

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

MOTION RECORD OF THE RECEIVER

Returnable October 12, 2022

October 4, 2022

HARRISON PENZA LLP

Barristers & Solicitors

130 Dufferin Avenue, Suite 1101

London, ON N6A 5R2

Timothy C. Hogan (LSO #36553S)

Robert Danter (LSO #69806O)

Tel: 519-679-9660

Fax: 519-667-3362

Email: thogan@harrisonpensa.com

rdanter@harrisonpensa.com

Solicitors for the Receiver,
The Fuller Landau Group Inc.

TO: Service List

**SERVICE LIST
(As of October 4, 2022)**

TO:	<p>BORDEN LADNER GERVAIS LLP Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto, ON M5H 4E3</p> <p>Roger Jaipargas (LSO #43275C) Tel: (416) 367-6266 Email: rjaipargas@blq.com</p> <p>Lawyers for the Applicant, Royal Bank of Canada</p>
AND TO:	<p>THE FULLER LANDAU GROUP INC. 151 Bloor Street West, 12 Floor Toronto, ON M5S 1S4</p> <p>Gary Abrahamson Joshua Samson Tel: (416) 645-6524 Email: gabrahamson@fullerllp.com jsamson@fullerllp.com</p> <p>Receiver</p>
AND TO:	<p>HARRISON PENZA LLP 130 Dufferin Avenue, Suite 1101 London, ON N6A 5R2</p> <p>Timothy C. Hogan (LSO #36553S) Robert Danter (LSO #69806O) Tel : (519) 679-9660 Email: thogan@harrisonpensa.com rdanter@harrisonpensa.com</p> <p>Lawyers for the Receiver, The Fuller Landau Group Inc.</p>
AND TO:	<p>AIRD & BERLIS LLP 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Richard Epstein (LSO #32823I) Tel: (416) 865-3437 Email: repstein@airdberlis.com</p> <p>Lawyers for the Respondent, Cutler Forest Products Inc.</p>

AND TO:	CUTLER FOREST PRODUCTS INC. 81 Royal Group Crescent, Unit A Vaughan, ON L4H 1X9 Harold Krawitz Email: Harold@cutlergroup.com Jonathan Glick Email: jonathan@cutlergroup.com
AND TO:	INFINITY ASSET SOLUTIONS INC. 63 Maplecrete Road Concord, ON L4K 1A5 Bruce Lyle Tel: (905) 669-8893 Email: blyle@infinityassets.com Purchaser
AND TO:	DEPARTMENT OF JUSTICE Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto ON M5H 1T1 Diane Winters Tel: 647-256-7459 Fax: 416-973-0810 Email: diane.winters@justice.gc.ca Lawyers for the Canada Revenue Agency
AND TO:	INSOLVENCY UNIT ONTARIO MINISTRY OF FINANCE 33 King Street West, 6th Floor Oshawa, ON L1H 8H5 Leslie Crawford Tel: 905.433.5657 Email: Leslie.Crawford@ontario.ca Insolvency Unit Email: insolvency.unit@ontario.ca

AND TO:	<p>BIRENBAUM STEINBERG LANDAU SAVIN & COLRAINE LLP 33 Bloor Street East, Suite 1000 Toronto, ON 4W 3H1</p> <p>Craig Colraine (LSO #31792P) Tel: (416) 961-0042 Email: colraine@bslsc.com</p> <p>Deborah Jorgensen (LSO #49579W) Tel: (416) 642-8059 Email: djorgensen@bslsc.com</p> <p>Lawyers for Paccar Leasing Company, a Division of Paccar Financial Services Ltd.</p>
AND TO:	<p>SPEIGEL NICHOLS FOX LLP 1 Robert Speck Parkway, Suite 200 Mississauga, Ontario L4Z 3M3</p> <p>Kim Ferreira (LSO #31792P) Tel: (905) 366-9700 x.229 Email: kim@ontlaw.com</p> <p>Lawyers for Barone Transport & Warehousing Ltd.</p>
AND TO:	<p>CLE CAPITAL INC. 3390 South Service Road, Suite 301 Burlington, ON L7N 3J5</p>
AND TO:	<p>VAULT CREDIT CORPORATION 41 Scarsdale Road, Unit 5 Toronto, ON M3B 2R2</p>
AND TO:	<p>MERIDIAN ONECAP CREDIT CORP. Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2</p>
AND TO:	<p>CWB NATIONAL LEASING INC. 1525 Buffalo Place 3001667 Winnipeg, MB R3T 1L9</p>
AND TO:	<p>CUTLER HOMETECH HOLDINGS INC. 81 Royal Group Crescent, Unit A Vaughan, ON L4H 1X9</p>

INDEX

INDEX

Tab	Document	Page No.
1	Notice of Motion, dated October 4, 2022	8
	Schedule "A-1" – Approval and Vesting Order (Clean Copy)	15
	Schedule "A-2" – Approval and Vesting Order (Blacklined Copy)	34
	Schedule "B" – Ancillary Order	46
2	First Report of the Receiver dated October 4, 2022	51
	Appendix "A" – Receivership Order of Justice Dietrich dated August 4, 2022	67
	Appendix "B" – Affidavit of Jeff Dawson, sworn August 2, 2022	84
	Appendix "C" – Redacted Agreement of Purchase and Sale dated October 4, 2022	92
	Appendix "D" – Redacted Occupation Agreement dated September 15, 2022	143
	Appendix "E" – Confidential Information Memorandum and Offer Form	
	Appendix "F" – Confidential Auction Proposals and Summary	
	Appendix "G" – Confidential Agreement of Purchase and Sale dated October 4, 2022	

Tab 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

**NOTICE OF MOTION
(returnable October 12, 2022)**

The Fuller Landau Group Inc. ("**Fuller Landau**") in its capacity as Court-appointed receiver (the "**Receiver**") appointed pursuant to the Order of the Honourable Justice Dietrich dated August 4, 2022 (the "**Appointment Order**") of the Property, as defined in the Appointment Order, of Cutler Forest Products Inc. (the "**Debtor**"), will make a Motion to a Judge presiding over the Commercial List.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

- In writing under subrule 37.12.1 (1) because it is on consent;
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

On October 12, 2022 at 10:00 a.m., or as soon after that time as the Motion can be heard by judicial teleconference via Zoom at Toronto, Ontario.

THE MOTION IS FOR:

1. An Approval and Vesting Order, substantially in the form attached hereto at Schedule “A”, *inter alia*, approving the transaction (the “**Transaction**”) contemplated by the Agreement of Purchase and Sale between Infinity Asset Solutions Inc. (the “**Purchaser**”) and the Receiver dated October 4, 2022 and appended to the Receiver’s First Report as Confidential Appendix “G” (the “**Sale Agreement**”) for the sale of the Purchased Assets and vesting all of the right, title and interest in and to the Purchased Assets of the Debtor absolutely in the Purchaser free and clear of and from any any security, charge or other encumbrance;
2. An Ancillary Order, substantially in the form attached hereto at Schedule “B”, *inter alia*:
 - a. That the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and dispensing with further service and confirmation thereof;
 - b. Approving the First Report of the Receiver dated October 4, 2022 (the “**First Report**”), and the activities and conduct of the Receiver set out therein; and
 - c. Sealing the Confidential Appendices to the First Report (the “**Confidential Appendices**”) until the completion of the Auction, or until a further order of this Court.
3. The costs of this motion on a substantial indemnity basis, if opposed;
4. Such further and other relief as counsel may request and this honourable court may permit.

THE GROUNDS FOR THE MOTION ARE:

The Debtor and the Appointment of the Receiver

1. The Debtor is a company incorporated pursuant to the laws of the Province of Ontario, and was primarily engaged in the business of producing and creating bathroom and kitchen cabinets from plant premises in Brampton Ontario, and with its registered office located in Vaughan, Ontario.
2. The Applicant, Royal Bank of Canada (the “**Bank**”), provided certain credit facilities to the Debtor.

3. The Bank is a secured creditor of the Debtor, and the Debtor was indebted to the Bank in the sum of \$4,372,009.31 as at August 2, 2022. The Receiver has an opinion from its independent counsel that the security held by the Bank is valid and enforceable, subject to the standard assumptions and qualifications.
4. On August 4, 2022, the Bank applied for and obtained the Appointment Order, appointing Fuller Landau as court-appointed receiver of the Property (as defined in the Appointment Order) of the Debtor.

The Sales Process and Auction Agreement

5. Prior to its appointment, in February 2022, Fuller Landau was a financial advisor assisting the Debtor. In March 2022, the Debtor and Fuller Landau collectively initiated a solicitation process for debt or equity investment to refinance and replace the Bank as lender. This process ultimately did not result in a transaction with any party for the acquisition or investment in the Debtor.
6. Subsequent to its appointment, the Receiver commenced a sales process (the “**Sales Process**”), the particulars of which are as follows:
 - a. commenced informally on August 15, 2022;
 - b. placed a newspaper advertisement in the Globe and Mail newspaper on August 23, 2022, and completed a focused distribution of the advertisement and a non-disclosure agreement (“**NDA**”) throughout the remainder of August and into early September to certain potential investors and competitors who the Receiver and the Debtor’s former management believed may have had an interest in bidding on either the Debtor or its Assets;
 - c. Receiver circulated a Confidential Information Memorandum (the “**CIM**”) to eighteen (18) parties (excluding liquidators), and Form of Offer to all interested parties who signed a Non-Disclosure Agreement; and,
 - d. A deadline for the submission of offers was set for September 12, 2022 (the “**Bid Deadline**”).
7. At the Bid Deadline, nine (9) offers were submitted by interested parties.

