford	Econoline Cargo Van	BMN4775	1FTSE3EL5EDA10473	48 #####	01/06/2018
871687 Group : WC - GRAND PRAIRIE	2014 Dodge	Grand Caravan	BND2956	2C4RDGBG9ER318095	48 #####	01/07/2018
871815 Group : WC - GRAND PRAIRIE	2014 Dodge	Grand Caravan	BND2955	2C4RDGBG8ER286725	48 #####	01/07/2018
876349 Group : WC - GRAND PRAIRIE	2015 Ford	Transit	BPR0966	1FTNR2XG4FKA39620	48 #####	01/03/2019
883334 Group : WC - GRAND PRAIRIE	2016 Ford	Escape	BSD2747	1FMCU9GX8GUA23579	48 #####	01/09/2019
884791 Group : WC - GRAND PRAIRIE	2015 Ram	3500 Cab Chassis	BSC259	3C7WRTBJXFG544293	48 #####	01/09/2019
847478 Group : WC - MEDICINE HAT	2011 Ford	F-150	BDZ4128	1FTFW1EF8BFC67897	48 #####	01/11/2015
885016 Group : WC - MEDICINE HAT	2011 Chevrolet	Express Cargo Van	BCP3063	1GCWGFCA1B1101672	24 #####	01/08/2017
849267 Group : WC - MEDICINE HAT	2012 Ford	F-150	BGB7657	1FTFW1EF2CFB04597	48 #####	01/05/2016
860988 Group : WC - MEDICINE HAT	2012 Ford	Econoline Cargo Van	BKP1453	1FTNS2EL0CDB36883	48 #####	01/03/2017
882861 Group : WC - MEDICINE HAT	2015 Ford	F-150	BSC9619	1FTEX1E84FKD72458	48 #####	01/08/2019
882863 Group : WC - MEDICINE HAT	2015 Ford	F-150	BSC9618	1FTEX1E86FKD72459	48 #####	01/08/2019
882864 Group : WC - MEDICINE HAT	2015 Ford	F-150			48 #####	01/09/2019

863926 Group : WC - SASKATOON	2010 Ford	F-150	523HFR	1FTFW1EV2AFA38542	24	#####	01/02/2016
848764 Group : WC - SASKATOON	2011 Ford	F-150	463JMV	1FTFW1EFXBFC98066	48	#####	01/12/2015
857306 Group : WC - SASKATOON	2012 Chevrolet	Express Commercial Cutaway	130INF	1GB3G4CG5C1145014	48	#####	01/10/2016
852971 Group : WC - SASKATOON	2012 Ford	F-150	676JCS	1FTFW1EF9CFB48189	48	#####	01/06/2016
867235 Group : WC - SASKATOON	2012 Ford	Econoline Cargo Van	513JCH	1FTNE2EW3CDB26480	48	#####	01/12/2017
867236 Group : WC - SASKATOON	2012 Ford	Econoline Cargo Van	514JCH	1FTNE2EW5CDB26562	48	#####	01/12/2017
868829 Group : WC - SASKATOON	2014 Ford	Edge	565JFG	2FMDK4JC8EBA55342	48	#####	01/05/2018
870140 Group : WC - SASKATOON	2014 Ford	Escape	302JFK	1FMCU9GX0EUC47894	48	#####	01/04/2018
881879 Group : WC - SASKATOON	2016 Ford	Escape	023JXH	1FMCU9GX0GUA15279	48	#####	01/09/2019
882866 Group : WC - SASKATOON	2015 Ford	F-150	017JXH	1FTFW1EG3FFC08044	48	#####	01/09/2019
887841 Group : WC - SASKATOON	2016 Ford	Escape	336JVO	1FMCU9GX7GUB49142	48	#####	01/12/2019
882707 Group : WC - SURREY	2013 Snake River	Dump Trailer
849778 Group : WC - SURREY	2012 Ford	Escape	677RNL	1FMCU9D70CKB73082	48	#####	01/04/2016
857414 Group : WC - SURREY	2012 Ford	F-150	EL9787	1FTFW1ET1CKE01373	48	#####	01/10/2016
856431 Group : WC - SURREY	2012 Ford	F-150	EN9525	1FTFW1EF8CFC26056	48	#####	01/09/2016
866485 Group : WC - SURREY	2012 Ford	Econoline Cargo Van	FH0714	1FTNE2EW9CDA65457	48	#####	01/11/2017
867600 Group : WC - SURREY	2014 Hino	195 - 2	HL9238	2AYHDM2H4E1000119	48	#####	01/04/2018
871520 Group : WC - SURREY	2014 Ford	Econoline Cargo Van	HV8216	1FTNE1EW2EDA20678	48	#####	01/07/2018
871571 Group : WC - SURREY	2014 Ford	Transit Connect	HV8281	NMOLS7F76E1147409	48	#####	01/07/2018
880792 Group : WC - SURREY	2015 Ford	Escape	AM548N	1FMCU9GX9FUA95972	48	#####	01/03/2019
884787 Group : WC - SURREY	2015 Ram	Cargo Van	JP9054	3C6URVJD9FE502101	48	#####	01/09/2019
885188 Group : WC - SURREY	2015 Ram	3500 PROMASTER	JX7513	3C6URVHD8FE519137	48	#####	01/09/2019
885192 Group : WC - SURREY	2015 Ram	3500 PROMASTER	JP9065	3C6URVHG5FE518408	48	#####	01/09/2019
848765 Group : WC - VANCOUVER ()	2011 Ford	F-150	EF8190	1FTFW1EF4BFC98063	48	#####	01/12/2015
849261 Group : WC - VANCOUVER ()	2011 Ford	F-150	DP4099	1FTFW1EF1BFC80779	48	#####	01/02/2016
849777 Group : WC - VANCOUVER ()	2012 Ford	F-150	DP3576	1FTFW1EF9CKD08210	48	#####	01/02/2016
855844 Group : WC - VANCOUVER ()	2012 Ford	F-150	EF8206	1FTFW1ET7CFB89328	48	#####	01/07/2016
852596 Group : WC - VANCOUVER ()	2013 Ford	Escape	141TRD	1FMCU9GX1DUA43331	48	#####	01/09/2016
849085 Group : WC - VANCOUVER ()	2012 Ford	F-150	EM0921	1FTFW1ET9CFB77892	48	#####	01/09/2016
854955 Group : WC - VANCOUVER ()	2012 Ford	F-150	FH0793	1FTFW1ET9CFB89721	48	#####	01/09/2016
866483 Group : WC - VANCOUVER ()	2012 Ford	Econoline Cargo Van	FH0721	1FTNE2EWOCDA83359	48	#####	01/11/2017
866484 Group : WC - VANCOUVER ()	2012 Ford	Econoline Cargo Van	FH0713	1FTNE2EW6CDA83348	48	#####	01/11/2017
867598 Group : WC - VANCOUVER ()	2014 Hino	195 - 2	HL9240	2AYHDM2H2E1000121	48	#####	01/04/2018
871518 Group : WC - VANCOUVER ()	2014 Ford	Transit Connect	HR0540	NMOLS7H73E1153147	48	#####	01/07/2018

871521 Group : WC - VANCOUVER ()	2014 Ford	Econoline Cargo Van	HT9080	1FTNE1EW8EDA32527	48 #####	01/07/2018
882023 Group : WC - VANCOUVER ()	2015 Ford	Escape	AL294T	1FMCU9GX0FUB43214	48 #####	01/04/2019
882024 Group : WC - VANCOUVER ()	2015 Ford	Escape	AL295T	1FMCU9GXXFUA70871	48 #####	01/04/2019
887692 Group : WC - VICTORIA ()	2015 Ford	Transit Connect		1FTYR1CG2FKA47616	#####	
887693 Group : WC - VICTORIA ()	2015 Ford	Transit Connect		1FTYR1CG6FKA47618	#####	
887708 Group : WC - VICTORIA ()	2016 Ford	Transit	KD5546	1FTBW2XMXGKA16300	#####	
850761 Group : WC-RHO ()	2012 Ford	F-150	EF8895	1FTFW1ETOCFC14067	48 #####	01/07/2016
850755 Group : WC-RHO ()	2013 Ford	Edge	131TRD	2FMDK4JC4DBA42506	48 #####	01/08/2016
857328 Group : WC-RHO ()	2013 Ford	Escape	648RWX	1FMCU9GX4DUA44165	48 #####	01/10/2016

Client #	Unit #	Client Asset Id	Delivery Date	Product Subclass	Manufacturer	VIN	Year	Lease Term	Plate #	Lease Expiration Date
L380	07271	CC0176 North Bay	21/01/2010	Pickup, Full-Size	FORD	1FTFW1EV4AFB02564	2010	54	7154YC	21/07/2014
L380	10381	WC1078 Calgary	24/12/2009	Pickup, Full-Size	TOYOTA	5TFUY5F19AX118919	2010	64	ZKH621	24/04/2015
L380	10401	WC1131 Grande Prairie	26/05/2010	Van, Full-Size Cargo	GM	1GTZGGBA4A1143837	2010	54	ZVL295	26/11/2014
L380	10404	WC1130 Grande Prairie	23/03/2010	LIGHT TRUCKS	CHRYSLER	3D6WH4EL9AG122845	2010	55	ZRJ698	23/10/2014
L380	10413	WC1065 Calgary	17/06/2010	SUV, Compact/Mid-Size	FORD	1FMCU9D79AKC92116	2010	59	ZYT296	17/05/2015
L380	10510	WC1129 Grande Prairie	03/05/2010	Cab/Chassis	GM	1GBJG31K791161023	2009	54	ZWL553	03/11/2014
L380	10582	WC1023 Saskatoon	17/08/2010	Van, Full-Size Cargo	GM	1GCZGFBA4A1168084	2010	53	604HQF	17/01/2015
L380	10583	WC1024 Saskatoon	09/09/2010	Van, Full-Size Cargo	GM	1GTZGFBA5A1115796	2010	53	739HNI	09/02/2015

Client #	Unit #	Client Asset Id	Delivery Date	Product Subclass	Manufacturer	VIN	Year	Lease Term	Plate #	Lease Expiration Date
L380	07271	CC0176 North Bay	21/01/2010	Pickup, Full-Size	FORD	1FTFW1EV4AFB02564	2010	54	7154YC	21/07/2014
L380	10381	WC1078 Calgary	24/12/2009	Pickup, Full-Size	TOYOTA	5TFUY5F19AX118919	2010	64	ZKH621	24/04/2015
L380	10401	WC1131 Grande Prairie	26/05/2010	Van, Full-Size Cargo	GM	1GTZGGBA4A1143837	2010	54	ZVL295	26/11/2014
L380	10404	WC1130 Grande Prairie	23/03/2010	LIGHT TRUCKS	CHRYSLER	3D6WH4EL9AG122845	2010	55	ZRJ698	23/10/2014
L380	10413	WC1065 Calgary	17/06/2010	SUV, Compact/Mid-Size	FORD	1FMCU9D79AKC92116	2010	59	ZYT296	17/05/2015
L380	10510	WC1129 Grande Prairie	03/05/2010	Cab/Chassis	GM	1GBJG31K791161023	2009	54	ZWL553	03/11/2014
L380	10582	WC1023 Saskatoon	17/08/2010	Van, Full-Size Cargo	GM	1GCZGFBA4A1168084	2010	53	604HQF	17/01/2015
L380	10583	WC1024 Saskatoon	09/09/2010	Van, Full-Size Cargo	GM	1GTZGFBA5A1115796	2010	53	739HNI	09/02/2015

LEASE #	PROV	START	EXPIRY	YEAR	MODEL	VIN#	PLATE #
11068	ON	02/04/09	04/03/14	2007	SAVANA	1GDJG31U071209547	1040XB
11075	ON	02/25/09	04/24/14	2008	CUBE VAN	1GDJG316181143478	9370XC
15046	ON	03/13/09	04/12/14	2009	JOURNEY	3D4GG57V49T583734	BFCC887
15057	ON	05/11/09	05/10/13	2009	EQUINOX	2CNLD23F796251215	BFNY394
15059	ON	05/11/09	05/10/13	2009	EQUINOX	2CNLD23F796251036	BFNY461
15060	ON	05/11/09	05/10/13	2009	EQUINOX	2CNLD23F296251218	BFNY458
15067	ON	05/27/09	05/26/13	2009	TORRENT	2CKDL43F896254097	BFNY987
15068	ON	07/23/09	07/22/13	2009	SAVANA	1GTGG29C691176223	7860XL
15071	ON	07/23/09	07/22/13	2009	SAVANA	1GTGG29C491175006	7856XL
15072	ON	08/21/09	08/20/13	2009	SAVANA	1GTGG29C691175962	7874XL
15073	ON	08/19/09	08/18/13	2009	SAVANA	1GTGG29C691175623	7873XL
15074	ON	07/23/09	07/22/13	2009	SAVANA	1GTGG29C791176750	7859XL
15075	ON	07/23/09	07/22/13	2009	SAVANA	1GTGG29C191176775	7862XL
15077	ON	07/31/09	07/30/13	2009	SAVANA	1GTGG29C191176209	7857XL
15081	ON	09/08/09	09/07/13	2010	CARAVAN	2D4RN4DE2AR110922	BHCZ852
15082	ON	09/08/09	09/07/13	2010	CARAVAN	2D4RN4DEXAR110926	BHCZ851
15087	ON	01/14/10	01/13/14	2010	SIERRA	1GT3K0B6G2AF113626	2803YD
15088	ON	12/22/09	12/21/13	2010	GR CARAVAN	2D4RN4DE0AR222506	BHWK719
15089	ON	12/22/09	12/21/13	2010	GR CARAVAN	2D4RN4DE9AR222505	BHWK720
15090	ON	12/22/09	12/21/13	2010	GR CARAVAN	2D4RN4DE2AR222507	BHWK716
15091	ON	12/22/09	12/21/13	2010	GR CARAVAN	2D4RN4DE7AR222504	BHWK714
15092	ON	01/06/10	01/05/14	2010	TUNDRA	5TFHY5F12AX118603	2762YD
15096	ON	12/02/10	12/01/14	2011	TK10753	1GTR2UEA6BZ215391	9409ZC
15098	ON	12/02/10	12/01/14	2011	TK10753	1GTR2UEA0BZ217881	9411ZC
15099	QC	12/02/10	12/01/14	2011	TK10753	1GTR2UEA0BZ218917	9412ZC
15100	ON	12/02/10	12/01/14	2011	TK10753	1GTR2UEA4BZ219911	9413ZC
15102	ON	12/02/10	12/01/14	2011	TK10753	1GTR2UEA0BZ218660	9432ZC
15066	ON	06/05/09	06/04/13	2009	EQUINOX	2CNLD13F396255093	BFVK323
15086	ON	12/15/09	12/14/13	2010	SIERRA	3GTRKWE31AG127862	2688YC
15105	ON	12/13/10	12/12/13	2008	SIERRA	1GTEK19J18E111723	4083ZF
15061	ON	05/15/09	05/14/13	2009	TORRENT	2CKDL43F196253986	BFNY611
15064	ON	06/05/09	06/04/13	2009	EQUINOX	2CNLD13F796255095	BFVK322
15078	ON	08/17/09	08/16/13	2009	VIBE	5Y2SP678X9Z47966	BHBC296
15056	ON	05/11/09	05/10/13	2009	EQUINOX	2CNLD23F196251212	BFNY460
15097	ON	12/02/10	12/01/14	2011	TK10953	1GTR2TE078Z215014	9410ZC
15103	ON	12/02/10	12/01/14	2011	TC10953	1GTR1TE03BZ218981	9431ZC
15115	ON	05/26/11	05/25/15	2011	EDGE	2FMDK3JC2BBB16545	BLTY068
15116	ON	06/16/11	06/15/15	2010	CUBE VAN	1GB6G4AG5A1145365	1658ZV
15117	ON	06/16/11	06/15/15	2010	CUBE VAN	1GD6G4AG5A1144997	1657ZV