8. Included in the First Report as Confidential Appendices, in relation to which the Receiver seeks a Sealing Order, are copies of the CIM, and a summary of all proposals (the “**Proposals**”) received through the Sale Process.
9. After reviewing all Proposals received through the Sales Process and after a second round of bids, the Receiver determined that the Sale Agreement with the Purchaser would result in the best and highest recovery for the stakeholders of the Debtor’s estate.
10. The details of the Sale Agreement are provided in the First Report. The Receiver recommends the approval and completion of the Sale Agreement for the following reasons, as it:
 - a. Is an offer for all of the Debtor’s assets in Canada and the US;
 - b. Provides certainty as to realizations, subject to the terms of the Sale Agreement;
 - c. Eliminates any future risk to the Receiver as regards market conditions for the assets at auction or through the Receiver’s own recovery efforts for the US based inventory;
 - d. Allows the Receiver to eliminate ongoing operational costs to maintain its E-commerce platforms;
 - e. Provides recoveries of a magnitude that is comparable to the competing Net Minimum Guarantee offers;
 - f. Is the highest and best value for the Assets in the circumstances; and,
 - g. The Sale Agreement is supported by the Bank.
11. As detailed in the First Report, certain of the Debtor’s equipment are subject to claims by lessors. The Receiver has reviewed these claims and has concluded that certain of these lessors’ interests are not valid Purchase Money Security Interest (“**PMSI**”) claims pursuant to section 33 of the *Personal Property Security Act (Ontario)* (the “**PPSA**”). Certain lessors have advised that the Receiver’s position is disputed, and the Receiver continues to work to resolve the matters, failing which, direction from this Court will be sought.

12. No leased equipment has been included in the Sale Agreement as a Purchased Asset unless the lessor has agreed that such equipment can be included. In the event that the issue of each lessors' claim to a PMSI is resolved or is determined by this Court, the equipment at issue will be returned to the lessor (if a valid PMSI is held) or included as a Purchased Asset under the Sale Agreement, with a corresponding adjustment to the Purchase Price.
13. Further, certain of the Debtor's inventory is stored with a third party storer, Barone Transport and Warehousing Ltd. ("**Barone**"). Barone claims per diem storage as against the subject inventory and the Receiver is concerned that such rates claimed are increased over the pre-Receivership rates charged. In the event that the charge claimed by Barone is resolved and paid, the inventory will be included as a Purchased Asset under the Sale Agreement, with a corresponding adjustment to the Purchase Price.
14. It is the Receiver's position that the Sales Process was thorough, impartial and a fair sales process that fully exposed the Property and tested the market. The Sale Agreement represents a commercially reasonable transaction which will maximize the recovery from the sale of Property and is in the best interests of all stakeholders.

Sealing Order

15. Until such time as the transaction subject to the Sale Agreement is complete, or until further order of this Court, the Receiver is of the view that the information and documentation contained in the Confidential Appendices should be sealed in order to avoid the negative impact that the dissemination of the confidential information contained therein would have.
16. The Receiver states that its actions, as outlined in the First Report, should be approved by this Honourable Court.
17. Section 243 of the *BIA*.
18. Sections 100 and 137(2) of the *Courts of Justice Act*.
19. Rules 2, 3, 37, 38, and 60.10 of the *Rules of Civil Procedure*.
20. The grounds as detailed in the First Report.

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

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

1. The Appointment Order;
2. The First Report of the Receiver dated October 4, 2022, and the Appendices thereto;
and,
3. Such materials as counsel may advise and this Honourable Court may permit.

October 4, 2022

HARRISON PENZA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, ON N6A 5R2

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)

Tel: 519-679-9660
Fax: 519-667-3362
Email: thogan@harrisonpensa.com
rdanter@harrisonpensa.com

Solicitors for the Receiver,
The Fuller Landau Group Inc.

To: Service List

SCHEDULE "A-1"

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	WEDNESDAY, THE 12th
)	
JUSTICE KIMMEL)	DAY OF OCTOBER, 2022

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by The Fuller Landau Group Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Cutler Forest Products Inc. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Infinity Asset Solutions Inc. (the "Purchaser") dated October 4, 2022 and appended to the Report of the Receiver dated October 4, 2022 (the "Report"), and vesting in the Purchaser the Debtor's 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 and on hearing the submissions of counsel for the Receiver, and all other counsel and parties present no one appearing for any other person on the service list, although properly served as appears from the affidavit of Lindsay Ferguson sworn October 4, 2022 filed:

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

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Madam Justice Dietrich dated August 4, 2022; and, (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, 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 AND DECLARES that the Purchased Assets shall not include the Excluded Assets, as defined and described in the Sale Agreement, which include the Leased Assets listed on Schedule "C" hereto, subject to the Leased Asset Adjustment, as defined and described in the Sale Agreement. In the event that the lessor of any one of the respective Leased Assets and the Receiver agree in writing to include such Leased Asset as a Purchased Asset, or the Court makes an order to include such Leased Asset as a Purchased Asset, then such Leased Asset shall be included as a Purchased Asset under the terms of this Order.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims 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.

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

6. THIS COURT ORDERS that, notwithstanding:

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

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

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

Justice, Ontario Superior Court of Justice
Commercial List

SCHEDULE "A" – FORM OF RECEIVER'S CERTIFICATE

Court File No. CV-22-00684833-00C

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Dietrich of the Ontario Superior Court of Justice (the "Court") dated August 4, 2022, The Fuller Landau Group Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Cutler Forest Products Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated October 12, 2022, the Court approved the agreement of purchase and sale made as of October 4, 2022 (the "Sale Agreement") between the Receiver and Infinity Asset Solutions Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's 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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 4.1 and 4.2 of the

Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section sections 4.1 and 4.2 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 at _____ [TIME] on _____ [DATE].

The Fuller Landau Group Inc., solely in its capacity as Receiver of the undertaking, property and assets of Cutler Forest Products Inc., and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE “B” – PURCHASED ASSETS

- (a) **Machinery and Equipment.** The machinery and equipment set out in Exhibit “A” to this Schedule “B”.
- (b) **Intellectual Property.** The intellectual property set out in Exhibit “B” to this Schedule “B”.
- (c) **Inventory.** All of the inventories of the Debtor that are, as of the Closing Date, located at each of the following premises:
- i. 81 Royal Group Crescent, Unit A, Vaughan, Ontario, L4H 1X9;
 - ii. Barone Transport and Warehousing Ltd., 130 Silver Street Blvd. Scarborough, ON, M1V 4V8;;
 - iii. FedEx Trade Networks, 555 Riverwalk Parkway, Tonawanda NY, 14150, USA;
 - iv. CastleGate Logistics, 48 Station Road, Cranbury NJ, 08512, USA;
 - v. CastleGate Logistics, 13483 103rd Street, Jacksonville FL, 32210, USA;
 - vi. CastleGate Logistics, 3300/3500 Indian Avenue, Perris CA, 92571, USA;
 - vii. CastleGate Logistics, 2820 N Interstate 35 E, Lancaster TX, 75134, USA; and,
 - viii. CastleGate Logistics, 130 Distribution Drive, McDonough GA, 30252 USA.

EXHIBIT "A" TO SCHEDULE "B"

Cutler Forest Products Inc.

Exhibit A - Equipment and Machinery

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
1	73	Portable 2 Wheel Strapping Carts w/ Fromm Italiana "P324" Rechargeable Strapping Tools	2
2	2	Pegboard Machine Mechanical Punch s/n 10176 w/ hOut Feed Conveyors, 48" Width Ca	1
3	22	Rolling Self Dumping Forklift Bins	9
4		Manual Pallet Trucks	19
5	3	2006 Homag "Otimat Kal 310/3/A20" Single Side Edge Bander s/n 0-200-05-0575 w/ Homag Power Control PC22 Controller, Single Coil Bandng Stand, Glue System, Milling, Buffing Stations	1
6	4	2014 Blue Giant ""HW40001" Electric Scissor Lift Table s/nZ14122279 4.000kg Capacity, 48"x66" Table	1
7		1998 Polymac "Single 89N" Manual Edge Bander s/n 71709	5
8		(4) Metal Clip-Together Shelves (3) 18"x36" (1) 18"x48"	LOT
9		Handling Speciatty "32-50" Scissor Lift Table s/n L9829 5,000lbs Capacity, 36"x72" Table	1
10	6	Progress ""PMC-150" Horizontal Belt Sander s/n A927, 5HP, 6"x48"	1
11	7	SCM "T120C" Spindle Shaper s/n 1830579	1
13	11	2002 Selco "WNT 600" Panel Saw s/n 22282 w/ Series WN CNC Control Panel, 10'-5" Capacity Stack Conveyor Feeder to Stack Lifter and Rear Load Sheet Feeder	1
14	12	Handling Specialty Electric Scissor Lift Table 5,000lbs Capacity, 36"x72"Table	1
15	13A	Air Control Technology "GB 8x16x8" Enclosed Glue Spray Booth s/n 6558-07/16 w/Dual Sliding Doors, Single Sliding Back Door, Exhaust Fan, Filter Box. 2020 Binks Pressure Paint Pot s/n 375881	1
16	14	Centauro "800 CO" Vertical Bandsaw s/n 7019 w/Material Guide, 30" Throat	1
18	15	Sections of Pallet Racking Size 42"x6' w/Safety Grid Deck	32
19		Portable 2 Wheel Strapping Carts wf Fromm "P328" Rechargeable Strapping Tools	2
20	16	Wulfotec "WHP-200" Turntable Type Pallet Wrapper s/n 1197-272	1
21		CARDINAL "708" DIGITAL PLATFORM SCALE, S/N 9411-17 48"X48", 5,000 LBS X 0.5 LBS	1
22		Portable 2 Wheel Strapping Carts w/ (No Tools)	10
23	30	1999 BIESSE "ROVER 321R" CNC ROUTER, S/N 91988, W/ CNI XNC CNC CONTROL PANEL, VACUUM PUMP, LIGHT CURTAINS	1
24	10	ECONO LIFT ELECTRIC SCISSOR LIFT TABLE, 36"x72" TABLE, 5,000LBS CAPACITY, FOOT PEDAL CONTROLS	1
25	27	2019 BIESSE "ROVER GOLD 12.32" CNC ROUTER, S/N 1 000031662, W/ CNC CONTROL PANEL, BENQ DISPLAY, BSOLID 3D CAD CAM SOFTWARE	1
26	29	GRAVITY FEED ROLLER CONVEYORS, SIZE 24"X 8', APPROX. 151 PIECES	LOT
27	28	ROLLING TRANSFER GAVITY FEED CONVEYORS, W/ FLOOR TRACK	11
28	59	2013 LIGMATECH ""MPH410-25-07 CASE CLAMP, S/N 0-306-06-5325	1
29	25	DEWATT 36" RADIAL ARM SAW	1
30	28A	2000 BIESSE "ROVER 27" CNC ROUTER, S/N 03236 BORING AND ROUTER, CNC CONTROL PANEL	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
31	31	2004 WEEKE "OPTLMAT BST 500" CNC BORING MACHINE, S/N 0- 251-66-2008, W/ CNC CONTROL, FEED THROUGH, VERTICAL AND HORIZONTAL BORING	1
32	32	GENERAL "90-460M3" VERTICAL BANDSAW, S/N 91784710, W/ MATERIAL GUIDE, 22" THROAT	1
33	33	1998 BIESSE "TECHNO SVBL" AUTOMATIC FEED THROUGH DOWEL INSERTING MACHINE, S/N 82476, W/ (2) VIBRATORY BOWL FEEDERS, BIESSE CNC CONTROLLER	1
34	34	1998 BIESSE "TECHNO LOGIC" HORIZONTAL & VERTICAL BORING MACHINE, S/N 82475	1
35	35	2007 WEEKE "OPTLMAT BHX 500" CNC MACHINING CENTER, S/N 0- 250-66-4386, W/ DUST REMOVER	1
36	36	2003 BIESSE "ROVER 35L" CNC ROUTER, S/N 28980, W/ 2 VACUUM PUMPS, CHAMPION AIR COMPRESSOR, 2015 COSMOTEC INDUSTRIAL COOLER	1
37	37	2011 HOMAG "KAI 210 EDITION" EDGE BANDER, S/N 0-200-66- 7737, W/ HOMAG ELECTRICAL PANEL DOUCET "BT3-36" EDGE BANDER RETURN CONVEYOR	1
38	38	2000 HOMAG "KL 76/A20" EDGE BANDER, S/N 0-200.15-1893, W/ DOUCET "BT3-36" EDGE BANDER RETURN CONVEYOR	1
39	39	CTD DOUBLE MITRE SAW/TOE KICK	1
40	40	SCM "SL15F" SLIDING TABLE SAW (NO TABLE) W/ 2005 4 ROLL MATERIAL POWER FEEDER	1
41		4-STEP ROLLING WAREHOUSE LADDER	1
42	41	1 SCM "T 110" SPINDLE SHAPER, S/N B.510581 W/ 2015 SILVER "AP44" 4 ROLL MATERIAL POWER FEEDER	1
43	42	SCM "SL15F" SLIDING TABLE SAW (NO TABLE), S/N AB 10726 43, W/ 4 ROLL MATERIAL POWER FEEDER	1
44	43	1984 BIESSE "BEAVER" DOUBLE END HORIZONTAL /VERTICAL BORING MACHINE, S/N 224584	1
45		2001 ALTENDORF "F45 ELMO CE" SLIDING TABLE SAW, SIN 01-07- 014, W/ ALTENDORF CONTROL PANEL	1
46		BUFFALO 18" PEDESTAL DRILL PRESS	1
47		LARICK "222" TWO SPINDLE BRUSH SANDER, S/N 28028, W/ VARIABLE SPEED CONTROLS	1
49	1	BATCHING SYSTEMS "800" VIBRATORY FEEDERS, W/ VARIABLE SPEED CONTROLS	12
50	23	2008 SELCO "WNA600SLC" CNC ANGULAR PANEL SAW, S/N 33228, W/ SELCO CONTROL PANEL, APPROX.. 8' WIDE CAPACITY, SECURITY FENCING, INFEED CONVEYOR, STACK CONVEYOR, STACK LIFTER, UNLEED CONVEYOR	1
51	45	2015 KUKA "KR120 R3200 PA" ROBOT, S/N 676442, W/ 12 CUP SUCTION LIFTING DEVICE, LIGHT CURTAINS WEBER "5300 R.H. DOM" LABEL PRINTER / APPLICATOR, S/N W53002243 BUSCH "MINK MM 1104BV" VACUUM PUMP	1
52	46	PORTABLE 2 WHEEL STRAPPING CART, W/ FROMM "A335" STRAPPING TOOL	1
53	47	7-STEP ROLLING WAREHOUSE LADDER	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
54	48	HIGH CAPACITY STORAGE RETRIEVAL SYSTEM, SAW, CHOPPER AND STACKERS: 2015 HOMAG "PROFI TLF411/40/11" STORAGE RETRIEVAL SYSTEM, S/N 0-286-05-9406, W/ OVERHEAD CRANE, 20" SPAN X 112' RUNWAY, STACK LIFTER, LIGHT CURTAINS CONVEYOR SHEET FEEDER	1
	48	2015 HOLZMA "HRZ540" MULTI-SAW, S/N 0-249-02-7632, W/ INCLINE WASTE CONVEYOR HYDRAULIC POWER SUPPLY	1
	48	2015 HOLZMA "HKL400/43/22/X" HORIZONTAL PANEL SAW W/ PRESSURE BEAM, S/N 0-241-02-4631	1
	48	2015 HOLZMA LIFTOMAT "HAU A 25/12" SHEET STACKERS, S/N 0- 244.02-4853, S/N 0-244.02-48534, S/N 0-244.02-4633, S/N 0-244.02- 4634	4
55	49	2001 HAAS "HTLL 145/185" WOOD CHIPPER, S/N 25577 57" WIDE	1
56	50	SWED SCRAP METAL BANDING CHOPPER, S/N 510AA-8-89-0094	1
57	51	SEALED AIR "SPEEDYPACKER INSIGHT" FOAM-LN BAG PACKAGING SYSTEM, S/N SP5-7315	1
58		ATLAS NCOPCO OIL/WATER SEPARATOR	1
59	20	SECTIONS OF PALLET RACKING, 16' x 8' x 42" mesh deck, avg 8 beams / section	85
60	19	STRAPACK PORTABLE STRAPPING MACHINE	1
62	91	2003 ATLAS COPCO "GA75" ROTARY SCREW AIR COMPRESSOR, S/N ATT 478325, 100 HP, 132 PSI, 433 CFM	1
63	91	CHAMPION 10HP PISTON TYPE AIR COMPRESSOR	1
64	91	CHAMPION 25HP PISTON TYPE AIR COMPRESSOR	1
65	91	2002 ULTRA AIR "UA250AC" REFRIGERATED COMPRESSED AIR DRYER, S/N U-36809-38	1
66	91	SULLAIR "1809E/A" ROTARY SCREW AIR COMPRESSOR, 25 hp, S/N 200806120069	1
67	91	48" PORTABLE FLOOR FANS	4
68	94	2008 TITUS + "133" HINGE MACHINE, S/N 1219	1
69	94	SECTIONS OF 6' RACKING	3
70	94	2-DOOR FLAMMABLE STORAGE CABINET	2
71	94	LOBO UPACTING CUT-OFF SAW, W/ IN/OUT FEED CONVEYORS, PISTORIUS SCREEN CONTROL, AUTOMATIC MEASURING STOP	1
72	94	ACCU SYSTEMS "MMTJ-6" MORTISE AND TENON MITRE MACHINE, S/N 022-07-MMTJ-6, W/ 2 MILLING HEADS	1
73	94	PILLAR MACHINE "MMTJ" MORTISE AND TERON MACHINE, S/N PM 018-14-MMTJ-12, W/ 2 MILLING HEADS	1
74	94	2011 CAMERON AUTOMATION "79-5-LM" 5 ARM PNEUMATIC DOOR CLAMP, S/N 79X5-LM-M1	1
75	94	JLT "79-5M" 5 ARM PNEUMATIC DOOR CLAMP	1
76	94	2014 CAMERON AUTOMATION "GI79X-5" 5 ARM PNEUMATIC DOOR CLAMP	1
77	94	SECTIONS OF GRAVITY FEED CONVEYORS	3