Customer Unit #	ReportGroup	Year	Make	Model	Plate Number	VIN	Term End
EC0096	Group : EC - AMHERST	2011	Chevrolet	Silverado 1500	EYN 060	1GCRKREA4BZ178497	#####
EC0091	Group : EC - CHARLOTTETOWN	2011	Chevrolet	Silverado 1500	337KP	1GCRKSE34BZ256530	#####
EC0095	Group : EC - MONCTON	2011	Chevrolet	Express Cargo Van	CPN186	1GCWGFCA3B1117212	#####

Customer Unit #	ReportGroup	Year	Make	Model	Plate Number	VIN	Lease Type	Term	Term Start	Term End
WC1095	Group : WC - CALGARY	2011	Ford	Econoline Cargo Van	BCW4586	1FTNE1EW0BDA43680	Closed End Lease			30/12/2016
WC1096	Group : WC - CALGARY	2011	Ford	Econoline Cargo Van	BCW4587	1FTNE1EW4BDA43679	Closed End Lease			30/11/2016
WC1097	Group : WC - CALGARY	2011	Ford	Econoline Cargo Van	BDB5482	1FTNE2ELOBDA37535	Closed End Lease			31/12/2016
WC1092	Group : WC - MEDICINE HAT	2011	GMC	Savana Cargo Van	BCR0932	1GTS7AFX9B1102652	Open	12	#####	31/03/2016
WC1093	Group : WC - MEDICINE HAT	2011	GMC	Savana Cargo Van	BCR0933	1GTW7FCA6B1103319	Open	12	#####	31/03/2016

Customer Unit #	ReportGroup	Year	Make	Model	Plate Number	VIN	Term	Term Start	Term End
WC0075	Group : WC - Abbotsford	2011	GMC	Savana Commercial Cutaway	DA1166	1GD374BG8B1107137	36	#####	#####
WC0131	Group : WC - SASKATOON	2011	GMC	Savana Commercial Cutaway	231JMJ	1GD374BG8B1140963	36	#####	#####

Appendix 2 to Schedule A - Real Property Leases

REGION	ADDRESS	CITY
Atlantic	39 - 41 Gurholt Drive, 2nd Floor	Dartmouth, NS B3B 1J9
	1358 Linkletter Road	Summerside, PEI
	178 Halifax Street	Moncton, NB E1C 8N5
	249 Brackley Point Road	Charlottetown, PEI
	9128 Commercial Street	New Minas, NS B4N 3E5
	46 Anson Avenue, Unit 8	Amherst, NS B4H 4R3
	17176 Highway 103	Hebb's Cross (Bridgewater), NS
	186 Halifax Street	Moncton, NB E1C 9S2
	244 Water Street	Yarmouth, NS
Ontario / PQ	60 Admiral Boulevard	Mississauga, ON
	566 Cataraqui Woods Drive, Unit 2	Kingston, ON K7P 2Y5
	29 Harriett Street, Main Floor & Upper Level	Belleville, ON
	2104 Jetstream Road	London, ON
	1154 Roland Street	Thunder Bay, ON P78 5M4
	995 Richmond Street	Chatham, ON
	170 University Avenue, Suite 403	Toronto, ON
	235 Ardelt Avenue, Unit 1B-235	Kitchener, ON
	340 Pine Street North	Timmins, ON P4N 6L4
	524 Lakeshore Drive, Units 105, 106, 107 & 108	North Bay, ON P1A 2E4
	180 Chatham Street	Hamilton, ON L8P 4M3
	450 Richardson Road, Units 5 & 6	Orangeville, ON
	355 Elmira Rd., Suite 108	Guelph, ON N1K 1S5
	3075 Hamel, Suite 105	Quebec, PQ G1W 2M7
	290 Guthrie Street	Dorval, PQ
	700-780 Gordon Baker Road, Unit 768	Toronto, ON M2H
	3051 Osler Street, Unit 3 & 4	London, ON
	3517 Coons Road, RR#4	Brockville, ON
	207 St. Paul Street West, Unit #3	St. Catharines, ON
	48-50 Colonnade Road	Ottawa, Ontario
101 Eastchester Avenue	St. Catharines, ON	
Prairies / BC	925 Keewatin Street	Winnipeg, MB
	1932 King Edward Street	Winnipeg, MB R2R 0N1
	15001 89 Street	Grande Prairie, AB
	13260-78th Ave Surrey and 7788-132 St Surrey, Units 23-27; Unit 104	Surrey, BC V3W 0H5; V3W 0H6

REGION	ADDRESS	CITY
	103 English Crescent	Saskatoon, SK
	11404 184th Street	Edmonton, AB
	1385 - 1395 Boundary Road	Vancouver, BC
	1771-30th Street SW, Bays 3-6 and a portion of Bay 7 (inclusive)	Medicine Hat, AB
	3016 - 21st Street NE	Calgary, AB
	30936 Peardonville Road	Abbotsford, BC V2T 6K1
	5-8465 Harvard Place, Unit #5	Chilliwack, BC V2P 7Z5
	8820 - 100th Street	Fort St. John, BC
	58 Crease Avenue	Victoria, BC
USA	185 Molly Walton Drive	Hendersonville, TN 37075

Appendix 3 to Schedule A - Excluded Contracts

- Tenth Amended and Restated Limited Partnership Agreement dated July 2, 2009;
- Credit Agreement by and between the Vendor, FOS Holdings, FOS U.S. and Wells Fargo and the lenders thereto dated November 25, 2014 (as amended through the date hereof "**Credit Agreement**") and all related ancillary Contracts including the guarantee, general security agreement and share pledge agreement entered into by FirstOnSite G.P. Inc. and the Vendor in favour of BDC dated November 25, 2014;
- Letter of Offer of Credit between BDC, the Vendor, FOS Holdings, FOS U.S. dated November 25, 2014 ("**Loan Agreement (BDC)**") and all related ancillary Contracts including the unlimited guarantee, general security agreement and hypothec entered into by FirstOnSite G.P. Inc. and the Vendor in favour of BDC dated November 25, 2014;
- Letter of Offer of Financing between BDC Capital, the Vendor, FOS Holdings, FOS U.S. dated November 25, 2014 ("**Loan Agreement (BDC Capital)**") and all related ancillary Contracts including the unlimited guarantee, general security agreement and hypothec entered into by FirstOnSite G.P. Inc. and the Vendor in favour of BDC dated November 25, 2014;
- the Debentures;
- the Promissory Notes;
- the management services agreement dated January 31, 2007 between the Vendor and Torquest Management Services Limited Partnership;
- other Excluded Contracts, if any, to be added in accordance with Section 2.6

Appendix 4 to Schedule A - Excluded Assets

- other Excluded Assets, if any, to be added in accordance with Section 2.6

Appendix 5 to Schedule A - Essential Contracts

Customer Contracts

Contract	Parties	Date
Rely Network Service Agreement	Intact Financial Corporation & Firstonsite Restoration L.P.	April 20, 2012
Services Agreement	Meloche Monnex Inc. & Firstonsite Restoration L.P.	November 1, 2014
Preferred Contractor Service Agreement	Co-operators General Insurance Company/COSECO Insurance Co. & FirstOnSite Restoration LP	January 21, 2015/January 28, 2015
Standing Offer For Emergency Response and Restoration Services with FirstOnSite Restoration	Brookfield Johnson Controls Canada LP, by its general partner, Brookfield Johnson Controls Canada GP Ltd. & FirstOnSite Restoration LP"	Undated
Consulting Agreement	Housing Services Corp & Firstonsite Restoration & FirstOnSite Restoration LP	October 20, 2015
General Contractor Agreement	Desjardins General Insurance Group Inc. & FirstOnSite Restoration LP	June 17, 2013
Agreement to Provide Services	Crawford & Company (Canada) Inc.& FirstOnSite Restoration LP	March 6, 2012
All 17 Services Agreements	Aviva Canada Inc.& FirstOnSite Restoration LP	Various dates
Master Services Agreement	Roins Financial Services Limited & FirstOnSite Restoration LP	January 21, 2015
Professional Services Agreement Contractor Vendor Program	Zurich Insurance Company Ltd.& FirstOnSite Restoration LP	July 1, 2013

Supplier Contracts

Contract	Parties	Date
Master Lease Agreement	Jim Pattison Lease & FirstOnSite GP Inc.	July 28, 2009
Master Fleet Management Agreement	Jim Pattison Lease & FirstOnSite GP Inc.	May 19, 2011
National Intake and Emergency Claims Service (ECS) Agreement	Claimspro, a division of SCM Insurance Services Inc. &	November 24, 2014

	Firstonsite Restoration L.P.	
Services Agreement	The Great-West Life Assurance Company & Firstonsite Restoration L.P.	July 1, 2014

Appendix 6 to Schedule A - Consent Required Contracts

- [To be added in accordance with Section 2.2]

Schedule B - Purchase Price Allocation

Purchased Assets:

- Current assets and current liabilities will be valued at their book value
- Capital assets will be valued at the lesser of their book value and their undepreciated capital cost
- The remainder of the Purchase Price will be allocated to "goodwill and other intangible assets".

Schedule C - Permitted Encumbrances

Personal property security registrations in respect of capital lease agreements or equipment lease agreements that are Assumed Contracts.

Schedule D - Excluded Obligations

(a) Bank Indebtedness:

Any obligations of the Vendor pursuant to the Credit Agreement, the Loan Agreement (BDC) or the Loan Agreement (BDC Capital).

(b) Secured and Unsecured Debentures:

Tranche 1 Secured Convertible Debentures issued Dec 21, 2010	Tranche 2 Secured Convertible Debentures issued June 9, 2011	Tranche 3 Secured Convertible Debentures issued Feb 8, 2012
Torquest Partners Fund II, L.P.	Mark Jackson	Torquest Partners Fund II, L.P.
2123101 Ontario Inc.	Noel Walpole	2123101 Ontario Inc.
Andrew Boulanger		Woodhouse Investments Inc. (formerly 1347605 Ontario Ltd.)
Woodhouse Investments Inc. (formerly 1347605 Ontario Ltd.)		Fournier Brothers Holdings Inc.
Edenvale Restoration Specialists Ltd.		2356723 Nova Scotia Limited
Fournier Brothers Holdings Inc. (formerly 330214 Ontario Inc.)		Barry-Robert Enterprises Ltd.
2976367 Manitoba Ltd.		101109 P.E.I. Inc.
2356723 Nova Scotia Limited		Demos Canada Limited
Barry-Robert Enterprises Ltd.		
1640334 Ontario Inc.		
Spring Fresh Cleaning & Restoration Canada Inc.		
Demos Canada Limited		

Tranche 4 Secured Convertible Debentures issued March 11, 2013	Secured Convertible Debentures issued Aug 2, 2013	Secured Non-Convertible Debentures issued Nov 25, 2014
Torquest Partners Fund II, L.P.	Torquest Partners Fund II, L.P.	Torquest Partners Fund II, L.P.
2123101 Ontario Inc.	2123101 Ontario Inc.	Torquest Partners Fund (U.S.) II, L.P.
JJAB Holdings Inc.	JJAB Holdings Inc. (<i>issued September 1, 2013</i>)	
Demos Canada Limited		

Ames Family Trust (issued April 1, 2013)		
Barry Ross (issued July 7, 2014)		

(c) Promissory Notes:

- i. Each of those subordinated 14% Series A promissory notes issued from time to time beginning Feb 1, 2007 to and until December 31, 2014 by the Vendor in favour of: (i) Torquest Partners Fund II L.P. in the aggregate approximate amount of \$30.6 million and; (ii) Torquest Partners Fund (U.S.) II, L.P. in the aggregate approximate amount of \$10.94 million; and

ii.

Unsecured Non-Convertible Promissory Notes issued March 24, 2015	Unsecured Non-Convertible Promissory Notes issued July 28, 2015
Torquest Partners Fund II, L.P.	Torquest Partners Fund II, L.P.
Torquest Partners Fund (U.S.) II, L.P.	Torquest Partners Fund (U.S.) II, L.P.

Schedule E - Form of Approval and Vesting Order

(See attached)

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	WEEKDAY, THE #
)	
JUSTICE)	DAY OF MONTH, 2016

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
FIRSTONSITE G.P. INC.

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by FirstOnSite G.P. Inc. and FirstOnSite Restoration L.P., a limited partnership formed under the laws of Ontario (collectively, the "Vendors"), for an order, *inter alia*: (i) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale dated April 20, 2016 (the "Sale Agreement") between FirstOnSite Restoration L.P. by its general partner FirstOnSite G.P. Inc. and 3297167 Nova Scotia Limited (the "Purchaser") and appended to the Affidavit of David Demos dated April ●, 2016 (the "Sale Approval Affidavit"); and (ii) vesting in the Purchaser the Vendors' right, title and interest in and to the assets described in the Sale Agreement ("Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Vendors, the affidavit of ● sworn April ●, 2016 and the Exhibits attached thereto, the [First] Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Vendors (the "Monitor"), and on being advised that those parties

disclosed on the Service List attached to the Motion Record were given notice, and on hearing the submissions of counsel for the Monitor, the Vendors and the Purchaser and [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn April ●, 2016 filed:

1. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Sale Agreement.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors and the Purchaser, with the approval of the Monitor, may agree upon. The Vendors are hereby authorized and directed, and the Monitor is authorized and empowered, to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS** that the Vendors are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.
4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of the Vendors' right, title and interest in and to the Purchased Assets and the proceeds thereof (including, for greater certainty, any funds received by the Purchaser on account of any Accounts Receivable) shall vest absolutely in the Purchaser, free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, encumbrances, obligations, liabilities, claims (including, without limitation, any claim based on any theory that the Purchaser is a successor or continuation of the Applicants or the Business), demands, guarantees, restrictions, contractual commitments, rights (including, without limitation, rights of first refusal or set-off), liens, executions, levies, charges, or other financial or monetary claims, adverse claims, or rights of use, puts or forced sale provisions exercisable as a consequence of or arising from closing of the Transaction whether arising prior to or subsequent to the commencement of the CCAA Proceedings, whether or not they have attached or been perfected, registered or filed and

whether secured, unsecured, legal equitable, possessory or otherwise (collectively, the “Claims”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ● dated April ●, 2016, and any subsequent charges created by the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (Alberta), the *Personal Property Security Act* (British Columbia), the *Personal Property Security Act* (Manitoba), the *Personal Property Security Act* (New Brunswick), the *Personal Property Security Act* (Nova Scotia), the *Personal Property Security Act* (Prince Edward Island), the Civil Code of Quebec, the *Personal Property Security Act* (Saskatchewan) or any other personal property registry system; and (iii) those Claims listed on Schedule “B” hereto (all of which are collectively referred to as the “Encumbrances”, which term shall not include the Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

6. **THIS COURT ORDERS AND DIRECTS** the Monitor, in its capacity as Escrow Agent, to:

- (a) from and after the Closing Time, hold the Potential Trust Claimant Reserve in escrow as set out in the Escrow Agreement; and
- (b) release the Potential Trust Claimant Reserve, or any portion thereof, at such times and in such amounts as are contemplated by the Escrow Agreement or as otherwise ordered by the Court, and in each case the Monitor shall incur no liability with respect to the foregoing.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.
8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement, and shall incur no liability with respect to the delivery of the Monitor's Certificate.
9. **THIS COURT ORDERS** that, provided that the Sale Agreement has not been terminated, any plan of compromise or arrangement that may be filed by the Vendors shall not derogate or otherwise affect any right or obligation of the Vendors or the Purchaser under the Sale Agreement unless otherwise agreed by the Vendors and the Purchaser.
10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act (Canada)*, the Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.
11. **THIS COURT ORDERS** that, notwithstanding:
- (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* in respect of the Vendors and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of the Vendors;

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

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

13. **THIS COURT ORDERS** that (i) on or after the Closing Date, the Vendors are hereby permitted to execute and file articles of amendment or such other documents or instruments as may be required to change their respective legal names in accordance with section 10.3 of the Sale Agreement, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective and shall be accepted by the applicable Governmental Authority without the requirement (if any) of obtaining director, partner or shareholder approval pursuant to any federal or provincial legislation; and (ii) upon the official change to the legal names of the Vendors that is occur in accordance with section 10.3 of the Sale Agreement, the names of the Vendors in the within title of proceedings shall be deleted and replaced with the new legal names of the Applicants, and any document filed thereafter in these proceedings (other than the Monitor's Certificate) shall be filed using such revised title of proceedings.