78	24	SECTIONS OF 18"X8' GRAVITY FEED CONVEYOR	39
79		4-WHEEL WAREHOUSE ORDER PICKING CARTS	9
80		PORTABLE 2 WHEEL STRAPPING CARTS, W/ FROMM "P326" STRAPPING TOOLS	3
81		10- STEP ROLLING WAREHOUSE LADDER	5
82		3 - STEP ROLLING WAREHOUSE LADDER	3
83	6	FOOT ACTIVATED PNEUMATIC BOX STAPLERS	2
84	66	FOX "C4" TURNTABLE TYPE PALLET WRAPPER, S/N C4-052908118	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
85	65	2008 "SA-321PE-W112-PS" SHRINK WRAP MACHINE, S/N 083006- 02, W/ IN/OUT GRAVITY FEED CONVEYORS, 38' FLOW WRAPPER, SHRINK TUNNEL, W/ 2 STRAPACK "JK-2" SEMI-AUTO STRAPPERS	1
86	65	2008 DAMARK "B44-180" SHRINK WRAP MACHINE, S/N 6744, W/ IN-OUT GRAVITY FEED CONVEYORS, 35' FLOW WRAPPER, SHRINK TUNNEL, W/ 2 STRAPACK "JK-2" SEMI-AUTO STRAPPERS	1
87	58	2004 OMAL "LIVELLO1PLUS" DOWELING INSERTER, S/N 4054, W/ OMAL DELUXE NC400 CONTROL PANEL	1
88	57	2010 WEEKE "BHX 050" VERTICAL CNC MACHINING CENTER, S/N 0- 250-68-6690	1
89	59A	2008 LIGMATECH "MPH 400/09" CASE CLAMP MACHINE, S/N 0-306- 66-5178.	1
90	59C	SECTIONS GRAVITY FEED ROLLER CONVEYOR, APPROX. 18' X 8' SECTION	13
91	59B	2008 TITUS PLUS "134" HINGE MACHINE, S/N 1220	1
92		SEALED AIR "NEWAIR IB FLEX" STAND AND ROLL WINDER, S/N NAF - 16699	1
93	20	SECTIONS OF PALLET RACKING, 16' x 8' x 42" w APPROX. 6 CROSS BEAMS PER SECTION, mesh decking	161
94	64	FOX "C4" TURNTABLE TYPE PALLET WRAPPER, S/N C4-092412-166	1
95		MAN CAGE, DRILL PRESS, CUT-OFF SAW, BENCH GRINDER, ETC.	LOT
96		2017 SEMI-AUTO STRAPPING MACHINE, S/N 1170011079	1
97		ACT & CONQUEST DUST COLLECTION SYSTEM, W/ BLOWERS, AIRLOCKS. DUCTING, FIRE SURPRESSION SYSTEM, 2 BIN, SPREADERS	1
98		MISCELLANEOUS EQUIPMENT CONSISTING OF: W/ PORTABLE DUST COLLECTOR, BENCHTOP DRILL PRESS, ROLLING RACK, COMPOUND MITRE SAW, TABLE SAWS, HAND TOOLS, LINE PAINTER, GREASE PUMP, PEDESTAL FANS, PNEUMATIC HAND STAPLERS, 12" BENCH TOP FANS, 2- STEP STOOL, PICKER CARTS, 4-WHEEL DOLLY, SHOP VACS, BBQ, PALLET RACKING, ETC.	LOT
100	26	2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, S/N ZL01434, W/ DELL CONTROL PANEL	1
101		2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, TO ARRIVE AT FACILITY WITHIN APPROX. 30 DAYS	
102		2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, TO ARRIVE AT FACILITY WITHIN APPROX. 30 DAYS	
	7	YALE "GLC070VXNGSE085" LPG FORKLIFT, S/N A910V04442C, W/ 3 STAGE MAST. 6,500LBS CAPACITY, 182" LIFT HEIGHT CUSHION TIRES, 54" FORKS, METER READS: 8,865 HOURS (OUT OF SERVICE)	1
	RS	2007 RAYMOND "EASI R40TT" ELECTRIC REACH TRUCK, S/N EZ D-07- 38061, W/ 4,000LBS CAPACITY, 36 VOLT	1
	75	HYSTER "W20ZA" WALK BEHIND ELETRIC PALLET STACKER, S/N A495N01859E, 2,00LBS CAPACITY, 118" LIFT HEIGHT, 24 VOLT, 42" FORKS	1
	77	TOYOTA "426FGCU30" LPG FORKLIFT, S/N 60137, 5,800LBS CAPACITY, 187" LIFT HEIGHT , SIDE SHIFTER, CUSHION TIRE, METER READS: 24,103 HOURS (OUT OF SERVICE - BLOWN GASKET)	1
	83	YALE "MSW040SEN24TV072" WALK BEHIND ELETRIC PALLET STACKER, S/N C820N04214F, 4,000LBS CAPACITY, 100" LIFT HEIGHT, 24 VOLT, 48" FORKS	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
	76	HYSTER "E50XL" ELETRIC FORKLIFT, S/N C108V17559N 4,550 LBS CAPACITY, 187" HEIGHT, 48 VOLT, 48" FORKS, APPROX. 4,713 HOURS	1
	73	2008 RAYMOND "EASIR40TT" ELETRIC REACH TRUCK, S/N EZ-D 0839389, 4,500LBS CAPACITY, 210" LIFT HEIGHT, 36 VOLT	1
	79	DOCKTOCKER "DSS350TT" RIDE ON ELETRIC STACKER, S/N S350- 00794-95, 3,500LBS CAPACITY, 227" LIFT HEIGHT, 36 VOLT.	1
	85	2002 RAYMOND "EASIR30TT" ELETRIC REACH TRUCK, S/N ET-D-02- 11921, 3,000LBS, CAPACITY, 192" LIFT HEIGHT, 24 VOLT	1
	9	CATERPILLAR "EP6000" ELETRIC FORKLIFT, S/N FN408955, 5,640LBS CAPACITY, 48 VOLT, CUSHION TIRE, METER READS: 7,791 HOURS (OUT OF SERVICE, DRIVE ASSEMBLY ISSUE)	1
	80	HYSTER "E60Z-33" ELETRIC FORKLIFT, S/N G108N08853F, 5,750LBS CAPACITY, 193" LIFT BHEIGHT CUSHION TIRE, 48" FORKS, 36 VOLT	1
	86	2003 RAYMOND "112TM-FRE60L" ELETRIC PALLET WLAKIE, S/N 112- 03-48388, 6,000LBS CAPACITY, 24 VOLT, METER READS: 3,888 HOURS	1
	84	2003 Raymond "112TM-FRE60L" Electric Pallet Walkie s/n 112-03-48386 6,000lbs Capacity, 24 Volt Meter Reads: 4,031hours	1
	68	Hyster "E60XN-33" Electric Forklift s/n A268N04916J 5.600lbs Capacity, 187" Lift Height. 48" Forks, 48 Volt, Cushion Tire	1
	82	Toyota "42-6FGCU25" LPG Forklift s/n 61242 5,5101bs Capacity, 170" Lift Height. Cushion Tire Meter Reads: 14,920 hours	1
	88	2002 Raymond "EASI R30TT" Electric Reach Truck s/n EZ-A-2-25159 3,000lbs Capacity, 252" Lift Height. 36 Volt	1
	81	2006 Raymond "EASI R40TT" Electric Reach Truck s/n EZ-0-06-37445 4,000lbs Capacity, 250" Lift Height. 36 Volt	1
	70	1997 Raymond "EASI" Electric Reach Truck s/n ET-B-97-05407 3,000lbs Capacity, 204" Lift Height. 24 Volt	1
		2000 Raymond "EASI R30TT" Electric Reach Truck s/n ES-D-00-08943 3,000lbs Capacity, 225" Lift Height. 36 Volt	1
R7		1997 Raymond "EASI" Electric Reach Truck s/n ES-B-57-01818 3,000lbs Capacity, 252" Lift Height. 36 Volt	1
	3	Hyster "S6SXM" LPG Forklift s/n n/a 5,850lbs Capacity, 182" Lift Height Meter Reads: 3,010 hours	1
	4	Hyster "S6SXM" LPG Forklift s/n 0187V30966B 5,8501bs Capacity, 182" Lift Meter Reads: 14,906 hours	1
		5 Sections Racking - Battery Charger Rack w 10 forklift battery chargers	LOT
		2007 Skyjack SJLII3219 s/n 22000469 550lb Capacity, 19ft Platform Height	1
		Unicarrier LPG forklift, 5250 lb, s/n CUG1F2-9R21624	1
		2007 Raymond, 740 R35TT Electric Reach Truck 3500 lb reach, s/n 740-07-CA-07764	1
13B		Rigid Sander Machine	1
17		Rems 84500 Cutter	1
18		Strapack Model Model RQ8, S/N 20325102	1
20A		Omega radial arm saw	1
52		BlueGiant Model HW4001	1
53		Batching system model 1300 s/n BC-016	1
55		2005 Weber model W5200v2 - label applicator	1
56		Max bench drill press	1
60		Danmark Shrink Packaging System	1
61		Green Lifter	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
	62	Packsize on Demand	1
	63	Packsize on Demand EM735 Year 2013	1
	67	Raymond Forklift Model EASI R40TT	1
	69	Hyster S70 FT	1
	71	Raymond Forklift R4 5TT	1
	72	Raymond Forklift R30TT	1
	74	Hyster Forklift S65XM	1
	78	Raymond Forklift Model EASI S/N 1818	1
	87	Raymond Forklift Model 740 R33TT	1
	89	Racking, Inventory Sinks & Tops	LOT
	90	Contents R&D Warehouse Room	LOT
	93	Contents Hardware Warehouse Room	LOT
	95	Contents /inventory Upper Mezzanine	LOT
	60A	StarPack Strapping Machine	2
	60B	Econo Capacity 2000lbs S/N 83232	1
		Trailer Blue Cutler curtain side (Trailer ID 468) and Contents: Scrap wood / pallets, wooden tie down racks, propane cylinders	1
		Trailer Black Cutler curtain side (Trailer T8298Z) and Contents:	1
		Trailer contents - 53 Foot plain white: Old Machinery Parts; Old motors, 84MG Prosander; cables/metal tie down stands, power supplies, drill press	LOT
		Trailer contents - 53 Foot (Koch Systems): convyer racks, metal rail stands, old ducts;	LOT
		Trailer contents - 53 Foot (Duncan Transport): DanoDesign Vanity Tops, Vanity Tops, boxes;	LOT

Note 1:

EXHIBIT "B" TO SCHEDULE "B"

**Cutler Forest Products Inc.
Intellectual Property**

- | | | |
|---|--|---|
| 1 | E-commerce platform | www.emoyahome.com |
| 2 | Customer Lists | Attachment |
| 3 | Telephone and Facsimile numbers | 905-212-1414
800-268-2393 |
| 4 | Bills of Materials | If available |
| 5 | Canadian Trademarks | Registration Number: 1791711 "Cutler Kitchen and Bath"
Registration Number: 1791710 "Cutler Modern Living"
Registration Number: 1813337 "Bano Design", "Bano"
Registration Number: 1813420 Bano Design Logo
Registration Number: 1898225 "Re-Face It Cabinet Refacing"
Registration Number: 1889332 "Emoya Home" |
| 6 | U.S Trademarks | Registration Number 5697780 "Cutler Kitchen and Bath" |
| 7 | URLs/domain names: | www.cutlerkitchenbath.com and .ca
www.cutlergroup.com and .ca
www.cutlermodernliving.com
www.emoyahome.com and .ca
www.cabinetfactory.ca |
| 8 | Social Media Sites: | https://www.facebook.com/CutlerKitchenandBath/ |

SCHEDULE "C" –LEASED ASSETS

(a) **Leased Assets.** The machinery and equipment set out below, which are subject to leasehold claims by lessors of the Debtor, and which are identified as such therein. Subject to the Leased Asset Adjustment, as defined in the Sale Agreement, and to paragraph 3 of this Order, the Leased Assets are currently considered Excluded Assets, and not included in the Purchased Assets.

1	CWB National Leasing	Centateq N-300 (Optimat NBP084/VANTECH510)
2	Mitsubishi/CLE Capital Inc.	Edgeteq S-500 (KAL370 Ambition 2482) S/N 0-200-66-5245
3	Vault Credit Corporation	2008 KDF770 Brandt Edgebender, 2001 Weimoner ThermaFoil Press
4	Vault Credit Corporation	2006 Used Komo Mach II CNC, S/N 57184-06 with accessories
5	Paccar Leasing Company	2021 Kenworth T270 S/A Truck, VIN 2NKHHM6H4NM980633
6	Paccar Leasing Company	2021 Kenworth T880 Tandem-Axle Tractor 2018 Peterbilt 337 Single Axle Straight Truck, VIN 2NP2HM7X0JM466679
7	Paccar Leasing Company	
8	Meridian Onecap Credit Corp.	Kyocera TA-8002i photocopier system S/N VAK6Y00032

ROYAL BANK OF CANADA

v.

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

Court File No. CV-22-00684833-00CL

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

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

APPROVAL AND VESTING ORDER

HARRISON PENZA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)**

Tel : (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Receiver,
The Fuller Landau Group Inc.

SCHEDULE "A-2"

Revised: January 21, 2014

Court File No. ~~CV-22-00684833-00CL~~

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE ~~JUSTICE~~) ~~WEEKDAY~~ WEDNESDAY, THE #12th
JUSTICE ~~_____~~ KIMMEL) DAY OF ~~MONTH~~ OCTOBER, 20~~YR~~22

BETWEEN:

~~PLAINTIFF~~ ROYAL BANK OF CANADA

~~Plaintiff~~ Applicant

- and -

~~DEFENDANT~~ CUTLER FOREST PRODUCTS INC.

~~Defendant~~ Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~{RECEIVER'S NAME}~~ The Fuller Landau Group Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of ~~{DEBTOR}~~ Cutler Forest Products Inc. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Infinity Asset Solutions Inc. ~~{NAME OF PURCHASER}~~ (the "Purchaser") dated ~~{DATE}~~ October 4, 2022 and appended to the Report of the Receiver dated ~~{DATE}~~ October 4, 2022 (the "Report"), and vesting in the Purchaser the Debtor's 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.

DOCSTOR-120192714

ON READING the Report and on hearing the submissions of counsel for the Receiver, and all other counsel and parties present ~~[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]~~ Lindsay Ferguson -sworn ~~[DATE]~~ October 4, 2022 filed¹:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement ~~and listed on Schedule "B" hereto~~, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁴) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Madam Justice

Formatted: Not Highlight

¹~~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~~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~~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.~~

~~{NAME}Dietrich~~ dated ~~August 4, 2022~~{DATE}; and, (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, ~~and (iii) those Claims listed on Schedule C 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)~~ 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.

~~2.3. THIS COURT ORDERS AND DECLARES that the Purchased Assets shall not include the Excluded Assets, as defined and described in the Sale Agreement, and including which include the Barone Assets and the Leased Assets listed on Schedule "C" hereto, subject to the Leased Asset Adjustment and the Barone Asset Adjustment, as defined and described in the Sale Agreement. In the event that the lessor of any one of the respective Leased Assets and the Receiver agree in writing to include such Leased Asset as a Purchased Asset, or the Court makes an order to include such Leased Asset as a Purchased Asset, then such Leased Asset shall be included as a Purchased Asset under the terms of this Order.~~

~~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 Act⁵, 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.~~

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁶ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims

⁵Elect the language appropriate to the land registry system (Registry vs. Land Titles).

⁶The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

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 sale⁷, 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.

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

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those 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.~~

~~7.6.~~ THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent

~~⁷This 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.~~

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.

~~8. — THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario):~~

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

Justice, Ontario Superior Court of Justice

Commercial List

Formatted: Space After: 0 pt

Formatted: Space After: 0 pt, Tab stops: 3.7", Left

Formatted: Normal, Tab stops: 3.7", Left

Revised: January 21, 2014

SCHEDULE "A" – FORM OF RECEIVER'S CERTIFICATE

Court File No. CV-22-00684833-00C

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

PLAINTIFF ROYAL BANK OF CANADA

Plaintiff Applicant

- and -

DEFENDANT CUTLER FOREST PRODUCTS INC.

Defendant Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice {NAME OF JUDGE}Dietrich of the Ontario Superior Court of Justice (the "Court") dated {DATE OF ORDER}August 4, 2022, {NAME OF RECEIVER}The Fuller Landau Group Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of {DEBTOR}Cutler Forest Products Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated {DATE}October 12, 2022, the Court approved the agreement of purchase and sale made as of {DATE OF AGREEMENT}October 4, 2022 (the "Sale Agreement") between the Receiver {Debtor} and Infinity Asset Solutions Inc.{NAME OF PURCHASER} (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's 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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii)

DOCSTOR-120192714

that the conditions to Closing as set out in sections ~~4.1 and 4.2~~ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section ~~sections 4.1 and 4.2~~ 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 at _____ [TIME] on _____ [DATE].