14. **THIS COURT ORDERS** that the Confidential Exhibit to the Sale Approval Affidavit shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court File, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

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



Schedule A - Form of Monitor's Certificate

Court File No. _____

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 FIRSTONSITE G.P. INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice ● of the Ontario Superior Court of Justice (the "Court") dated April ●, 2016, FTI Consulting Canada Inc. was appointed as the monitor (the "Monitor") of FirstOnSite G.P. Inc. and FirstOnSite Restoration L.P. (collectively, the "Vendors") in respect of these CCAA Proceedings.

B. Pursuant to an Order of the Court dated April ●, 2016 (the "Approval and Vesting Order"), the Court approved the agreement of purchase and sale made as of April 20, 2016 (the "Sale Agreement") between the Vendors and 3297167 Nova Scotia Limited (the "Purchaser") and provided for the vesting in the Purchaser of the Vendors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the Monitor, in its role as Monitor or as Escrow Agent, has received the Closing Cash Payment to be delivered to it in accordance with Section 3.2(b) of the Sale Agreement; and (ii) that the conditions to Closing under the Sale Agreement have been satisfied or waived by the Vendors and the Purchaser (as applicable).

C. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement.

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

THE MONITOR CERTIFIES the following:

1. The Vendors and the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Sale Agreement have been satisfied and/or waived, as applicable; and

2. The Monitor, in its role as the Monitor or as Escrow Agent has received that portion of the Closing Cash Payment to be delivered to it in accordance with Section 3.2(b) of the Sale Agreement.

4. This Certificate was delivered by the Monitor at _____ [TIME] on _____, 2016.

**FTI Consulting Canada Inc., in its capacity as
Monitor of the Vendors, and not in its
personal or corporate capacity**

Per: _____

Name:

Title:

**Schedule B - Claims to be released, discharged and expunged from Purchased Assets
upon delivery of the Monitor's Certificate**

1. The security granted by one or both of the Vendors under the following personal property system registrations:

Secured Party	Jurisdiction of Personal Property Registration								
	Alberta Reg. No.	BC Reg. No.	Manitoba Reg. No.	NB Reg. No.	Nova Scotia Reg. No.	Ontario Reg. No.	PEI Reg. No.	Quebec Reg. No.	Sask. Reg. No.
Torquest Partners Fund II, L.P.	10122318161	926057F (with renewal #593659G and #244785H)	201021420102	19617349	17547563	201012231124 1590 4247	2597513		300670830
2123101 Ontario Inc.	10122318199	926059F (with amendment #593492G, and renewal #593654G and #244807H)	201021420307	19617398	17547589	201012231126 1590 4248 (with amendment #201202171159 1590 6405, and renewal #201202171451 1590 6436 and #201303191044 1590 7241)	2597522		300670832
1347605 Ontario Ltd	10122318232	926071F (with renewal #593662G)	201021420900	19617406	17547613	201012231131 1590 4251 (with renewal #201202171451 1590 6435)	2597531		300670833
Edenvale Restoration Specialists Ltd.	10122318310	926073F	201021421303	19617414	17547639	201012231132 1590 4252	2597540		300670835
Boulanger, Andrew, William	10122318411	926076F	201021424205	19617422	17547670	201012231138 1590 4256	2597559		300670837
2149530 Ontario Ltd.	10122318566	926078F	201021425104	19617430	17547704	201012231138 1590 4257	2597568		300670838
2976367 Manitoba Ltd.	10122318624	926082F	201021425503	19617455	17547746	201012231138 1590 4258	2597577		300670839
330214 Ontario Inc.	10122318689	926085F	201021426003	19617463	17547753	201012231139 1590 4259	2597586		300670840

Secured Party	Jurisdiction of Personal Property Registration								
	Alberta Reg. No.	BC Reg. No.	Manitoba Reg. No.	NB Reg. No.	Nova Scotia Reg. No.	Ontario Reg. No.	PEI Reg. No.	Quebec Reg. No.	Sask. Reg. No.
2356723 Nova Scotia Limited	1012231 8743	926087F (with renewal #593669G)	2010214 26500	19617471	17547761	20101223 1140 1590 4260 (with renewal #20120217 1451 1590 6434)	2597602		3006708 41
Barry-Robert Enterprises Ltd.	1012231 8809	926089F (with renewal #593674G)	2010214 27301	1961749 7	17547787	20101223 1140 1590 4261 (with renewal #20120217 1451 1590 6433)	2597611		3006708 42
1640334 Ontario Inc.	1012231 8838	926090F	201021428 405	19617521	17547795	20101223 1141 1590 4262	2597620		3006708 43
Spring Fresh Cleaning & Restoration Canada Inc.	1012231 8891	926092F	201021428 901	19617539	17547803	20101223 1141 1590 4263	2597639		3006708 44
Demos Canada Limited	1012231 8932	926093F (with renewal #593678G and #244792H)	201021429 401	19617547	17547829	20101223 1141 1590 4264 (with renewal #20120217 1451 1590 6432 and #20130319 1044 1590 7239)	2597648		3006708 45
Jackson, Mark	1106151 2297	200467G	201109879 709	20223418	18199166	20110615 1206 1590 3376	2696728		3007369 81
Walpole, Noel	1106151 2319	200471G	201109881 100	20223442	18199232	20110615 1207 1590 3377	2696737		3007369 90
Fournier Brothers Holdings Inc.	1202171 3422	593645G	2012027 17603	21137112	1917663 5	20120217 1157 1590 6403	2848057		3008315 15
101109 P.E.I. Inc.	1202171 3478	593650G	201202718 006	21137138	19176684	20120217 1157 1590 6404	2848066		3008315 21
JJAB Holdings Inc.	1303191 3602	244822H	201304490 506	2273133 5	20953907	20130319 0954 1590 7207	3132158		3009980 53
Ross, Barry	1408053 4885	107915I	201414541 700	24746422	23142250	20140805 1432 1590 7735	3485320		3012236 38
Wells Fargo Capital Finance Corporation Canada, As Agent	1411121 6898	282633I	2014214 49703	25153081	2357187 0	20141112 1103 1862 4890 and 20141112 1106 1862 4893	3555272	14- 1078395- 0001	3012681 60

- 2 -

Secured Party	Jurisdiction of Personal Property Registration								
	Alberta Reg. No.	BC Reg. No.	Manitoba Reg. No.	NB Reg. No.	Nova Scotia Reg. No.	Ontario Reg. No.	PEI Reg. No.	Quebec Reg. No.	Sask. Reg. No.
Business Development Bank Of Canada	1411122 7954	283397	201421483 405	25154428	2357346 2	20141112 1420 1793 0277 and 20141113 1648 1793 0324	3555496	14- 1079832- 0001	3012683 47
BDC Capital Inc.	1411122 8010	283394I	201421483 502	25154436	2357349 6	20141112 1423 1793 0279 and 20141113 1650 1793 0325	3555511	14- 1080142- 0002	3012683 48
Bank Of Montreal, As Agent						20070125 0952 1590 8846 (with amendme nt #20070216 1317 1590 0120 and #20071219 1005 1590 5550 and #20141126 1002 1590 4545) and renewal #20130926 1704 1462 9640)			

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

Court File No. _____

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIRSTONSITE G.P. INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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

Maria Konyukhova LSUC#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Vlad Calina LSUC#: 69072W
Tel: (416) 869-5202
Email: vcalina@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

Schedule F - Working Capital Methodology

[REDACTED]

Schedule G - Form of Escrow Agreement

(See attached)

ESCROW AGREEMENT

Escrow Agreement dated April 21, 2016 between FirstOnSite Restoration L.P., a limited partnership formed under the laws of Ontario, by its general partner FirstOnSite G.P. Inc., a corporation incorporated under the laws of Ontario (collectively the "**Vendor**"), 3297167 Nova Scotia Limited, a corporation incorporated under the laws of Nova Scotia (the "**Purchaser**") and FTI Consulting Canada Inc., solely in its capacity as escrow agent for the Vendor and the Purchaser (the "**Escrow Agent**").

RECITALS:

- (a) The Purchaser and the Vendor have entered into an asset purchase agreement (the "**Purchase Agreement**") dated the date hereof, pursuant to which, the Purchaser will purchase, and the Vendor will sell, substantially all the assets and operations of the Vendor;
- (b) Pursuant to the terms of the Purchase Agreement, the Purchaser has deposited with the Escrow Agent, on the date hereof, a deposit in the amount of CAD\$2,000,000 towards the satisfaction of the Purchase Price (being the "**Deposit**" as that term is defined in the Purchase Agreement);
- (c) Pursuant to the terms of the Purchase Agreement, the Purchaser and the Vendor have agreed that either (i) one or more letters of credit in the aggregate amount of CAD\$5,000,000 (being the "**Potential Trust Claimant L/C**" as that term is defined in the Purchase Agreement); or (ii) CAD\$5,000,000 (the "**Potential Trust Claimant Cash**", and each of the Potential Trust Claimant L/C and the Potential Trust Claimant Cash, the "**Potential Trust Claimant Reserve**") will be deposited with the Escrow Agent, to be held in escrow by the Escrow Agent and released on the terms provided in the Purchase Agreement and this Escrow Agreement; and
- (d) The Escrow Agent is willing to act as escrow agent for the sole purpose of accepting, holding and disbursing the Deposit and the Potential Trust Claimant Reserve in accordance with this Escrow Agreement.

In consideration of the above and for other good and valuable consideration, the parties agree as follows:

Section 1 Defined Terms

The parties to this Escrow Agreement are collectively called the "parties" and individually a "party". The term "including" means "including without limitation" and the term "includes" means "includes without limitation." Capitalized terms

used and not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement. As used herein, "Escrow Amount" refers to the Deposit or the Potential Trust Claimant Reserve, as applicable in the circumstances, and "Escrow Amounts" refers to the Deposit and the Potential Trust Claimant Reserve in all cases, including any interest earned thereon.

Section 2 Appointment of Escrow Agent

The Vendor and the Purchaser hereby appoint the Escrow Agent to act as escrow agent in accordance with this Escrow Agreement and the Escrow Agent accepts such appointment.

Section 3 Delivery of Escrow Amounts and Receipt

- (1) The Escrow Agent acknowledges receipt from the Purchaser of the Deposit.
- (2) At the Closing, the Escrow Agent will send a written acknowledgement of receipt of the Potential Trust Claimant Reserve, upon receipt thereof, from the Purchaser at the wire instructions and/or delivery instructions provided by the Escrow Agent to the Purchaser no later than 2 Business Days in advance of Closing.
- (3) The Escrow Agent shall hold and deal with the Escrow Amounts in accordance with this Escrow Agreement.

Section 4 Holding of Escrow Amounts

- (1) Until the Escrow Amounts are disbursed in accordance with Section 5 or Section 9, the Escrow Agent shall hold the Escrow Amounts, upon receipt, (i) in the case of the Potential Trust Claim L/C, in safekeeping; and (ii) in the case of all other applicable Escrow Amounts, in a segregated non-investment, interest-bearing bank account or accounts at a Schedule I Canadian bank and is not required to otherwise invest such funds.
- (2) The Escrow Amounts held by the Escrow Agent are at the sole risk of the Purchaser and the Vendor and, without limiting the generality of the foregoing, the Escrow Agent shall have no responsibility or liability for any diminution of the Escrow Amounts which may result from any deposit made with a Schedule I Canadian bank or otherwise absent its own bad faith or fraud.
- (3) Interest earned and paid on the Escrow Amounts (if any) will be added to and form part of the Escrow Amounts. Interest earned net of any bank charges or fees incurred on or related to the Escrow Amounts will be for the benefit of the party to whom such Escrow Amount is released and the Escrow Agent may disclose such information (including the identity of the party receiving the Escrow Amount) as may be required for tax reporting and

other purposes. The Escrow Agent shall have no responsibility for the preparation and/or filing of any tax or information return with respect to any transactions, whether or not related to the Escrow Agreement.

Section 5 Distribution and Release of Escrow Amounts

- (1) *Deposit*: Immediately following the Closing Time, the Escrow Agent shall be irrevocably authorized and directed to, and shall within three Business Days, remit and initiate the transfer of the Deposit from escrow to a general account to hold the Deposit in trust in its capacity as court-appointed Monitor.
- (2) *Termination or Outside Date*: Subject to Section 5(5), if Closing has not occurred by the Outside Date, or in the event of a termination of the Purchase Agreement if Closing has not occurred, then upon receipt by the Escrow Agent of a written direction, the form of which is attached as Schedule "A" hereto (a "**Distribution Direction**"), duly executed by each of the Vendor and the Purchaser in accordance with Section 3.3 of the Purchase Agreement, the Escrow Agent shall be irrevocably authorized and directed to remit the Deposit in the manner set forth therein and such disbursement shall be initiated by the Escrow Agent on or before the fifth Business Day after the receipt by the Escrow Agent of such Distribution Direction.
- (3) *Potential Trust Claimant Reserve*: Subject to Section 5(5), upon receipt by the Escrow Agent of a Distribution Direction, duly executed by each of the Vendor and the Purchaser in accordance with Section 6.9 of the Purchase Agreement, the Escrow Agent shall be irrevocably authorized and directed to: (i) in the event that the Potential Trust Claimant Reserve is a Potential Trust Claimant L/C, to either (A) draw upon the Potential Trust Claimant L/C in the amount specified in the Distribution Direction and to remit such amount in the manner set forth therein; or (B) to return the Potential Trust Claimant L/C to the Purchaser in accordance with the delivery directions contained in the Distribution Direction; or (ii) in the event that the Potential Trust Claimant Reserve is Potential Trust Claimant Cash, to remit the amount specified in the Distribution Direction in the manner set forth therein. In each case the disbursement of any funds or the return of the Potential Trust Claimant L/C (as applicable) shall be initiated by the Escrow Agent on or before the fifth Business Day after the receipt by the Escrow Agent of such Distribution Direction. The Vendor and the Purchaser may, by joint instruction to the Escrow Agent, authorize the replacement of the Potential Trust Claimant L/C with one or more letters of credit in a lesser amount (subject to the prior consent of the Monitor), and such letters of credit shall become the new "Potential Trust Claimant L/C" for the purposes of this Escrow Agreement upon return to the Purchaser of the previously held Potential Trust Claimant L/C.

- (4) The Escrow Agent is not required to, and may not make, any determination, decision or investigation with respect to the validity of any claim or denial thereof made by the Vendor or the Purchaser and may rely solely on the terms of this Escrow Agreement and any Distribution Direction delivered to the Escrow Agent in accordance with the terms and conditions contained herein.
- (5) In the following circumstances, the Escrow Agent may (i) refrain from taking any action under this Escrow Agreement until it is authorized or directed otherwise in writing by the Vendor and the Purchaser by way of documentation that complies with the terms of this Escrow Agreement and does not require the exercise of any discretion or independent judgment on the part of the Escrow Agent, or by an order of the Court or (ii) deposit the Escrow Amounts with the Court, if:
 - (a) the Escrow Agent is uncertain as to its duties or rights under this Escrow Agreement;
 - (b) the Escrow Agent receives instructions, claims or demands from any party to this Escrow Agreement or from a third person with respect to any matter under this Escrow Agreement which, in its opinion, are in conflict or otherwise inconsistent with this Escrow Agreement or the Purchase Agreement;
 - (c) any of the parties to this Escrow Agreement, including the Escrow Agent, disagree about the interpretation of this Escrow Agreement, the Purchase Agreement (in particular with respect to the release from escrow of the Deposit or the Potential Trust Claimant Reserve) or about the rights and obligations of the Escrow Agent, or the appropriateness of an action contemplated by the Escrow Agent under this Escrow Agreement; or
 - (d) any party hereto commences a motion or other proceeding before a court of competent jurisdiction for determination of any party's rights, remedies or entitlements with respect to the Escrow Amounts.