~~[NAME OF RECEIVER]~~ **The Fuller Landau Group Inc., solely in its capacity as Receiver of the undertaking, property and assets of ~~[DEBTOR]~~ Cutler Forest Products Inc., and not in its personal or corporate capacity**

Per: _____

Name:

Title:

SCHEDULE "B" – PURCHASED ASSETS

(a) Machinery and Equipment. The machinery and equipment set out in Exhibit "A" to this Schedule "B".

(b) Intellectual Property. The intellectual property set out in Exhibit "B" to this Schedule "B" ~~(the "Intellectual Property")~~.

(c) Inventory. All of the inventories of the Debtor that are, as of the Closing Date, located at each of the following premises:

- i. 81 Royal Group Crescent, Unit A, Vaughan, Ontario, L4H 1X9;
- ii. Barone Transport and Warehousing Ltd., 130 Silver Street Blvd. Scarborough, ON, M1V 4V8;The Barone Assets;
- iii. FedEx Trade Networks, 555 Riverwalk Parkway, Tonawanda NY, 14150, USA;
- iv. CastleGate Logistics, 48 Station Road, Cranbury NJ, 08512, USA;
- v. CastleGate Logistics, 13483 103rd Street, Jacksonville FL, 32210, USA;
- vi. CastleGate Logistics, 3300/3500 Indian Avenue, Perris CA, 92571, USA;
- vii. CastleGate Logistics, 2820 N Interstate 35 E, Lancaster TX, 75134, USA; and,
- viii. CastleGate Logistics, 130 Distribution Drive, McDonough GA, 30252 USA.

Revised: January 21, 2014

SCHEDULE "BC" – Barone Assets and LEASED ASSETS

~~— **Barone Assets.** All Inventory of the Debtor located at 130 Silver Street Blvd, Scarborough, ON, M1V 4V8, and which are subject to the claimed storage lien of Barone Transport and Warehousing Ltd. Subject to the Barone Asset Adjustment, the Barone Assets are currently considered Excluded Assets, and not included in the Purchased Assets.~~

~~— **Leased Assets.** The machinery and equipment set out in Exhibit "A" to this Schedule "B" below, which are subject to leasehold claims by lessors of the Debtor, and which are identified as such therein. Subject to the Leased Asset Adjustment, as defined in the Sale Agreement, and to paragraph 3 of this Order, the Leased Assets are currently considered Excluded Assets, and not included in the Purchased Assets.~~

~~— **Schedule C – Claims to be deleted and expunged from title to Real Property**~~

Formatted: List Paragraph, Line spacing: 1.5 lines, Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

(a)

- 1 CWB National Leasing Centateq N-300 (Optimat NBP084/VANTECH510)
- 2 Mitsubishi/CLE Capital Inc. Edgeteq S-500 (KAL370 Ambition 2482) S/N 0-200-66-5245
- 3 Vault Credit Corporation 2008 KDF770 Brandt Edgebender, 2001 Weimoner ThermoFoil Press
- 4 Vault Credit Corporation 2006 Used Komo Mach II CNC, S/N 57184-06 with accessories
- 5 Paccar Leasing Company 2021 Kenworth T270 S/A Truck, VIN 2NKHHM6H4NM980633
- 6 Paccar Leasing Company 2021 Kenworth T880 Tandem-Axle Tractor
- 7 Paccar Leasing Company 2018 Peterbilt 337 Single Axle Straight Truck, VIN 2NP2HM7X0JM466679
- 8 Meridian Onecap Credit Corp. Kyocera TA-8002i photocopier system S/N VAK6Y00032

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

Formatted: Indent: First line: 0.5", Tab stops: Not at 4.02"

ROYAL BANK OF CANADA

v.

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

Court File No. CV-22-00684833-00CL

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

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

APPROVAL AND VESTING ORDER

HARRISON PENZA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)**

Tel : (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Receiver,
The Fuller Landau Group Inc.

SCHEDULE "B"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 12th
JUSTICE KIMMEL) DAY OF OCTOBER, 2022

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

ANCILLARY ORDER

THIS MOTION, made by The Fuller Landau Group Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Cutler Forest Products Inc. (the "Debtor"), appointed pursuant to the Order of the Honourable Madam Justice Dietrich dated August 4, 2022, for an order:

1. That the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged so that this motion is properly returnable today and hereby dispenses with further service and confirmation hereof;
2. Approving the Receiver's First Report to the Court dated October 4, 2022 (the "First Report") and the activities and conduct of the Receiver as detailed therein;
3. Sealing the Confidential Appendices to the First Report (the "Confidential Appendices") until the completion of the Auction (as defined in the First Report), or until further Order of this Court;

4. Such further and other relief as counsel may request and this honourable court may permit, was heard this day by judicial teleconference via Zoom at 330 University Avenue, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Receiver and all other counsel and parties present, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Lindsay Ferguson sworn October 4, 2022, filed;

1. THIS COURT ORDERS that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be and is abridged so that this motion is properly returnable today and hereby dispenses with further service and confirmation hereof.

2. THIS COURT ORDERS that the First Report, and the activities and conduct of the Receiver as detailed therein, be and are approved.

3. THIS COURT ORDERS that the Confidential Appendices be and is sealed until the completion of the Auction, or until further Order of this Court.

Justice, Ontario Superior Court of Justice
(Commercial List)

ROYAL BANK OF CANADA

v.

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

Court File No. CV-22-00684833-00CL

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

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

ANCILLARY ORDER

HARRISON PENZA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #698060)**

Tel : (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Receiver,
The Fuller Landau Group Inc.

ROYAL BANK OF CANADA

v.

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

Court File No. CV-22-00684833-00CL

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

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

NOTICE OF MOTION

HARRISON PENZA LLP

Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #698060)**

Tel : (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Receiver,
The Fuller Landau Group Inc.

Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

BETWEEN:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondents

**FIRST REPORT OF THE COURT-APPOINTED RECEIVER OF CUTLER
FOREST PRODUCTS INC.**

OCTOBER 4, 2022

TABLE OF CONTENTS

I. INTRODUCTION.....1
II. BACKGROUND2
III. OVERVIEW OF THE RECEIVER’S ACTIVITIES.....7
IV. SALES PROCESS AND APPROVAL OF SALE AGREEMENT8
V. TEMPORARY SEALING ORDER.....13
VI. REQUESTS FOR APPROVAL.....13

INDEX OF APPENDICES

- “A” - Receivership Order – dated August 4, 2022
- “B” - Affidavit of Jeff Dawson (without exhibits)
- “C” - Redacted Agreement of Purchase and Sale
- “D” - Redacted Occupation Agreement

INDEX OF CONFIDENTIAL APPENDICES

- “E” - Confidential Information Memorandum and Offer Form
- “F” - Confidential Auction Proposals and Summary
- “G” - Confidential Agreement of Purchase and Sale dated October 4, 2022

I. INTRODUCTION

1. Pursuant to an Order of the Honourable Madam Justice Dietrich of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 4, 2022 (the “**Receivership Order**”), The Fuller Landau Group Inc. (“**Fuller**”) was appointed Receiver (the “**Receiver**”) of all the assets, undertakings, and properties of Cutler Forest Products Inc. (“**Cutler**” or the “**Company**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.
2. The circumstances leading to the Receiver’s appointment are set out in the affidavit of Mr. Jeff Dawson, Director, Special Loans and Advisory Services Department at the Royal Bank of Canada (“**RBC**”) sworn August 2, 2022 (the “**Affidavit**”) and the application material filed by RBC. A copy of the Affidavit (without appendices) is attached hereto as **Appendix “B”**.
3. The purpose of this report (the “**First Report**”) is to update the Court and stakeholders regarding:
 - a) The Receiver’s activities since its appointment;
 - b) Cutler’s assets and liabilities;
 - c) The Sales Process (as defined below) with respect to Cutler’s assets (the “**Assets**”) and undertakings and the Receiver’s recommended sale agreement and transaction;
 - d) The terms and conditions of the Agreement of Purchase and Sale between the Receiver and Infinity Assets Solutions Inc. (the “**Purchaser**”) dated October 4th, 2022 (the “**APS**”) which has been entered into subject to approval by this Court (“collectively the “**Sale Transaction**”); and
 - e) To request that this Court grant an Order:
 - i. Approving this First Report and the activities of the Receiver in relation to the Sales Process;
 - ii. Approving the APS and authorizing the Receiver to complete the Sale Transaction contemplated therein;
 - iii. Vesting in the Purchaser all of the Company’s right, title and interest in the Purchased Assets (as defined in the APS) free and clear of all liens, claims and encumbrances upon completion of the Sale Transaction (as evidenced

by the Receiver filing a certificate certifying same);

- iv. Temporarily sealing **Confidential Appendices “E” “F” and “G”** (the **“Confidential Appendices”**) which contain the Confidential Information Memorandum and Offer Form, the Initial Proposals and Final Proposals (as defined below) and summary thereof, and an unredacted copy of the APS respectively until the completion of the Auction (as defined below) or until further order of the Court. A redacted version of the APS is attached hereto as **Appendix “C”**.

4. In preparing and filing this First Report, the Receiver has been provided with and has relied upon certain information, including unaudited and draft, internal financial information obtained from the Company’s books and records, as well as discussions with the Company’s former management and staff, third parties and creditors (the **“Information”**). The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information and expresses no opinion, or other form of assurance, in respect of the Information.
5. A copy of this First Report and other relevant receivership documents is available on the Receiver’s website: www.fullerllp.com/active_engagements/cutler-forest-proudcts-inc
6. All references to dollars are in Canadian currency unless otherwise noted.

II. BACKGROUND

7. Cutler, which was incorporated pursuant to the laws of Ontario, operated its head office and manufacturing facility from leased premises located in Woodbridge, Ontario (the **“Cutler Premises”**). Cutler had 103 full time and part time employees who were all terminated upon the granting of the Receivership Order. The Company’s workforce is not unionized and it does not have any pension plans.
8. Cutler was principally a manufacturer of vanities, kitchen and bathroom cabinets and a distributor of wood/componentry. Cutlers’ products were primarily sold to Canadian big box retailers as well as via multiple E-commerce websites in Canada and the United States.

9. The directors and officers of the Company were Mr. Harold Krawitz and Mr. Jonathan Glick. The Receiver understands that both Mr. Krawitz and Mr. Glick registered their respective resignations as officer's and directors on July 29, 2022 prior to the Receiver's appointment.
10. A summary of Cutler's assets and liabilities is set out in the following paragraphs.

Assets:

Book Value	(\$000s)
Accounts Receivable	2,269
Inventory	7,088
Prepaid Expenses	345
Property, plant, and equipment (net)	2,873
Total	12,575

11. Approximately 80% or \$5.6 million of the book value of inventory is located at the Cutler Premises. The balance of the inventory, (approximately \$1.5 million) is principally located at five third-party storage warehouses located in Scarborough Ontario (the "**Scarborough Warehouse**"), Buffalo New York, Cranbrooke New Jersey, Jacksonville Florida, and Paris California, (collectively referred to as the "**3rd Party Warehouses**").
12. As at the date of Receivership the Scarborough Warehouse landlord Barone Transport and Warehousing Ltd. ("**Barone**") advised storage charges of approximately \$75,000 was due, notwithstanding the terms of a Bailee Letter Agreement dated August 27, 2021 by RBC, Cutler and Barone. At the date of this Report, the Receiver is of the position that the subject Bailee Letter Agreement is clear that Barone has waived all claims as against the subject stored assets. The Receiver and counsel to Barone have agreed to complete the sale of this Cutler inventory to the Purchaser with the resulting proceeds to be held pending resolution of entitlement to same.
13. Inventory to fulfil Canadian based E-commerce orders and transactions was manufactured and shipped from the Cutler Premises, while inventory to fulfil US E-commerce orders and transactions was manufactured at the Cutler Premises and shipped and stored at the 3rd Party Warehouses located in the United States subject to storage, pick and pack agreements with CastleGate Logistics Inc. and Fedex Trade Networks Inc.

14. Although Cutler books and records indicate a book value of approximately \$7.088 million for the Inventory, the Receiver notes that its value is likely significantly overstated due to, among other things:
- a) high staff turnover at Cutler in the months prior to the Receivership Order resulting in limited and infrequent physical cycle counts being completed giving rise to quantity variances;
 - b) manufacturing inefficiencies including the substitution of materials during production which were not able to be scanned out of inventory and inventory records that were not recently updated;
 - c) discontinued or slow-moving inventory not fully reflected in the book value. Management confirmed that there is significant quantity of slow moving and/or obsolete inventory at both the Cutler Premises and at the Scarborough Warehouse; and
 - d) as a result of the Receivership, and the cessation of operations a significantly higher level of incomplete work in process inventory as opposed to readily saleable finished goods.

Liabilities:

Canada Revenue Agency (“CRA”)

15. At the date of the Receivership Order, the Company’s records indicated that it was current with respect to source deduction remittances and a liability for HST of approximately \$51,000 existed. CRA has submitted an unsecured claim of \$5,774.29 for EI and CPP. The Receiver is in the process of obtaining trust examinations by CRA to confirm any amounts due.

Employee Claims

16. Former employees were owed amounts for wages, commissions, vacation pay, termination and severance due as at the date of the Receivership. All such amounts will be reviewed and, where applicable will be satisfied in accordance with section 81.4 of the *Bankruptcy and Insolvency Act* (“BIA”) or through the *Wage Earner Protection Program Act* (“WEPP”).

17. The Receiver has issued the appropriate notices and application forms under WEPP, and corresponded with Service Canada regarding WEPP claims. The Receiver has determined that priority component of the former Cutler employee claims subject to the employee priority charge as defined in section 81.4 of the BIA totals approximately \$125,000.

Secured Creditors

18. At the time of the Receiver's appointment, Cutler was indebted to RBC in the amount of approximately \$4.4 million (the "**RBC Indebtedness**"). The RBC Indebtedness was secured by a General Security Agreement dated April, 2007, section 427 Bank Act security dated April, 2007, a Master Lease Agreement dated December 19, 2011 with schedules and an assignment of insurance policies dated April, 2021 (the "**General Security Agreement**"). Further information regarding the RBC Indebtedness is contained in the Affidavit.
19. Harrison Pensa LLP, counsel to the Receiver ("**HP**"), has provided the Receiver with a legal opinion (the "**RBC Security Opinion**") regarding the security held by RBC. HP has advised the Receiver that, subject to the usual qualifications and assumptions, it is of the opinion that the RBC security constitutes attached, perfected, valid and enforceable security as against Cutler's assets in favour of RBC.
20. According to the Company's books and records, Cutler's other secured creditors, Husky International Limited and Cutler Hometech Holdings were owed approximately \$2.0 million and \$2.8 million respectively at the time of the Receiver's appointment. The Receiver understands that these secured creditors are related to certain former directors and officers of the Company.

Leased Assets

21. Prior to the Receivership, Cutler had entered into leases with the following equipment lessors (the “Lessors”):

<u>Notes:</u>	<u>Lessor:</u>	<u>Description:</u>
1	CWB National Leasing	Centateq N-300 (Optimat NBP084/VANTECH510)
2	Mitsubishi/CLE Capital Inc.	Edgeteq S-500 (KAL370 Ambition 2482) S/N 0-200-66-5245
2	Vault Credit Corporation	2008 KDF770 Brandt Edgebender, 2001 Weimoner ThernaFoil Press
2	Vault Credit Corporation	2006 Used Komo Mach II CNC, S/N 57184-06 with accessories
2	Meridian Onecap Credit Corp.	Kyocera TA-8002i photocopier system S/N VAK6Y00032
3	Paccar Leasing Company	2021 Kenworth T270 S/A Truck, VIN 2NKHHM6H4NM980633
3	Paccar Leasing Company	2021 Kenworth T880 Tandem-Axle Tractor
3	Paccar Leasing Company	2018 Peterbilt 337 Single Axle Straight Truck, VIN 2NP2HM7X0JM466679

Note 1: It is the Receiver’s position that CWB National Leasing (“CWB”) does not possess a valid Purchase Money Security Interest (“PMSI”) pursuant to section 33 of the *Personal Property Security Act (Ontario)* (the “PPSA”) in the equipment subject to the CWB lease, as the CWB registration under the PPSA was made more than 15 days after the day on which Cutler took possession of the subject leased equipment. This priority matter is unresolved at the date of this First Report.

Note 2: Mitsubishi HC Capital Canada (“Mitsubishi”), Vault Credit Corporation (“Vault”), and Meridian Onecap Credit Corp (“Meridian”) each hold valid PMSIs with respect to their leased equipment.

Note 3: It is the Receiver’s position Paccar does not possess a valid PMSI pursuant to section 33 of the *Personal Property Security Act (Ontario)* (the “PPSA”) in the equipment subject to the Paccar Leases, as their registrations under the PPSA were made more than 15 days after the day on which Cutler took possession of the subject leased equipment. Paccar is disputing this position. This priority matter is unresolved at the date of this First Report.

22. In addition, Cutler had entered a Memorandum of Understanding (“MOU”) with Packsize, LLC for the use of certain packaging equipment and supply of packaging materials. HP has advised that in its view the MOU is subject to the requirements of the PPSA, and as no registration exists Packsize does not possess a valid PMSI.

23. The Receiver and HP have communicated the Receiver's positions to the above parties either directly or to their counsel. As set out in Paragraph 43(d)(ii) below, pending resolution of the priority issues with the various Lessors, the Receiver will exclude the subject leased assets from the Sale Transaction, if same is approved. Counsel for Paccar has corresponded with the Receiver advising that in the event the Paccar leased assets are not returned by Wednesday October 5, 2022, an urgent application will be brought to the Court to direct the return of the Paccar assets.