Section 6 Duties and Liabilities of the Escrow Agent.

- (1) The Escrow Agent, as escrow agent hereunder, has no duties, obligations or responsibilities whatsoever, including any inferred or implied duties or obligations, other than those duties, obligations or responsibilities expressly set forth in this Escrow Agreement, which the parties acknowledge and agree are purely administrative in nature. For greater certainty, the Escrow Agent, is not bound by any agreement, arrangement or understanding relating to or arising out of the matters provided for in this Escrow Agreement, except as expressly set forth in this Escrow Agreement and shall be obligated to perform only such duties as are specifically set forth herein. The Vendor and

the Purchaser both acknowledge that in addition to acting as escrow agent hereunder, the Escrow Agent is, or will be proposed to be, the court-appointed monitor of the Vendor, pursuant to the CCAA Proceedings.

- (2) The Escrow Agent shall not be liable for any expense, loss or damage for any action taken or omitted to be taken by the Escrow Agent, any mistake of fact or law, any error of judgment, or in the event of any loss or mis-delivery of or to any portion of the Escrow Amounts howsoever caused, except for acts of its own bad faith or fraud in each case as determined by a final non-appealable order of a court of competent jurisdiction in the province of Ontario. In addition, the Escrow Agent shall have no liability for any expense, loss or damage whatsoever arising from any cause beyond the Escrow Agent's control, including the following: (i) any delay, error, omission or default of any mail, courier or electronic transmission; (ii) the acts of any government, governmental agency or regulatory body (including any act or provision of any present or future law or regulation or governmental authority), (iii) any act of God or war; (iv) the unavailability of any wire or electronic communication facility; or (v) any act, omission or disruption of banking services or payment settlement system which affects the ability of the Escrow Agent's bank to process a wire transfer payment, electronic funds transfer payment or any other transfer of some or all of the Escrow Amounts pursuant to a Distribution Direction. Notwithstanding anything in this Escrow Agreement to the contrary: (i) in no event shall the Escrow Agent be liable for special, indirect or consequential losses or damages of any kind whatsoever (including lost profits) and (ii) the maximum liability of the Escrow Agent with respect to this Escrow Agreement and its obligations hereunder shall not, under any circumstances, exceed the total Escrow Amounts actually received by the Escrow Agent, together with interest, if any, accrued thereon in accordance with the terms of this Escrow Agreement.
- (3) The Escrow Agent may rely on, and is protected in acting upon, any Distribution Direction delivered to the Escrow Agent in accordance with Section 5 or Section 9, and may accept a Distribution Direction as sufficient evidence of the facts stated in it. The Escrow Agent is in no way bound to enquire as to the veracity, accuracy or adequacy thereof or call for further evidence (whether as to due execution, validity or effectiveness, or the jurisdiction of any court, or as to the truth of any fact), and is not responsible for any loss that may be occasioned by its failing to do so.
- (4) The Escrow Agent shall not be required to use, advance or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of its rights under this Escrow Agreement.

- (5) If the Escrow Agent becomes involved in any arbitration or litigation relating to this Escrow Agreement, the Escrow Agent may comply with any decision reached through such arbitration or litigation.
- (6) Upon the Escrow Agent disbursing the Escrow Amounts or depositing the Escrow Amounts with the Court in accordance with this Escrow Agreement, the Escrow Agent will be released from its duties and obligations under this Escrow Agreement. Section 7 and Section 8 and all other provisions of this Escrow Agreement relating to the protection of the Escrow Agent survive such release of the Escrow Agent.

Section 7 Escrow Agent's Fees, Costs and Expenses

The Vendor shall pay the Escrow Agent's reasonable fees (including legal fees), expenses and disbursements in connection with this Escrow Agreement and/or the performance of the Escrow Agent's obligations under this Escrow Agreement within 5 Business Days of such a request by the Escrow Agent.

Section 8 Indemnification of Escrow Agent

The Vendor, on the one hand, and the Purchaser, on the other hand, shall jointly and severally indemnify and save harmless the Escrow Agent and each of its shareholders, partners, directors, officers, employees, agents, advisors (including legal counsel), representatives and affiliates (collectively, the "Indemnitees"), of and from, and shall pay for, all actions, proceedings, losses, liabilities, costs, claims, damages, fees, expenses (including legal fees and expenses on a full indemnity basis without reduction for tariff rates or similar reductions) and demands that may be imposed on, incurred by, made, asserted or brought against any of the Indemnitees or which any of them may suffer or incur as a result of, in respect of, or arising out of or in connection with this Escrow Agreement, the performance or non-performance by the Escrow Agent under this Escrow Agreement or any transactions contemplated by this Escrow Agreement, except such as shall result solely and directly from the Escrow Agent's own bad faith or fraud.

Section 9 Resignation, Removal of Escrow Agent

- (1) The Escrow Agent may resign and be discharged from all further duties, obligations and liabilities under this Escrow Agreement at any time on 20 days' written notice to the Vendor and the Purchaser or such shorter notice as the Vendor and the Purchaser may accept as sufficient. The Vendor and the Purchaser may collectively remove the Escrow Agent from its office at any time on 30 days' written notice from all of them to the Escrow Agent.
- (2) If the Escrow Agent resigns or is removed, the Vendor and the Purchaser have 10 Business Days to collectively appoint a successor and the Escrow Agent shall deliver the Escrow Amounts as the Vendor and the Purchaser direct in writing.

- (3) If a successor is not appointed in accordance with Section 9(2), then the Escrow Agent shall cease its function at the expiration of the notice period and deposit the Escrow Amounts with the Court.
- (4) This Escrow Agreement terminates and ceases to be of any further force and effect with respect to the Escrow Agent on the date on which the Escrow Agent delivers the Escrow Amounts to a successor or disburses it in accordance with this Section 9, except that Section 7 and Section 8 and all other provisions of this Escrow Agreement relating to the protection of the Escrow Agent survive the resignation or removal of the Escrow Agent.
- (5) Upon the appointment of any successor escrow agent, the successor escrow agent will be vested with the same powers, rights, duties and responsibilities as if the successor escrow agent had been originally named as Escrow Agent under this Escrow Agreement and will be subject to removal under this Section 9. The Vendor, the Purchaser and the successor escrow agent shall execute and deliver all documents and take all such actions as may, in the reasonable opinion of the Escrow Agent, be necessary or desirable for the purpose of effectively transferring the Escrow Amounts to the successor escrow agent.

Section 10 Termination of Escrow Agreement

This Escrow Agreement terminates and ceases to be of any further force and effect on the date on which the Escrow Agent disburses all of the Escrow Amounts in accordance with Section 5, deposits them accordance with Section 5 or Section 9, or ceases to be an Escrow Agent in accordance with Section 9, except that Section 7 and Section 8 and all other provisions of this Escrow Agreement relating to the protection of the Escrow Agent survive the termination of this Escrow Agreement.

Section 11 Notices

- (1) Any notice, direction or other communication given regarding the matters contemplated by this Escrow Agreement, including, any Distribution Direction (each, a "Notice") must be in writing, sent by personal delivery, courier or email and addressed to the addresses set forth below:
 - (i) in the case of the Purchaser, as indicated in the Purchase Agreement.
 - (ii) in the case of the Vendor, as indicated in the Purchase Agreement.
 - (iii) in the case of the Escrow Agent, as follows:

FTI Consulting Canada Inc.
 TD South Tower
 79 Wellington Street West
 Toronto Dominion Centre, Suite 2010

Toronto, ON M5K 1G8

Attention: Paul Bishop
 Email: paul.bishop@fticonsulting.com

with a copy to:

Goodmans LLP
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, ON
 M5H 2S7

Attention: Robert J. Chadwick / Caroline Descours
 Email: rchadwick@goodmans.ca / cdescours@goodmans.ca

- (2) Any Notice, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.
- (3) Sending a copy of a Notice to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a party.

Section 12 Amendments

This Escrow Agreement may only be amended, supplemented or otherwise modified by written agreement signed by all of the parties.

Section 13 Entire Escrow Agreement

This Escrow Agreement, and the Purchase Agreement (with respect to the Vendor and Purchaser), constitute the entire agreement between the parties with respect to the transactions contemplated in this Escrow Agreement and the Purchase Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to such transactions. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Escrow Agreement, except as specifically set forth in this Escrow Agreement and the Purchase Agreement (with respect to the Vendor and Purchaser). The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Escrow Agreement. Nothing herein shall be

deemed to limit, restrict, negate or otherwise amend the rights and obligations of the Parties as applicable, under the Purchase Agreement. For certainty, the Escrow Agent is not a party to the Purchase Agreement and shall have no obligations or liabilities thereunder. In the event of any conflict between the terms of this Escrow Agreement and the terms of the Purchase Agreement, the terms of this Escrow Agreement shall govern.

Section 14 Enurement and Assignment

This Escrow Agreement becomes effective when executed by all of the parties. After that time, it will be binding upon and enure to the benefit of the parties and their respective successors, legal representatives and permitted assigns. Neither this Escrow Agreement nor any of the rights or obligations under this Escrow Agreement, including any right to payment, may be assigned or transferred, in whole or in part, by any party without the prior written consent of the other parties, provided however, that the Purchaser shall be permitted to assign, without the prior written consent of the Vendor or the Escrow Agent, the benefit of all or a portion of this Escrow Agreement, to an affiliate of the Purchaser to whom the Purchaser has assigned the benefit of all or a portion of the Purchase Agreement, in circumstances where (i) prior notice of such assignment is provided to the Vendor and the Escrow Agent, (ii) such assignee agrees to be bound by the terms of this Escrow Agreement to the extent of the assignment, and (iii) such assignment shall not release the Purchaser from any obligation or liability hereunder.

Section 15 Severability

If any provision of this Escrow Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Escrow Agreement and the remaining provisions will remain in full force and effect.

Section 16 Waiver

No waiver of any of the provisions of this Escrow Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the party to be bound by the waiver. A party's failure or delay in exercising any right under this Escrow Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a party from any other or further exercise of that right or the exercise of any other right it may have.

Section 17 Further Assurances

On or after the date of this Escrow Agreement, the Vendor and the Purchaser shall execute and deliver such documents and take all such action as the other or the Escrow Agent may request from time to time in order to carry out the intent and

purpose of this Escrow Agreement and to establish and protect the rights, interests and remedies intended to be created in favour of the Escrow Agent.

Section 18 Time

Time is of the essence in this Escrow Agreement.

Section 19 Governing Law

This Escrow Agreement is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each party irrevocably attorns and submits to the non-exclusive jurisdiction of the Court, and waives objection to the venue of any proceeding in the Court or that the Court provides an inconvenient forum.

Section 20 Counterparts

This Escrow Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Escrow Agreement.

[Signature Page Follows]

The parties have executed this Escrow Agreement.

PURCHASER:

3297167 NOVA SCOTIA LIMITED

By: _____

Name:

Title:

VENDOR:

**FIRSTONSITE RESTORATION L.P. by
its general partner FIRSTONSITE G.P.
INC.**

By: _____

Name:

Title:

ESCROW AGENT:

**FTI CONSULTING CANADA INC.,
solely in its capacity as Escrow Agent, and
not in its personal or corporate capacity**

By: _____

Authorized Signatory, without
individual or personal liability

**SCHEDULE A
ESCROW RELEASE INSTRUCTIONS**

TO: FTI CONSULTING CANADA INC., solely in its capacity as escrow agent (the "Escrow Agent")

RE: Escrow Agreement dated April 21, 2016 (the "Escrow Agreement") among FirstOnSite Restoration L.P., a limited partnership formed under the laws of Ontario, by its general partner FirstOnSite G.P. Inc., a corporation incorporated under the laws of Ontario, 3297167 Nova Scotia Limited and the Escrow Agent.

Capitalized terms in this Distribution Direction have the meaning ascribed to such terms in the Escrow Agreement or the Purchase Agreement, as applicable.

This Distribution Direction is being delivered pursuant to [Section 5(2) / /Section 5(3)] of the Escrow Agreement. [The Outside Date has occurred / The Purchase Agreement has been terminated and Closing has not occurred/A trust claim has been made by a Potential Trust Claimant and remains unsettled in accordance with Section 6.9 of the Purchase Agreement/ [a portion of] the Potential Trust Claimant Reserve may now be released]. The Escrow Agent is therefore hereby irrevocably authorized and directed to deliver the [Deposit and any interest thereon to / [a portion of] the Potential Trust Claimant Reserve as follows]:

Purchaser

[Note: Insert name/address of Purchaser, as appropriate.]

[To deliver the Potential Trust Claimant L/C to the above address.][Note: For use in connection with the return of the Potential Trust Claimant L/C only]]

[In the amount of: ●]/[Note: For use with the return to the Purchaser of Potential Trust Claimant Cash]

by wire transfer to the following:

[Account holder]
c/o [Name of financial institution]
[Address]
Transit #: ●, Swift Code: ●

Bank Code: ●
Account #: ●

Vendor

[Note: Insert name/address of Vendor, as appropriate.]

[To present the Potential Trust Claimant L/C to the issuing financial institution for a draw in the amount of ● and to pay the proceeds][Note: for use in connection with a Potential Trust Claimant L/C draw]

[In the amount of ●][Note: for use with distributions under the Potential Trust Claimant Cash]

by wire transfer to the following:

[Account holder]
c/o [Name of financial institution]
[Address]
Transit #: ●, Swift Code: ●
Bank Code: ●
Account #: ●

and to inform the financial institution that the above named person is the beneficiary of such amount and this is your good and sufficient authority for doing so.

DATED this ____ day of _____, 2016.

3297167 NOVA SCOTIA LIMITED

By: _____
Name:
Title:

**FIRSTONSITE RESTORATION L.P. by
its general partner FIRSTONSITE G.P.
INC.**

By: _____

Name:

Title:

TAB D

THIS IS CONFIDENTIAL EXHIBIT "⁶²⁵D" REFERRED
TO IN THE AFFIDAVIT OF KEVIN McELCHERAN
SWORN BEFORE ME,
THIS 26TH DAY OF APRIL, 2016

C. Buley

Commissioner for Taking Affidavits

A NOTARY PUBLIC
IN AND FOR THE PROVINCE OF MANITOBA

CONFIDENTIAL

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 FIRSTONSITE G.P. INC.

Court File No. CV-16-11358-00CL

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

Proceeding commenced at Toronto

**AFFIDAVIT OF KEVIN MCELCHERAN
(SWORN APRIL 26, 2016)**

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

Maria Konyukhova LSUC#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Vlad Calina LSUC#: 69072W
Tel: (416) 869-5202
Email: vcalina@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicant

TAB 3

Court File No. CV-16-11358-00CL

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
FIRSTONSITE G.P. INC.

Applicant

AFFIDAVIT OF ADAM ZALEV
(Sworn April 26, 2016)
(Re Sale Approval Motion)

I, Adam Zalev, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a Managing Director at Alvarez & Marsal Canada Securities ULC ("**A&M**") in Toronto. A&M was engaged by FirstOnSite Restoration L.P. ("**FirstOnSite LP**" or the "**Company**"), a limited partnership formed under the laws of Ontario, on October 30, 2015 (the "**Engagement Letter**") as its financial advisor to, among other things, undertake a sale and investment solicitation process ("**SISP**") as described below. As such I have knowledge of the matters to which I hereinafter depose, save for matters based on information and belief in which case I verily believe them to be true.

2. Pursuant to the SISP, the Company and A&M carried out a thorough canvassing of the market. The SISP ultimately resulted in the negotiation and execution (subject to this Court's approval) of the Agreement of Purchase and Sale made and entered into as of April 20, 2016 (the "**APA**") between FirstOnSite LP by its general partner, FirstOnSite G.P. Inc. ("**FirstOnSite GP**") (in such capacity, the "**Vendor**") and 3297167 Nova Scotia Limited (the "**Purchaser**") for the sale of the Purchased Assets (as defined therein) and the transactions contemplated thereby (the "**Sale Transaction**"). A redacted copy of the APA is attached as an exhibit to the Sale Approval Affidavit (as defined below).

3. Hereinafter, where reference is made to the FirstOnSite enterprise as a whole, the term “**FirstOnSite**” will be used.

4. This affidavit is sworn in support of the motion brought by FirstOnSite GP seeking, among other things, an order (the “**Approval and Vesting Order**”) approving the **Sale Transaction**. This affidavit is sworn to supplement the affidavit of Kevin McElcheran sworn April 26, 2016 in support of the within motion.

A. A&M

5. A&M is the Canadian corporate finance and investment banking arm of Alvarez & Marsal, a global professional services firm and a leading provider of corporate advisory services. Founded in 1983, Alvarez & Marsal is headquartered in New York City with more than 40 offices across North America, Europe, the Middle East, Asia and Latin America. Alvarez & Marsal provides a variety of corporate and financial advisory services, including turnaround management, corporate restructuring, investment banking and operational performance improvement for companies and their stakeholders.

6. A&M has extensive knowledge of the financial marketplace, significant experience in special situations investment banking, mergers, acquisitions and other corporate finance transactions. A&M has a lengthy record of successful transactions.

7. I have more than thirteen years of capital markets experience, specializing in special situations merger and acquisition transactions, raising capital and balance sheet restructurings.

8. Prior to joining A&M, I was a Vice President of KPMG Corporate Finance Inc., where I held various roles within both the Corporate Finance and Restructuring practices.

9. I have been working with a team of professionals at A&M as part of our engagement as the Company's financial advisor to assist it in undertaking the SISP.

B. Development of the SISP

10. Pursuant to the Engagement Letter, A&M was engaged by FirstOnSite LP to act as its financial advisor and to identify one or more purchasers of, or investors in, FirstOnSite LP with the goal of maximizing value for the Company's stakeholders by way of the SISP.

11. In consultation with the board of directors of FirstOnSite GP (the "**Board**"), as well as the senior management and legal and other professional advisors of FirstOnSite LP, A&M recommended that the course of action that would most likely maximize returns for FirstOnSite's stakeholders would be to pursue a transaction that would result in either a full sale of the Company, or a substantial equity investment in it. At the time of the commencement of the SISP, no decision regarding whether any resulting sale would be implemented through a CCAA proceeding had been made. The decision to complete the transaction through the CCAA was made because of, among other things, the value of the bids received in the SISP. Regardless of whether or not the Company would need to avail itself of the CCAA to complete a transaction, the Board and A&M were of the view that a SISP, undertaken outside of the CCAA, would be preferable to a process within a formal restructuring, in any event, for the following reasons:

- (a) It was critical that the SISP be conducted in utmost confidentiality given the nature of the industry and the sensitivity of FirstOnSite customers (the majority of which are large insurance companies) and vendors. As the majority of FirstOnSite's assets are intangible (its employee, customer and vendor bases) concerns regarding the commencement of insolvency proceedings on the part of customers, employees and vendors would have

had a significant negative effect on the operations of the business and the value to be achieved in the SISP;

- (b) The stakeholders' concern regarding preserving jobs and future business opportunities for suppliers as well as on minimizing disruption to customers; and
- (c) The period of CCAA protection necessary to implement any post-filing sales process (at least three to four months) (if such protection was needed), including the publicity associated with such a filing, was expected to have serious and detrimental effects on FirstOnSite's business prospects and supplier relationships.

12. The SISP was developed to govern the process by which FirstOnSite would select a purchaser for, or investor in, its assets and/or business. The SISP was designed to:

- (a) parallel and correspond to typical post-filing sales and investor solicitation processes used and approved in other CCAA proceedings;
- (b) allow FirstOnSite to canvass the widest possible market and assess whether a sale transaction would provide the best return for stakeholders, absent any obligation to accept any bid;
- (c) identify the value maximizing transaction using clear, predetermined and objective criteria, based on, among other things, the total purchase price and the ability of the offeror to conclude a transaction within the timeline set out therein; and
- (d) offer FirstOnSite the flexibility necessary to select the transaction(s) that would maximize stakeholder value.

C. The SISP

13. In connection with the commencement of the SISP, A&M undertook a comprehensive assessment of the market for the business of FirstOnSite to identify

potential purchasers or investors that might be interested in considering an acquisition or investment transaction. A&M, together with executive management, the Board and the legal advisors and certain lenders of FirstOnSite, identified 101 prospective parties to contact and invite to participate in the SISP, including both financial and strategic parties located in Canada and the United States. The SISP undertaken by A&M was comprehensive and was developed on the same basis as if such process was being conducted within a CCAA proceeding.

14. A&M and the Company's executive management worked to prepare a confidential information memorandum (the "CIM") for prospective investors to review upon the execution of a non-disclosure agreement (the "NDA"). The CIM provided an overview of, and significant detail about, among other things, the FirstOnSite business, including historical and forecast financial information, the market, the industry and key customer and vendor relationships. A&M also prepared a teaser document to send to potential investors to generate interest in a transaction involving the Company.

15. The SISP was structured as a two phase process. The first phase ("Phase 1") involved contacting potential investors, initial due diligence, access to a preliminary data room and receipt by the Company of non-binding letters of intent ("LOIs") for the purchase of, or investment in, all or part of FirstOnSite's business and assets.

16. Phase 2 of the SISP involved additional due diligence and access to a comprehensive data room, management presentations and the review of a form of asset purchase agreement aimed at enabling participants to submit binding documentation in respect of a transaction with FirstOnSite.

17. FirstOnSite's principal creditors - Wells Fargo Capital Finance Corporation Canada ("Wells Fargo", and in its capacity as agent of behalf of the syndicate of lenders, the "ABL Agent"), the Business Development Bank of Canada ("BDC"), BDC Capital Inc. ("Capital") a wholly owned subsidiary of BDC, and Torquest (as defined in the affidavit of Dave Demos, sworn April 21, 2016) - were each supportive of the

development and implementation of the SISP and were kept apprised of the progress of the SISP by way of regular update calls.

18. The table below summarizes the key dates and milestones in relation to the SISP:

Sale Process	Date	Days (Phase)	Days (Total)
Compile list of potential purchasers and preparation of NDA, marketing materials and Phase 1 data room	Commenced October 30, 2015		
Commence marketing process	November 13, 2015		
Phase 1			
Phase 1 Due Diligence (confidential information memorandum, initial data room and management presentations, if appropriate)	November 13, 2015 to December 18, 2015	35	35
Receipt of non-binding letters of intent	December 18, 2015		
Analysis and selection of LOIs received	December 18, 2015 to December 24, 2015	6	41
Phase 2			
Phase 2 due diligence (management presentations, site visits, comprehensive data room, working capital analysis)	January 4, 2016		
Provide form of APA and final bid instruction letter	January 29, 2016	36	77
Receipt of draft APA mark-up	February 12, 2016	14	91
Receipt of offers	February 19, 2016	7	98
Post-Phase 2 Final Bid Analysis and Selection			
Analysis and selection of bids received, negotiation with prospective bidders	February 19, 2016 signing of binding APA		

Signing of binding APA	April 20, 2016	61	159
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19. The timeline proposed in connection with the SISP is consistent and similar to such timelines used in SISPs undertaken within a CCAA process.

Phase 1

20. The SISP commenced October 30, 2015. A&M (i) provided potential purchasers with the teaser document containing information about FirstOnSite to entice interest in the opportunity; (ii) held discussions with representatives of each party to provide additional overview information regarding the Company and the transaction opportunity; and (iii) invited interested parties to execute an NDA to obtain additional information.

21. In addition to contacting 101 parties (comprised of 35 strategic parties and 66 financial sponsors), A&M also contacted potential lenders to obtain financing guidance to support a possible transaction under the SISP and ascertain such lenders' potential interest in providing either a staple financing package or debt financing in support of a potential transaction.

22. Ultimately, 45 parties executed NDAs, were provided with the CIM and were granted access to a preliminary electronic data room containing further information in respect of the Company.

23. Interested parties were provided with a Phase 1 Process Letter (the "**Phase 1 Letter**") containing instructions for submitting an LOI and were asked to submit their LOI by 5:00 pm EST letter on December 18, 2015. Attached hereto as **Exhibit "A"** is a copy of the Phase 1 Letter.

24. A&M, the Company and its legal advisors worked diligently with potential purchasers throughout this period to respond to inquiries, discuss the FirstOnSite business and the acquisition or investment opportunity and otherwise ensure that the

prospective purchasers had the information necessary to formulate an LOI in respect of a potential transaction involving the Company.

25. A&M provided regular updates on activities being undertaken pursuant to the SISP to the Board as well as the Company's existing lenders.

26. Ultimately, eight parties submitted Phase 1 LOIs on December 18, 2015. All of the LOIs contemplated an acquisition of all or substantially all of the business and property of FirstOnSite. A chart comparing each of the eight offers received as part of Phase 1 of the SISP is attached hereto as **Confidential Exhibit "B"** and is requested to be sealed.

27. In accordance with the terms of the SISP, the Company, with the assistance of its advisors, and following clarifying discussions with potential bidders, determined that multiple LOIs qualified to participate in Phase 2 of the SISP ("**Phase 2**") and accordingly, five parties were invited to advance to Phase 2. The remaining three bidders submitted offers that were materially lower in value and indicated that they were not prepared to increase the value of their offers to the competitive level required.

Phase 2

28. Phase 2 commenced on January 4, 2016. Phase 2 of the SISP involved the conduct of additional due diligence including access to an expanded data room, the provision of a vendor due diligence report including a working capital analysis that was prepared by KPMG LLP ("**KPMG**") and invitations to participate in management presentations with the senior management team of FirstOnSite.

29. Throughout Phase 2, A&M held numerous discussions with bidders to respond to due diligence enquiries and encourage them to improve upon the Phase 1 LOI submissions, all to maximize value for FirstOnSite stakeholders.

30. Prior to receiving a management presentation, one bidder withdrew from the SISP as it advised that it could not dedicate the required time and resources to

participate within the proposed timeline. Four parties attended at the management presentations.

31. Following the management presentations, certain of the interested parties engaged financial and legal advisors to assist in conducting additional detailed due diligence (which took the form of additional information requests, follow-up management meetings, facility tours and other similar diligence activities). Upon request, bidders' advisors were granted access to KPMG representatives as well.

32. Throughout Phase 2 of the SISP, A&M and the Company continued to work diligently with the participants in Phase 2 to respond to due diligence requests and inquiries and to otherwise provide the Phase 2 participants with requested information.

33. On January 29, 2016, A&M provided Phase 2 participants with the Phase 2 process letter (the "**Phase 2 Letter**") advising of the timeline and expectations for final proposals. Attached hereto as **Exhibit "C"** is a copy of the Phase 2 Letter. Along with the Phase 2 Letter, A&M provided a form of asset purchase agreement to each of the participants in Phase 2.

34. The Phase 2 Letter requested that parties provide their mark-up of the form of asset purchase agreement, including their comments and remaining due diligence requests, by February 12, 2016, at 12:00 p.m. (the "**Draft APA Deadline**") to A&M in advance of the final Phase 2 bid deadline of February 19, 2016 (the "**Final Bid Deadline**").

35. The purpose of the Draft APA Deadline in advance of the Final Bid Deadline was to permit the Special Committee (as defined in the Special Committee Sale Approval Affidavit) and the Company's advisors an opportunity to provide participants in Phase 2 with feedback in advance of the final bid deadline with a view towards obtaining improved bids on the Final Bid Deadline.

36. During Phase 2, the Purchaser emerged as one of the more engaged bidders, having conducted significant due diligence up to the Final Bid Deadline. The Purchaser, among other things, conducted a quality of earnings review and engaged an extensive group of professional advisors (including Canadian and U.S. legal counsel).

37. Two bidders provided their draft mark-ups of the form of asset purchase agreement one of which was the Purchaser. Upon review with the Special Committee and the Company's advisors, the Company's legal counsel provided feedback on each submission to counsel to the relevant participants.

38. At the Final Bid Deadline, two bidders submitted Final Bids (as defined in the Phase 2 letter) by way of a marked-up asset purchase agreement substantially in the form of the definitive agreement to purchase all or substantially all of the assets of FirstOnSite LP. Another party submitted a binding letter of intent; however, there were significant due diligence conditions outstanding. A chart comparing each of the offers received as part of Phase 2 of the SISP is attached hereto as **Confidential Exhibit "D"** and is requested to be sealed.

39. Throughout Phase 2, A&M kept FirstOnSite's principal creditors - Wells, BDC, Capital and Torquest - apprised of the progress of the SISP by way of draft status update calls. A&M provided these stakeholders with draft asset purchase agreements.

Post-Phase 2 Final Bid Analysis and Selection

40. The Special Committee reviewed the Final Bids with input from A&M, providing comprehensive financial analysis of the Final Bids, and their legal and other advisors. The consideration given by the Special Committee is described in greater detail in the Sale Approval Affidavit.

41. FTI Consulting Canada Inc. ("FTI"), in its capacity as proposed Monitor, was also provided with updates and was involved in certain discussions with the Special

Committee and the Company's legal and financial advisors in connection with the Final Bids.

42. Ultimately, A&M was, and remains, of the view that the Purchaser provided superior terms and consideration, including (but not limited to), offering the highest estimated enterprise value (on a debt free, cash free basis) and contemplating the least disruption to the business, employees and creditors of FirstOnSite. The Purchaser's bid also required far less restructuring of and impact on the business in the form of terminated employees and branch closures (as the offer contemplated that no branches would be closing and that the Purchaser would take on at least 90% of FirstOnSite's employees).

43. Following the Final Bid Deadline, A&M continued to work with the Purchaser to finalize its bid and conclude certain additional due diligence, including but not limited to meeting with certain senior and regional managers and the development of a revised business forecast. During this period of time, FirstOnSite, with the assistance of A&M and other advisors, carried on extensive arms-length negotiations with the Purchaser for the purposes of clarifying and improving on key aspects of its offer.

D. Approval of the APA

44. The SISP was designed to parallel, as closely as possible, the same procedures that would typically be incorporated in a CCAA SISP while, at the same time, providing FirstOnSite with sufficient flexibility and the necessary discretion to respond to changing market circumstances. The SISP allowed FirstOnSite to continue to operate on a going concern basis, of which was necessary to avoid a distressed asset sale scenario and preserve relationships with suppliers at a precarious time.

45. The SISP was deliberately structured to allow FirstOnSite to canvass the widest possible market and assess whether a sale transaction would provide the best return for stakeholders, absent any obligation to accept any bid. Accordingly, there is no

reasonable prospect of a new sale process generating a transaction at a value in excess of the value generated by the Sale Transaction.

46. The APA was the product of a thorough and robust canvassing of the market and a competitive process. The purchase price set out in the APA, following extensive arms-length negotiations and thorough due diligence, is the best indication of the market value of the FirstOnSite business and operations and is reflective of current market conditions. Consequently, a post-CCAA SISP is unnecessary in the circumstance and would be contrary to the best interest of the FirstOnSite's stakeholders.

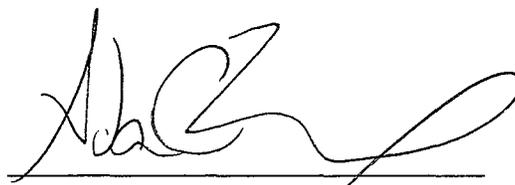
E. Sealing Order

47. The Phase 1 LOI summary and the Phase 2 Bid summary (set out in Confidential Exhibit C) each contain commercially sensitive information, including the proposed purchase price for the business and property of FirstOnSite. The disclosure of such commercially sensitive information would be harmful to the integrity of the SISP and could jeopardize the Sale Transaction. Furthermore, the disclosure of such commercially sensitive information may have an impact on the marketability of FirstOnSite's assets should the Sale Transaction fail to close. For that reason, FirstOnSite is seeking an order sealing each confidential exhibit mentioned herein.

SWORN BEFORE ME at the
Toronto, Province of Ontario, April
26, 2016.



Commissioner for Taking Affidavits

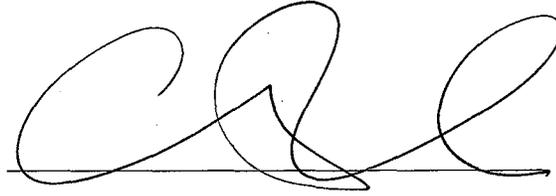


Adam Zaley

Christopher Michel Deschenes, a Commissioner, ~~etc.~~,
Province of Ontario, while a Student-at-Law.
Expires April 1, 2017.

TAB A

THIS IS EXHIBIT "A" REFERRED
TO IN THE AFFIDAVIT OF ADAM ZALEV
SWORN BEFORE ME,
THIS 26TH DAY OF APRIL, 2016

A handwritten signature in black ink, consisting of several large, overlapping loops and a long horizontal stroke at the bottom, positioned above a solid horizontal line.

Commissioner for Taking Affidavits



Strictly Private and Confidential

Dear Sirs and Mesdames:

Re: Project Rose – Submission of Non-Binding Letter of Intent

We appreciate your interest in exploring a potential transaction with FirstOnSite Restoration LP (“FOS” or the “Company”).

Pursuant to your execution of the non-disclosure agreement (the “Non-Disclosure Agreement”) with the Company, you have been provided certain confidential information with respect to the operations and financial performance of the Company (“Phase 1”). Interested parties wishing to pursue a transaction are being asked to prepare and submit a non-binding letter of intent (a “LOI”) by 5:00 p.m. Eastern Time on Friday, December 18, 2015. Such LOIs will be used to determine which interested parties, if any, will be invited to move forward in the Company’s investment process and continue to the submission of final binding proposals and a successful transaction (“Phase 2”). LOIs that are submitted in accordance with the requirements of this letter will be reviewed and assessed based on, among other considerations, price, conditionality, financing, documentation, structure and closing of the transaction in an expeditious manner.

Your LOI should be submitted in electronic format no later than 5:00 p.m. Eastern Time on Friday, December 18, 2015 (“Phase 1 Bid Deadline”). Your LOI should be addressed as follows:

Adam Zalev
Managing Director
 Alvarez & Marsal, Corporate Finance
 Tel: (416) 847 5154
 azalev@alvarezandmarsal.com

Josh Nevsky
Director
 Alvarez & Marsal, Corporate Finance
 Tel: (416) 847 5161
 jnevsky@alvarezandmarsal.com

Although your LOI will not be legally binding on either you or the Company, your LOI must be signed by one of your senior officers with the authority to submit such an LOI. Your LOI should reflect the best and most attractive basis upon which you would make a binding offer based on the information available to you at such time and should include, in reasonable detail, the following:

1. **Transaction Summary:** A description of the proposed transaction contemplated in your LOI, including a clear indication that your offer is to:
 - i. acquire all, substantially all or portions of the Company’s assets or shares, including a description of such assets or shares to be purchased and, in the case of an asset sale, liabilities to be assumed; and/or
 - ii. make an investment in the Company, including a description of the contemplated transaction structure.

Your LOI should set out (i) the proposed enterprise value, expressed in Canadian dollars, that you would be prepared to offer to purchase all, or that portion of the Company or its assets, which is contemplated in your LOI, on a debt-free, cash-free basis as well as the proposed form of consideration, and/or (ii) a detailed description of the structure of your proposed investment, with specific reference to the entity or entities in which the investment would be made, and the

aggregate amount of equity, debt, or other form of investment contemplated in your proposal and the material terms thereof.

Your LOI should include the basis of determining the purchase price, including a description of any material assumptions. If your purchase price is expressed as a range of values, the difference between the high and low of such range for an acquisition of the Company should indicate your assumptions in setting any such range. We encourage you to consider limited ranges and to express your purchase price as a specified amount, unless your assumptions are clear in setting any range.

If applicable, your LOI should include the form of investment(s) you are proposing to make, including a description of the pro forma capital structure and indebtedness and the underlying assumptions regarding that structure.

Your LOI should set out any proposed working capital adjustment to your purchase price and any steps for such working capital adjustment to be determined upon closing of the transaction.

Your LOI should also include any other material attributes that you believe are important to evaluate your proposal.

2. **Financing Sources:** A description of your intended sources of equity and debt financing for the transaction, including details on the quantum of any debt and equity financing, evidence of the availability of such financing (including associated conditions and timing requirements) and details on any actions you have taken to date to obtain funding commitment(s) or any related contingencies. Note that, pursuant to the Non-Disclosure Agreement, without prior written consent of the Company, neither you nor your Representatives shall discuss the transaction with any potential lender or other debt capital provider.
3. **Identity of Offeror and Contact Information:** The identity of all parties comprising the offeror including the names, titles and contact information of key individuals from your organization with respect to the transaction, names of any advisors or consultants that you have retained to assist you in the evaluation of the Company and the names and contact numbers of the persons to be contacted by Alvarez & Marsal Canada Securities ULC ("A&M") in connection with your LOI. We ask that you have your representatives available between December 18 and December 24, 2015, to discuss any aspect of your LOI that we may require.
4. **Intention Regarding the Company and its Management and Employees:** A statement regarding any plans for the Company, its affiliates and its employees. Include specific statements concerning any plans for the ongoing involvement and roles of the Company's senior management/employees.
5. **Approvals:** An indication of the level of review and approval by senior officers and directors of your organization that your LOI has received to date, as well as any additional corporate, board, unitholder, shareholder, investment committee or other material approvals that would be required prior to your submission of a definitive binding proposal.
6. **Regulatory and Other Approvals:** An indication of any notices, consents, regulatory approvals or other approvals that may be required and any regulatory issues that your organization may face if it were to proceed with a transaction with the Company and the expected timing thereof.
7. **Closing Conditions; Other Terms and Conditions:** Conditions to closing that you wish to impose. Any other terms and conditions that would be required in order to complete the transaction.
8. **Expected Timing for Transaction Completion:** Your LOI should include your expected time frame to complete the transaction as well as any relevant information which may influence your ability to submit a binding proposal in the form of a Purchase and Sale Agreement by January 29,

2016 and consummate a transaction by February 12, 2016, or such other date as agreed to by the Company and you.

9. **Due Diligence:** A detailed outline of your due diligence requirements, related due diligence plan and an indication of expected time frame for completion of due diligence.
10. **Other:** Any other factors you believe may be relevant to the Company and A&M in evaluating your LOI.

The terms and content of this letter are subject to the terms of the Non-Disclosure Agreement previously executed by you.

The Company, its affiliates and its advisors assume no liability or obligation whatsoever to any interested party in connection with the process, including, but not limited to, as a result of the rejection of any or all of the LOIs, the acceptance of another interested party's LOI or the termination of the process. No party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein) to reimbursement for any costs or expenses incurred in reliance upon the procedures set forth in this letter, as such procedures may be modified from time to time. No finder's fees, commissions, expenses or other compensation will be paid by the Company, its affiliates or its advisors to agents, consultants, advisors or other intermediaries of any party. The Company, its affiliates and its advisors reserve the right to amend any information which has been made available to interested parties whether by way of addition, deletion, amendment or otherwise.

Following December 18, 2015 the Company, in consultation with its advisors, will evaluate LOIs received and may select a short list of candidates who will be invited to proceed to Phase 2. Further information will be forwarded to parties who are invited to participate in Phase 2, which will include details on completing your due diligence, participating in a management presentation and site visit as well as instructions for submitting final, binding proposals. Phase 2 participants should be prepared to immediately begin Phase 2 due diligence and to complete their review.

In anticipation of Phase 2 and to assist the Company in scheduling a management presentation site visit, please provide three dates between January 11 and 29, 2016 when you would be available to attend a management presentation and site visit in Toronto, Ontario.

Pursuant to the Non-Disclosure Agreement, under no circumstances are you permitted to contact any of the Company's executives, employees, directors, shareholders, affiliates, lenders, customers, suppliers, vendors or service providers with respect to any transaction unless consented to by the Company or its advisors. All communications or inquiries regarding the process or any other matters relating to this letter should be directed to either Adam Zalev at (416) 847-5154 or Josh Nevsky at (416) 847-5161 of A&M.

Once again, we appreciate your interest in the Company and look forward to receiving your LOI.

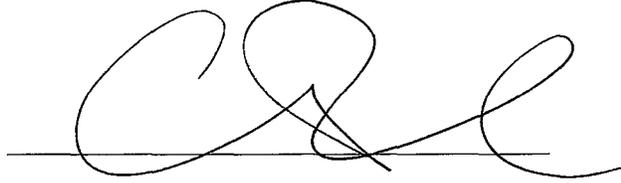
Yours truly,

By:  _____

Name: Adam Zalev
Title: Managing Director

TAB B

THIS IS CONFIDENTIAL EXHIBIT "B" REFERRED
TO IN THE AFFIDAVIT OF ADAM ZALEV
SWORN BEFORE ME,
THIS 26TH DAY OF APRIL, 2016

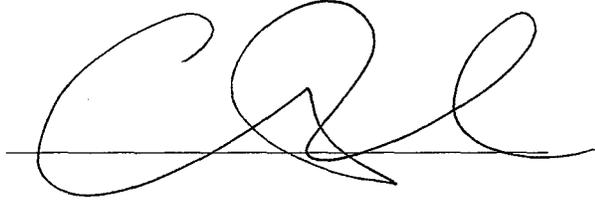
A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

Commissioner for Taking Affidavits

CONFIDENTIAL

TAB C

THIS IS EXHIBIT "C" REFERRED
TO IN THE AFFIDAVIT OF ADAM ZALEV
SWORN BEFORE ME,
THIS 26TH DAY OF APRIL, 2016

A handwritten signature in black ink, consisting of stylized cursive letters, is written over a horizontal line. The signature appears to be 'C. Zalev'.

Commissioner for Taking Affidavits



Alvarez & Marsal Canada Securities ULC
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1
Phone: +1 416 847 5200
Fax: +1 416 847 5201

January 29, 2016

STRICTLY PRIVATE AND CONFIDENTIAL

TO: Phase 2 Process Participants

RE: FirstOnSite Restoration L.P. – Submission of Final Bid

We appreciate your continued interest in FirstOnSite Restoration L.P. (the “Partnership” or “FOS”) and your participation in Phase 2 of the sale process. We are now requesting the submission of: (i) your comments to the proposed form of definitive asset purchase agreement (the “Definitive Agreement”); and (ii) your final proposal for the acquisition of the Partnership (“Final Bid”) on the timeline indicated below. Your mark-up of the Definitive Agreement should include the terms on which you are prepared to enter into a binding commitment in respect of the transaction, subject only to those conditions stated therein.

A mark-up of the Definitive Agreement, without your proposed purchase price, including a blackline reflecting all changes you are seeking to complete the transaction, as well as a complete list of your remaining due diligence requests should be submitted electronically no later than **12:00 p.m. (noon) Eastern Standard Time on Friday, February 12, 2016** to Alvarez & Marsal Canada Securities ULC (“A&M”), to the attention of Adam Zalev at the address below. If you believe that it would be helpful to discuss aspects of the draft Definitive Agreement with Stikeman Elliott LLP, FOS’s counsel, prior to your submission on February 12, 2016, you or your legal counsel may make arrangements to speak directly with Brian Pukier of Stikeman Elliott LLP either by telephone at (416) 869-5567 or email at bpukier@stikeman.com. Any proposed revisions to the Definitive Agreement should reflect the exact language that you are proposing to change.

The Partnership, together with its legal advisors and A&M, will then review your revisions and, where appropriate, have discussions with you and provide feedback on your revisions to the Definitive Agreement in advance of the Final Bid Deadline indicated below.

Following our review of your revisions to the draft Definitive Agreement, your Final Bid and your revised mark-up of the Definitive Agreement must be submitted in writing by no later than **5:00 p.m. Eastern Standard Time on Friday, February 19, 2016** (“Final Bid Deadline”) and addressed as follows:

Adam Zalev
Managing Director

Alvarez & Marsal Canada Securities ULC

Tel: (416) 847 5154

azalev@alvarezandmarsal.com

Your Final Bid should reflect your best and final offer and you should assume that you will not be given an opportunity to rebid, renegotiate, or improve any terms of your Final Bid. Your Final Bid must also include a letter that includes, without limitation, the following:

1. Transaction Summary: A description of the material terms and assumptions of your proposed transaction contemplated in your Final Bid, including a description of the assets and/or business operations to be purchased and liabilities to be assumed. It is the Partnership's preference that you purchase all of the assets of the Partnership and bids that contemplate a purchase of all of the assets of the Partnership will be given greater weight over other bids.
2. Purchase Price and Form of Consideration: The enterprise value, expressed in Canadian dollars that you would be prepared to offer, in cash, to purchase all, or that portion of the Partnership which is contemplated in your Final Bid (the "Purchase Price"). Your Final Bid should provide for a fixed amount of consideration that is a single number and not a range of values.

Enterprise value should be based on a debt-free, cash-free basis, based on an average level of non-cash working capital for the business (the "Target Working Capital"). We will shortly provide to you the amount you should assume will be the Target Working Capital.

As described in the Definitive Agreement, FOS will provide an estimate of the working capital as of the expected closing time (the "Final Working Capital") no later than five business days prior to the scheduled closing. The amount by which the Final Working Capital exceeds or is less than the Target Working Capital will be treated as a positive or negative adjustment to the Purchase Price.

3. Identity and Contact Information: The identity of all parties that will be sponsoring or participating in the Final Bid (collectively, the "Purchaser") including the names, titles and contact information of key individuals from your organization with respect to the transaction.
4. Sources of Financing: Your Final Bid should not be conditional upon obtaining financing and should be made on the basis that you have secured adequate and irrevocable financing to complete the transaction. If you will be relying on internally generated

funds, provide evidence of the sufficiency of such funds to complete the transaction. If you intend to access external financing (debt and/or equity), include: (i) draft copies of commitment letters from parties to provide sufficient funds to complete the transaction and satisfy all of the obligations of the Purchaser under the Definitive Agreement; and (ii) provide a list of contacts and contact information for each such source of financing, and authorization for A&M and Partnership's counsel to have discussions with such contacts.

5. Due Diligence: The Partnership has provided you with a significant amount of confidential information. The Partnership will consider and facilitate any final due diligence requests you submit with the submission of your comments to the draft Definitive Agreement. It is expected that you will have completed all of your due diligence investigation by the Final Bid Deadline and that your Final Bid will not be conditional on any further due diligence. In addition, to the extent you will be relying on external sources of financing, your Final Bid must confirm that such financing is not conditional upon completion of further due diligence.
6. Conditionality: Your Final Bid should have no conditions to closing other than those in the Definitive Agreement and must not be subject to financing or due diligence. The materiality of any additional conditions inserted into the draft Definitive Agreement will be a material consideration in evaluating the Final Bids received.
7. Regulatory Approvals: Your Definitive Agreement should identify all required regulatory approvals or other consents, if any, that must be obtained or complied with by you prior to closing of the transaction, and your Final Bid must include a detailed discussion of the expected timing and process for obtaining such approvals or consents and any anticipated impediments for obtaining such approvals or consents.

In addition, your Final Bid should include a description of all interests (e.g. voting / non-voting, board representations, or any other business interests) that could potentially raise an issue under any applicable competition laws in any relevant jurisdiction.
8. Other Approvals: All required internal, corporate or other approvals and consents should be obtained prior to submitting your Final Bid. Please include a statement in your Final Bid confirming that all such consents and approvals necessary to permit you to close the transaction have been obtained prior to submitting the Final Bid.
9. Expected Timing of Closing: Your Final Bid must include a description of the expected time frame to complete the transaction, including key milestones as well as any other relevant information which may influence your ability to consummate the transaction.
10. Employees & Operations: Provide details of any contemplated changes to the current terms and conditions of employment for continuing employees as well as details of any contemplated changes in the operations of the Partnership.

11. Expiration: Your Final Bid must remain open for acceptance by the Partnership and be irrevocable until at least 10 days following the Final Bid Deadline.
12. Other: Any other factors you believe may be relevant to the Partnership or A&M in evaluating your Final Bid.

Final Bids that, among other factors, maximize value for FOS's stakeholders, are submitted in accordance with this letter, provide for execution certainty and speed (including any regulatory approvals required to close the transaction), have minimal conditionality and demonstrate an ability and willingness to complete the transaction in an expeditious manner will be favoured.

Following the Final Bid Deadline, FOS and A&M will evaluate the Final Bids received and determine the process by which the Partnership moves forward. FOS may terminate this sale process at any time, or elect to accept any Final Bid submitted to it, or none at all, in its sole discretion.

FOS will not have any liability or obligation whatsoever to any interested party in connection with the sale process, including, but not limited to, as a result of the rejection of any or all of the Final Bids or the acceptance of another interested party's Final Bid. No party will be entitled for any reason (including, without limitation, any modification of the procedures contemplated herein) to reimbursement for any costs or expenses incurred in reliance upon the procedures set forth in this letter, as such procedures may be modified from time to time. No broker's fees, finder's fees, commissions, expenses or other compensation will be paid by the Partnership or A&M to agents, consultants, advisors or other intermediaries of any party. The Partnership and A&M reserve the right to amend any information which has been made available to interested parties whether by way of addition, deletion, amendment or otherwise.

In submitting a Final Bid, a prospective purchaser acknowledges that it is relying solely on its own investigation and evaluation of the Partnership and its business. FOS and A&M expressly disclaim any and all liability for representations, warranties or statements contained in this letter or in any other written material furnished or information orally transmitted to a potential purchaser, except only those particular representations and warranties of the Partnership made to the actual purchaser in the Definitive Agreement when, as and if such Definitive Agreement is ultimately executed by FOS and subject to such limitations and restrictions as may be contained therein. Until a Definitive Agreement is executed by FOS, neither the Partnership, nor A&M will have any obligations whatsoever to any potential purchaser.

The terms and content of this letter are subject to the terms of the non-disclosure agreement (the "Non-Disclosure Agreement") previously executed by you, which, among other things, unless specifically authorized, prohibits disclosure to third parties of any confidential information related either to the Partnership or to your interest or lack thereof in a transaction with the Partnership. Pursuant to the Non-Disclosure Agreement, unless otherwise permitted thereunder, under no circumstances are you permitted to contact any of the Partnership's executives, employees, directors, trustees, unitholders, lenders, customers, or suppliers with respect to the

- 5 -

sale process unless such contact has been prearranged with and approved by A&M. All communications or inquiries relating to this letter should be directed to Adam Zalev at (416) 847 5154.

Once again, we appreciate your interest in FOS and we look forward to receiving your Final Bid.

A handwritten signature in black ink, appearing to read 'Adam Zalev', with a stylized flourish at the end.

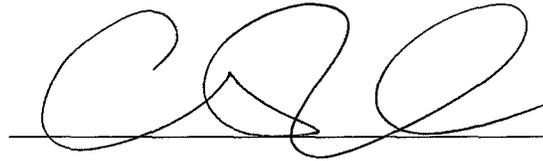
Adam Zalev

Managing Director

Alvarez & Marsal Canada Securities ULC

TAB D

THIS IS CONFIDENTIAL EXHIBIT "D" REFERRED
TO IN THE AFFIDAVIT OF ADAM ZALEV
SWORN BEFORE ME,
THIS 26TH DAY OF APRIL, 2016

A handwritten signature in black ink, consisting of three large, stylized loops, is written above a horizontal line.

Commissioner for Taking Affidavits

CONFIDENTIAL

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 FIRSTONSITE G.P. INC.

Court File No. CV-16-11358-00CL

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

Proceeding commenced at Toronto

**AFFIDAVIT OF ADAM ZALEV
(SWORN APRIL 26, 2016)**

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

Maria Konyukhova LSUC#: 52880V
Tel: (416) 869-5230
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Fax: (416) 947-0866

Lawyers for the Applicant

TAB 4

Court File No. CV-16-11358-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	MONDAY, THE 9TH
)	
JUSTICE NEWBOULD)	DAY OF MAY, 2016

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
FIRSTONSITE G.P. INC.

Applicant

APPROVAL AND VESTING ORDER

THIS MOTION, made by FirstOnSite G.P. Inc. and FirstOnSite Restoration L.P., a limited partnership formed under the laws of Ontario (collectively, the "Vendors"), for an order, *inter alia*: (i) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale dated April 20, 2016 (the "Sale Agreement") between FirstOnSite Restoration L.P. by its general partner FirstOnSite G.P. Inc. and 3297167 Nova Scotia Limited (the "Purchaser") and appended to the Affidavit of Kevin McElcheran dated April 26, 2016 (the "Sale Approval Affidavit"); and (ii) vesting in the Purchaser the Vendors' right, title and interest in and to the assets described in the Sale Agreement ("Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Vendors, the Sale Approval Affidavit and the Exhibits attached thereto, the affidavit of Adam Zalev, sworn April 26, 2016 and the Exhibits attached thereto (the "Financial Advisor's Affidavit"), the Second Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Vendors (the "Monitor"), and on

being advised that those parties disclosed on the Service List attached to the Motion Record were given notice, and on hearing the submissions of counsel for the Monitor, the Vendors and the Purchaser and [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of Vlad Calina, sworn April ●, 2016 filed:

1. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Sale Agreement.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors and the Purchaser, with the approval of the Monitor, may agree upon. The Vendors are hereby authorized and directed, and the Monitor is authorized and empowered, to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS** that the Vendors are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.
4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Vendors' right, title and interest in and to the Purchased Assets and the proceeds thereof (including, for greater certainty, any funds received by the Purchaser on account of any Accounts Receivable) shall vest absolutely in the Purchaser, free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, encumbrances, obligations, liabilities, claims (including, without limitation, any claim based on any theory that the Purchaser is a successor or continuation of the Vendors or the Business), demands, guarantees, restrictions, contractual commitments, rights (including, without limitation, rights of first refusal or set-off), liens, executions, levies, charges, or other financial or monetary claims, adverse claims, or rights of use, puts or forced sale provisions exercisable as a consequence of or arising from closing of the Transaction whether arising prior to or subsequent to the commencement of the CCAA

proceedings, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal equitable, possessory or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated April 21, 2016, and any subsequent charges created by the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (Alberta), the *Personal Property Security Act* (British Columbia), the *Personal Property Security Act* (Manitoba), the *Personal Property Security Act* (New Brunswick), the *Personal Property Security Act* (Nova Scotia), the *Personal Property Security Act* (Prince Edward Island), the Civil Code of Quebec, the *Personal Property Security Act* (Saskatchewan) or any other personal property registry system; and (iii) those Claims listed on Schedule "B" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

6. **THIS COURT ORDERS AND DIRECTS** the Monitor, in its capacity as Escrow Agent, to:

- (a) from and after the Closing Time, hold the Potential Trust Claimant Reserve in escrow as set out in the Escrow Agreement; and
- (b) release the Potential Trust Claimant Reserve, or any portion thereof, at such times and in such amounts as are contemplated by the Escrow Agreement or as otherwise ordered by the Court,

and in each case the Monitor shall incur no liability with respect to the foregoing.

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

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement, and shall incur no liability with respect to the delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** that, provided that the Sale Agreement has not been terminated, any plan of compromise or arrangement that may be filed by the Vendors shall not derogate or otherwise affect any right or obligation of the Vendors or the Purchaser under the Sale Agreement unless otherwise agreed by the Vendors and the Purchaser.

10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

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

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendors and shall not be void or voidable by creditors of the Vendors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable

transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

13. **THIS COURT ORDERS** that (i) on or after the Closing Date, the Vendors are hereby permitted to execute and file articles of amendment or such other documents or instruments as may be required to change their respective legal names in accordance with section 10.3 of the Sale Agreement, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective and shall be accepted by the applicable Governmental Authority without the requirement (if any) of obtaining director, partner or shareholder approval pursuant to any federal or provincial legislation; and (ii) upon the official change to the legal names of the Vendors that is occur in accordance with section 10.3 of the Sale Agreement, the names of the Vendors in the within title of proceedings shall be deleted and replaced with the new legal names of the Vendors, and any document filed thereafter in these proceedings (other than the Monitor's Certificate) shall be filed using such revised title of proceedings.

14. **THIS COURT ORDERS** that the Confidential Exhibits to the Sale Approval Affidavit and the Financial Advisor Affidavit shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court File, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

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



Schedule A - Form of Monitor's Certificate

Court File No. CV-16-11358-00CL

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
FIRSTONSITE G.P. INC.

Applicant

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the "Court") dated April 21, 2016, FTI Consulting Canada Inc. was appointed as the monitor (the "Monitor") of FirstOnSite G.P. Inc. and FirstOnSite Restoration L.P. (collectively, the "Vendors") in respect of these CCAA Proceedings.

B. Pursuant to an Order of the Court dated May [9], 2016 (the "Approval and Vesting Order"), the Court approved the agreement of purchase and sale made as of April 20, 2016 (the "Sale Agreement") between the Vendors and 3297167 Nova Scotia Limited (the "Purchaser") and provided for the vesting in the Purchaser of the Vendors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the Monitor, in its role as Monitor or as Escrow Agent, has received the Closing Cash Payment to be delivered to it in accordance with Section 3.2(b) of the Sale Agreement; and (ii) that the conditions to Closing under the Sale Agreement have been satisfied or waived by the Vendors and the Purchaser (as applicable).

C. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement.

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

THE MONITOR CERTIFIES the following:

1. The Vendors and the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Sale Agreement have been satisfied and/or waived, as applicable; and

2. The Monitor, in its role as the Monitor or as Escrow Agent has received that portion of the Closing Cash Payment to be delivered to it in accordance with Section 3.2(b) of the Sale Agreement.

4. This Certificate was delivered by the Monitor at _____ [TIME] on _____, 2016.

**FTI Consulting Canada Inc., in its capacity as
Monitor of the Vendors, and not in its
personal or corporate capacity**

Per: _____

Name:

Title:

**Schedule B - Claims to be released, discharged and expunged from Purchased Assets
upon delivery of the Monitor's Certificate**

1. The security granted by one or both of the Vendors under the following personal property system registrations:

Secured Party	Jurisdiction of Personal Property Registration								
	Alberta Reg. No.	BC Reg. No.	Manitoba Reg. No.	NB Reg. No.	Nova Scotia Reg. No.	Ontario Reg. No.	PEI Reg. No.	Quebec Reg. No.	Sask. Reg. No.
Torquest Partners Fund II, L.P.	10122318161	926057F (with renewal #593659G and #244785H)	201021420102	19617349	17547563	201012231124 1590 4247	2597513		300670830
2123101 Ontario Inc.	10122318199	926059F (with amendment #593492G, and renewal #593654G and #244807H)	201021420307	19617398	17547589	201012231126 1590 4248 (with amendment #201202171159 1590 6405, and renewal #201202171451 1590 6436 and #201303191044 1590 7241)	2597522		300670832
1347605 Ontario Ltd	10122318232	926071F (with renewal #593662G)	201021420900	19617406	17547613	201012231131 1590 4251 (with renewal #201202171451 1590 6435)	2597531		300670833
Edenvale Restoration Specialists Ltd.	10122318310	926073F	201021421303	19617414	17547639	201012231132 1590 4252	2597540		300670835
Boulanger, Andrew, William	10122318411	926076F	201021424205	19617422	17547670	201012231138 1590 4256	2597559		300670837
2149530 Ontario Ltd.	10122318566	926078F	201021425104	19617430	17547704	201012231138 1590 4257	2597568		300670838
2976367 Manitoba Ltd.	10122318624	926082F	201021425503	19617455	17547746	201012231138 1590 4258	2597577		300670839
330214 Ontario Inc.	10122318689	926085F	201021426003	19617463	17547753	201012231139 1590 4259	2597586		300670840

Secured Party	Jurisdiction of Personal Property Registration								
	Alberta Reg. No.	BC Reg. No.	Manitoba Reg. No.	NB Reg. No.	Nova Scotia Reg. No.	Ontario Reg. No.	PEI Reg. No.	Quebec Reg. No.	Sask. Reg. No.
2356723 Nova Scotia Limited	1012231 8743	926087F (with renewal #593669G)	2010214 26500	19617471	17547761	20101223 1140 1590 4260 (with renewal #20120217 1451 1590 6434)	2597602		3006708 41
Barry-Robert Enterprises Ltd.	1012231 8809	926089F (with renewal #593674G)	2010214 27301	1961749 7	17547787	20101223 1140 1590 4261 (with renewal #20120217 1451 1590 6433)	2597611		3006708 42
1640334 Ontario Inc.	1012231 8838	926090F	201021428 405	19617521	17547795	20101223 1141 1590 4262	2597620		3006708 43
Spring Fresh Cleaning & Restoration Canada Inc.	1012231 8891	926092F	201021428 901	19617539	17547803	20101223 1141 1590 4263	2597639		3006708 44
Demos Canada Limited	1012231 8932	926093F (with renewal #593678G and #244792H)	201021429 401	19617547	17547829	20101223 1141 1590 4264 (with renewal #20120217 1451 1590 6432 and #20130319 1044 1590 7239)	2597648		3006708 45
Jackson, Mark	1106151 2297	200467G	201109879 709	20223418	18199166	20110615 1206 1590 3376	2696728		3007369 81
Walpole, Noel	1106151 2319	200471G	201109881 100	20223442	18199232	20110615 1207 1590 3377	2696737		3007369 90
Fournier Brothers Holdings Inc.	1202171 3422	593645G	2012027 17603	21137112	1917663 5	20120217 1157 1590 6403	2848057		3008315 15
101109 P.E.I. Inc.	1202171 3478	593650G	201202718 006	21137138	19176684	20120217 1157 1590 6404	2848066		3008315 21
JJAB Holdings Inc.	1303191 3602	244822H	201304490 506	2273133 5	20953907	20130319 0954 1590 7207	3132158		3009980 53
Ross, Barry	1408053 4885	107915I	201414541 700	24746422	23142250	20140805 1432 1590 7735	3485320		3012236 38
Wells Fargo Capital Finance Corporation Canada, As Agent	1411121 6898	282633I	2014214 49703	25153081	2357187 0	20141112 1103 1862 4890 and 20141112 1106 1862 4893	3555272	14- 1078395- 0001	3012681 60

Secured Party	Jurisdiction of Personal Property Registration								
	Alberta Reg. No.	BC Reg. No.	Manitoba Reg. No.	NB Reg. No.	Nova Scotia Reg. No.	Ontario Reg. No.	PEI Reg. No.	Quebec Reg. No.	Sask. Reg. No.
Business Development Bank Of Canada	14111227954	283397	201421483405	25154428	23573462	201411121420 17930277 and 201411131648 17930324	3555496	14-1079832-0001	301268347
BDC Capital Inc.	14111228010	2833941	201421483502	25154436	23573496	201411121423 17930279 and 201411131650 17930325	3555511	14-1080142-0002	301268348

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

Court File No. CV-16-11358-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIRSTONSITE G.P. INC.

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

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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

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Fax: (416) 947-0866

Lawyers for the Vendors

TAB 5

THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor") FirstOnSite G.P. Inc. and FirstOnSite Restoration L.P., a limited partnership formed under the laws of Ontario (collectively, the "Vendors"), for an order, *inter alia*: (i) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale dated April 20, 2016 (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Transaction") between FirstOnSite Restoration L.P. by its general partner FirstOnSite G.P. Inc. and 3297167 Nova Scotia Limited (the "Purchaser") dated [DATE] and appended to the Report of the Receiver Affidavit of Kevin McElcheran dated [DATE] April 26, 2016 (the "Report"), "Sale Approval Affidavit"; and (ii) vesting in the Purchaser the Debtor's Vendors' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

~~ON READING the Report~~ ON READING the Notice of Motion of the Vendors, the Sale Approval Affidavit and the Exhibits attached thereto, the affidavit of Adam Zalev, sworn April 26, 2016 and the Exhibits attached thereto (the "Financial Advisor's Affidavit"), the Second Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Vendors (the "Monitor"), and on being advised that those parties disclosed on the Service List attached to the Motion Record were given notice, and on hearing the submissions of counsel for the Receiver, Monitor, the Vendors and the Purchaser and [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] Vlad Calina, sworn [DATE] April 20, 2016 filed[†] :

1. THIS COURT ORDERS that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Sale Agreement.

[†] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

2. ~~1.~~ THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ Vendors is hereby authorized and approved, with such minor amendments as the Receiver ~~may deem necessary.~~ The Receiver is Vendors and the Purchaser, with the approval of the Monitor, may agree upon. The Vendors are hereby authorized and directed, and the Monitor is authorized and empowered, to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS that the Vendors are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.

4. ~~2.~~ THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver~~Monitor~~'s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "~~Receiver~~"Monitor's Certificate"), all of the Debtor's~~Vendors'~~ right, title and interest in and to the Purchased Assets ~~described in the Sale Agreement [and listed on Schedule B hereto]~~⁴ and the proceeds thereof (including, for greater certainty, any funds received by the Purchaser on account of any Accounts Receivable) shall vest absolutely in the Purchaser, free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, encumbrances, obligations, liabilities, claims (including, without limitation, any claim based on any theory that the Purchaser is a successor or continuation of the Vendors or the Business), demands, guarantees, restrictions, contractual commitments, rights (including, without limitation, rights of first refusal or set-off), liens, executions, levies, charges, or other financial or monetary claims, adverse claims, or rights of use, puts or forced sale provisions exercisable as a consequence of or arising from closing of the Transaction whether arising prior to or subsequent to the

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

commencement of the CCAA proceedings, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal equitable, possessory or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE] Newbould dated April 21, 2016, and any subsequent charges created by the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario), the Personal Property Security Act (Alberta), the Personal Property Security Act (British Columbia), the Personal Property Security Act (Manitoba), the Personal Property Security Act (New Brunswick), the Personal Property Security Act (Nova Scotia), the Personal Property Security Act (Prince Edward Island), the Civil Code of Quebec, the Personal Property Security Act (Saskatchewan) or any other personal property registry system; and (iii) those Claims listed on Schedule C "B" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the ~~permitted encumbrances, easements and restrictive covenants listed on Schedule D Permitted Encumbrances~~) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. ~~THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act~~⁶; the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

5. ~~4.~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver'Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸; as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Monitor, in its capacity as Escrow Agent, to:

- (a) from and after the Closing Time, hold the Potential Trust Claimant Reserve in escrow as set out in the Escrow Agreement; and
- (b) release the Potential Trust Claimant Reserve, or any portion thereof, at such times and in such amounts as are contemplated by the Escrow Agreement or as otherwise ordered by the Court.

and in each case the Monitor shall incur no liability with respect to the foregoing.

7. ~~5. THIS COURT ORDERS AND DIRECTS~~ the Receiver'THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Receiver'Monitor's Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement, and shall incur no liability with respect to the delivery of the Monitor's Certificate.

⁷ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

9. THIS COURT ORDERS that, provided that the Sale Agreement has not been terminated, any plan of compromise or arrangement that may be filed by the Vendors shall not derogate or otherwise affect any right or obligation of the Vendors or the Purchaser under the Sale Agreement unless otherwise agreed by the Vendors and the Purchaser.

10. ~~6.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the ~~Canada Personal Information Protection and Electronic Documents Act (Canada)~~, the ~~Receiver is~~ Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the ~~Company's~~ Vendors' records pertaining to the ~~Debtor's~~ Vendors past and current employees, ~~including personal information of these employees listed on Schedule "•" to the Sale Agreement.~~ The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~ Vendors.

11. ~~7.~~ THIS COURT ORDERS that, notwithstanding:

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

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

12. ~~8-~~ THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

13. THIS COURT ORDERS that (i) on or after the Closing Date, the Vendors are hereby permitted to execute and file articles of amendment or such other documents or instruments as may be required to change their respective legal names in accordance with section 10.3 of the Sale Agreement, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective and shall be accepted by the applicable Governmental Authority without the requirement (if any) of obtaining director, partner or shareholder approval pursuant to any federal or provincial legislation; and (ii) upon the official change to the legal names of the Vendors that is occur in accordance with section 10.3 of the Sale Agreement, the names of the Vendors in the within title of proceedings shall be deleted and replaced with the new legal names of the Vendors, and any document filed thereafter in these proceedings (other than the Monitor's Certificate) shall be filed using such revised title of proceedings.

14. THIS COURT ORDERS that the Confidential Exhibits to the Sale Approval Affidavit and the Financial Advisor Affidavit shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court File, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

15. ~~9-~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its Vendors and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver Vendors and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its Vendors and the Monitor and their respective agents in carrying out the terms of this Order.

Schedule A - Form of ~~Receiver~~Monitor's Certificate

Court File No. _____ CV-16-11358-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

~~BETWEEN:~~

~~PLAINTIFF~~

Plaintiff

~~and~~

~~DEFENDANT~~

Defendant

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
FIRSTONSITE G.P. INC.

Applicant

~~RECEIVER~~MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Justice Newbould of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ April 21, 2016, FTI Consulting Canada Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ (the "Debtor"). monitor (the "Monitor") of FirstOnSite G.P. Inc. and FirstOnSite Restoration L.P. (collectively, the "Vendors") in respect of these CCAA Proceedings.

B. Pursuant to an Order of the Court dated May [DATE]9, 2016 (the "Approval and Vesting Order"), the Court approved the agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~ April 20, 2016 (the "Sale Agreement") between the Receiver ~~[Debtor]~~ and ~~[NAME OF PURCHASER]~~ (the "Vendors and 3297167 Nova Scotia Limited (the "Purchaser")") and provided for the vesting in the Purchaser of the Debtor's Vendors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ReceiverMonitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; Monitor, in its role as Monitor or as Escrow Agent, has received the Closing Cash Payment to be delivered to it in accordance with Section 3.2(b) of the Sale Agreement; and (ii) that the conditions to Closing as set out in section 4 of under the Sale Agreement have been satisfied or waived by the ReceiverVendors and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver (as applicable).

C. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement.

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

THE RECEIVERMONITOR CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement; Vendors and

the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Sale Agreement have been satisfied and/or waived, as applicable; and

2. ~~The conditions to Closing as set out in section~~ • Monitor, in its role as the Monitor or as Escrow Agent has received that portion of the Closing Cash Payment to be delivered to it in accordance with Section 3.2(b) of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and 3. ~~The Transaction has been completed to the satisfaction of the Receiver.~~

4. This Certificate was delivered by the ~~Receiver~~Monitor at _____ [TIME] on _____ ~~[DATE], 2016.~~

~~{NAME OF RECEIVER}~~FTI Consulting Canada Inc., in its capacity as ~~Receiver~~Monitor of the ~~undertaking, property and assets of~~ ~~{DEBTOR}~~Vendors, and not in its personal or corporate capacity

Per: _____
Name:
Title:

Schedule B - Claims to be released, discharged and expunged from Purchased Assets,
upon delivery of the Monitor's Certificate

1. The security granted by one or both of the Vendors under the following personal property system registrations:

<u>Secured Party</u>	<u>Jurisdiction of Personal Property Registration</u>								
	<u>Alberta Reg. No.</u>	<u>BC Reg. No.</u>	<u>Manitoba Reg. No.</u>	<u>NB Reg. No.</u>	<u>Nova Scotia Reg. No.</u>	<u>Ontario Reg. No.</u>	<u>PEI Reg. No.</u>	<u>Quebec Reg. No.</u>	<u>Sask. Reg. No.</u>
<u>Torquest Partners Fund II, L.P.</u>	<u>10122318161</u>	<u>926057F (with renewal #593659G and #244785H)</u>	<u>201021420102</u>	<u>19617349</u>	<u>17547563</u>	<u>201012231124 1590 4247</u>	<u>2597513</u>		<u>300670830</u>
<u>2123101 Ontario Inc.</u>	<u>10122318199</u>	<u>926059F (with amendment #593492G and renewal #593654G and #244807H)</u>	<u>201021420307</u>	<u>19617398</u>	<u>17547589</u>	<u>201012231126 1590 4248 (with amendment #201202171159 1590 6405 and renewal #201202171451 1590 6436 and #201303191044 1590 7241)</u>	<u>2597522</u>		<u>300670832</u>
<u>1347605 Ontario Ltd</u>	<u>10122318232</u>	<u>926071F (with renewal #593662G)</u>	<u>201021420900</u>	<u>19617406</u>	<u>17547613</u>	<u>201012231131 1590 4251 (with renewal #201202171451 1590 6435)</u>	<u>2597531</u>		<u>300670833</u>
<u>Edenvale Restoration Specialists Ltd.</u>	<u>10122318310</u>	<u>926073F</u>	<u>201021421303</u>	<u>19617414</u>	<u>17547639</u>	<u>201012231132 1590 4252</u>	<u>2597540</u>		<u>300670835</u>
<u>Boulanger, Andrew, William</u>	<u>10122318411</u>	<u>926076F</u>	<u>201021424205</u>	<u>19617422</u>	<u>17547670</u>	<u>201012231138 1590 4256</u>	<u>2597559</u>		<u>300670837</u>
<u>2149530 Ontario Ltd.</u>	<u>10122318566</u>	<u>926078F</u>	<u>201021425104</u>	<u>19617430</u>	<u>17547704</u>	<u>201012231138 1590 4257</u>	<u>2597568</u>		<u>300670838</u>
<u>2976367 Manitoba Ltd.</u>	<u>10122318624</u>	<u>926082F</u>	<u>201021425503</u>	<u>19617455</u>	<u>17547746</u>	<u>201012231138 1590 4258</u>	<u>2597577</u>		<u>300670839</u>
<u>330214 Ontario Inc.</u>	<u>10122318689</u>	<u>926085F</u>	<u>201021426003</u>	<u>19617463</u>	<u>17547753</u>	<u>201012231139 1590 4259</u>	<u>2597586</u>		<u>300670840</u>
<u>2356723 Nova Scotia</u>	<u>10122318743</u>	<u>926087F (with renewal</u>	<u>201021426500</u>	<u>19617471</u>	<u>17547761</u>	<u>201012231140 1590 4260 (with</u>	<u>2597602</u>		<u>300670841</u>

<u>Secured Party</u>	<u>Jurisdiction of Personal Property Registration</u>								
	<u>Alberta Reg. No.</u>	<u>BC Reg. No.</u>	<u>Manitoba Reg. No.</u>	<u>NB Reg. No.</u>	<u>Nova Scotia Reg. No.</u>	<u>Ontario Reg. No.</u>	<u>PEI Reg. No.</u>	<u>Quebec Reg. No.</u>	<u>Sask. Reg. No.</u>
<u>Limited</u>		<u>#593669G</u>)				<u>renewal #2012021 71451 1590 6434</u>			
<u>Barry-Robert Enterprises Ltd.</u>	<u>101223 18809</u>	<u>926089F (with renewal #593674G</u>)	<u>201021 427301</u>	<u>196174 97</u>	<u>17547787</u>	<u>20101223 1140 1590 4261 (with renewal #2012021 71451 1590 6433)</u>	<u>259761 1</u>		<u>300670 842</u>
<u>1640334 Ontario Inc.</u>	<u>101223 18838</u>	<u>926090F</u>	<u>201021428 405</u>	<u>19617521</u>	<u>17547795</u>	<u>20101223 1141 1590 4262</u>	<u>259762 0</u>		<u>300670 843</u>
<u>Spring Fresh Cleaning & Restoration Canada Inc.</u>	<u>101223 18891</u>	<u>926092F</u>	<u>201021428 901</u>	<u>19617539</u>	<u>17547803</u>	<u>20101223 1141 1590 4263</u>	<u>259763 2</u>		<u>300670 844</u>
<u>Demos Canada Limited</u>	<u>101223 18932</u>	<u>926093F (with renewal #593678G and #244792H</u>)	<u>201021429 401</u>	<u>19617547</u>	<u>17547829</u>	<u>20101223 1141 1590 4264 (with renewal #2012021 71451 1590 6432 and #2013031 91044 1590 7239)</u>	<u>259764 8</u>		<u>300670 845</u>
<u>Jackson, Mark</u>	<u>110615 12297</u>	<u>200467G</u>	<u>201109879 709</u>	<u>20223418</u>	<u>18199166</u>	<u>20110615 1206 1590 3376</u>	<u>269672 8</u>		<u>300736 981</u>
<u>Walpole, Noel</u>	<u>110615 12319</u>	<u>200471G</u>	<u>201109881 100</u>	<u>20223442</u>	<u>18199232</u>	<u>20110615 1207 1590 3377</u>	<u>269673 7</u>		<u>300736 990</u>
<u>Fournier Brothers Holdings Inc.</u>	<u>120217 13422</u>	<u>593645G</u>	<u>201202 717603</u>	<u>21137112</u>	<u>191766 35</u>	<u>20120217 1157 1590 6403</u>	<u>284805 7</u>		<u>300831 515</u>
<u>101109 P.E.I. Inc.</u>	<u>120217 13478</u>	<u>593650G</u>	<u>201202718 006</u>	<u>21137138</u>	<u>19176684</u>	<u>20120217 1157 1590 6404</u>	<u>284806 6</u>		<u>300831 521</u>
<u>IIAB Holdings Inc.</u>	<u>130319 13602</u>	<u>244822H</u>	<u>201304490 506</u>	<u>227313 35</u>	<u>20953907</u>	<u>20130319 0954 1590 7207</u>	<u>313215 8</u>		<u>300998 053</u>
<u>Ross, Barry</u>	<u>140805 34885</u>	<u>107915I</u>	<u>201414541 700</u>	<u>24746422</u>	<u>23142250</u>	<u>20140805 1432 1590 7735</u>	<u>348532 0</u>		<u>301223 638</u>
<u>Wells Fargo Capital Finance Corporation Canada, As Agent</u>	<u>141112 16898</u>	<u>282633I</u>	<u>201421 449703</u>	<u>25153081</u>	<u>235718 70</u>	<u>20141112 1103 1862 4890 and 20141112 1106 1862 4893</u>	<u>355527 2</u>	<u>14-107839 5-0001</u>	<u>301268 160</u>
<u>Business</u>	<u>141112</u>	<u>283397</u>	<u>201421483</u>	<u>25154428</u>	<u>235734</u>	<u>20141112</u>	<u>355549</u>	<u>14-107983</u>	<u>301268</u>

<u>Secured Party</u>	<u>Jurisdiction of Personal Property Registration</u>								
	<u>Alberta Reg. No.</u>	<u>BC Reg. No.</u>	<u>Manitoba Reg. No.</u>	<u>NB Reg. No.</u>	<u>Nova Scotia Reg. No.</u>	<u>Ontario Reg. No.</u>	<u>PEI Reg. No.</u>	<u>Quebec Reg. No.</u>	<u>Sask. Reg. No.</u>
<u>Development Bank Of Canada</u>	<u>27954</u>		<u>405</u>		<u>62</u>	<u>1420.1793.0277 and 20141113.1648.1793.0324</u>	<u>6</u>	<u>2-0001</u>	<u>347</u>
<u>BDC Capital Inc.</u>	<u>141112.28010</u>	<u>2833941</u>	<u>201421483.502</u>	<u>25154436</u>	<u>235734.96</u>	<u>20141112.1423.1793.0279 and 20141113.1650.1793.0325</u>	<u>355551.1</u>	<u>14-108014.2-0002</u>	<u>301268.348</u>

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

Court File No. CV-16-11358-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
FIRSTONSITE G.P. INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for the Vendors

~~Schedule C - Claims to be deleted and expunged from title to Real Property~~

E-2

~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property~~

~~(unaffected by the Vesting Order)~~

E-2

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, Court File No. CV-16-11358-00CL
AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF FIRSTONSITE
G.P. INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List**

Proceeding commenced at Toronto

**MOTION RECORD
Re Approval of Sale Transaction *et al.*,
(Returnable May 9, 2016)**

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