Unsecured Creditors

24. According to the Company's books and records, Cutler's unsecured trade debt totaled approximately \$5.4 million.
25. Pursuant to section 245(1) and 246(2) of BIA, on August 15, 2022, the Receiver sent notice of its appointment and a statement, in the prescribed form, to all known creditors and other stakeholders.

III. OVERVIEW OF THE RECEIVER'S ACTIVITIES

26. Since the granting of the Receivership Order, the Receiver has taken steps to secure and preserve Cutler's property and assets including, among other things:
- a) Taking possession of the Assets and retaining certain former employees of Cutler under standard term and task arrangements as necessary to achieve the Receiver's objectives;
 - b) Arranging for the continuation of all essential services required by the Receiver;
 - c) Negotiating terms of an occupation agreement with Omers Realty Corporation c/o Oxford Properties Group, the landlord of the Cutler Premises; a redacted copy of the occupation agreement (the "**Occupation Agreement**") is attached as **Appendix "D"**;
 - d) Coordinating a review of the security documents of RBC and the various leasing companies;
 - e) Securing Cutler's electronic books and records with the assistance of Cutler's former employees and/or contractors and IT service providers;

- f) Engaging in the collection of Cutler's accounts receivable, holding discussions with key customers and completing certain limited production or deliveries of goods as further agreed;
- g) Entering into an Escrow Agreement with a customer regarding its account receivable, supply of and payment for product manufactured during the Receivership;
- h) Reviewing documentation regarding assets located with third parties and speaking with third parties to arrange for the return of these assets, if possible;
- i) Continuing the existing insurance policies held by the Company prior to the date of receivership and ensuring that the Receiver has been added as a loss payee to all relevant policies;
- j) Maintaining E-commerce platforms and completing sales of inventory through E-commerce platforms; and
- k) Renewing expiring Cutler domain/website registrations.

IV. SALES PROCESS AND APPROVAL OF SALE AGREEMENT

Sales Process

- 27. In February 2022 Fuller was retained as financial consultant to Cutler to perform an assessment of the Company's business and prospects. In March 2022 the Company and Fuller collectively initiated a solicitation process for debt or equity investment to refinance and replace RBC as lender.
- 28. As part of this pre-receivership solicitation process, management and Fuller held discussions with 24 potential investors, and competitors and other parties interested in acquiring Cutler. These 24 parties completed additional due diligence as considered necessary. These efforts were ultimately unsuccessful.
- 29. At the date of Receivership Order, due to various breaches, Cutler's bank accounts had been frozen and no additional funding was available from RBC. Cutler had several hundred orders in its production queue from customers. The orders in queue, customer relationships, and work in process would have minimal or no value once the customer canceled the purchase orders. Given the lack of available funding, the termination of the Company's employees and the significant occupation expenses for the Cutler Premises, the Receiver was left with a short window to attempt

to find another manufacturer to potentially purchase and transfer the existing Cutler order book and undertaking as well as all the assets required for a going concern sale.

30. Approximately 40% of Cutler's accounts receivable outstanding at the date of receivership was from its largest customer, Lowe's Companies Canada ULC/Rona Inc. ("**Lowe's**"). The Receiver held discussions with Lowe's shortly following its appointment to determine if continued production was feasible and to request funding from Lowe's to maintain some level of operations and to complete these orders. Ultimately on August 16th, 2022 Lowe's legal counsel wrote to the Receiver confirming that it was cancelling all outstanding purchase orders with Cutler.
31. Certain competitors, customers and suppliers of the Company contacted the Receiver shortly after its appointment expressing an interest in completing due diligence on the Company and assets, and potentially pursuing a going concern transaction for the Assets. In consultation with Mr. Krawitz, the Receiver retained certain former Cutler employees on a term and task contract basis, to assist the Receiver, including to (i) complete and ship certain final orders; (ii) maintain the E-Commerce business; and (iii) carry out its duties under the Receivership Order.
32. As a result of the above circumstances, the Receiver developed a focused sales process ("**Sales Process**") the terms of which are described in the Receiver's Confidential Information Memorandum ("**CIM**"), with a view toward maximizing creditor and stakeholder value through a possible going concern sale of the Cutler business and Assets.
33. The Sales Process began informally on August 15, 2022. The Receiver placed a newspaper advertisement in the Globe and Mail newspaper on August 23, 2022 and completed a focused distribution of the advertisement and a nondisclosure agreement ("**NDA**") throughout the remainder of August and into early September to certain potential investors and competitors who the Receiver and the Company's former management believed may have an interest in bidding on either the Company or its Assets or contacted the Receiver directly.
34. In addition to the solicitation of potential investors and competitors during the Sales Process the Receiver also contacted seven liquidators to request liquidation proposals for the Assets.

35. In total 18 parties (excluding the liquidators) executed NDAs and completed some level of due diligence, including attending at the Cutler Premises and requesting additional information or data from the Receiver.
36. A deadline for the submission of offers was set for September 12, 2022 (the “**Bid Deadline**”) and communicated to all interested parties, although the Receiver outlined in the CIM that it reserved its right to accept and close a transaction prior to the Bid Deadline in its sole discretion. A copy of the CIM and Offer Form is included as **Confidential Appendix “E”**. The Receiver requested offers to be submitted for five parcels of Assets, namely: (i) Equipment and Machinery and Leased Equipment and Machinery; (ii) Inventory; (iii) Intellectual Property; (iv) Real Property Lease; and (v) all Assets.
37. The Receiver is of the view that the Sales Process timeline was appropriate in the circumstances given: (i) time sensitivities related to the business, its customers, and former employees, (ii) the lack of funding and significant overhead costs related to business including the continued occupation of the Cutler Premises, and (iii) the solicitation process for the investment in and/or sale of Cutler which the Company and Fuller undertook between March 2022 to July 2022, which proved unsuccessful.
38. At the Bid Deadline, nine offers were submitted by interested parties as follows:
- One offer for the Intellectual Property;
 - One offer for a small subset of the Equipment and Machinery Parcel; and
 - Seven auction proposals and a purchase offer from liquidators.
39. Six of the seven liquidators limited their proposals to the assets physically located at the Cutler Premises. The Purchaser submitted a net minimum guarantee (“**NMG**”) proposal and an outright purchase proposal which included i) inventory and machinery and equipment at the Cutler Premises, ii) inventory related to the E-commerce business at the 3rd Party Warehouses, and iii) the Intellectual Property. Following receipt of the offers, the Receiver corresponded with some parties that submitted offers to clarify certain terms of their respective offers.

Round Two of Offer Submissions

40. After reviewing the two offers and the seven liquidator proposals (the “**Initial Proposals**”), the Receiver determined that the highest and best recovery for the estate would be generated by accepting one of the top three liquidator proposals. As these proposals were markedly close, the Receiver contacted the top three liquidators on September 14, 2022, and invited each to revise and improve their respective proposals by no later than 5:00pm on September 16, 2022.
41. Following receipt of the revised proposals (the “**Final Proposals**”) and further discussions to clarify terms and conditions where necessary, the Receiver concluded that the most favourable, commercially reasonable, and fair final proposal, was the Purchaser’s proposal to purchase Cutler’s Assets since it:
 - a) Is an offer for all of Cutler’s assets in Canada and the US;
 - b) Provides certainty as to realizations, subject to the terms of the APS;
 - c) Eliminates any future risk to the Receiver as regards market conditions for the Assets at auction or through the Receiver’s own recovery efforts for the US based inventory;
 - d) Allows the Receiver to eliminate ongoing operational costs to maintain the E-commerce platforms;
 - e) Provides recoveries of a magnitude that is comparable to the competing Net Minimum Guarantee offers; and
 - f) Is the highest and best value for the Assets in the circumstances.
42. RBC support’s the Receiver entering into the APS with Infinity. The Receiver and the Purchaser executed the APS on October 4, 2022 (subject to Court Approval).
43. The aggregate purchase price for the Assets will be greater than the \$500,000 threshold established under the Receivership Order, and therefore requires the approval of this Court.

Summary of the Asset Purchase Agreement

44. By way of summary, the APS provides that:
- a) The purchase price is comprised entirely of cash consideration;
 - b) The deposit received on September 16, 2022 will be credited to the Purchaser on closing of the Sale Transaction;
 - c) the Purchased Assets are on “as is, where is” and “without recourse” basis, and consist solely of all the Company’s right, title and interest, if any, in and to its:
 - i. Machinery and Equipment;
 - ii. Inventory; and
 - iii. Intellectual Property
 - d) the purchase price will be adjusted as of the Closing Date for:
 - i. the sale of E-commerce inventory during the period from September 12, 2022 (being the initial proposal bid date) and the closing of the Sale Transaction on an agreed upon basis; and
 - ii. those leased assets the Receiver is unable to convey for the reasons set out in Paragraphs 20 to 23, subject to adjustment once priority is determined.
 - e) the Sale Transaction’s only substantive condition is that the Court issue an order approving the APS/Sale Transaction and vesting in the Purchaser all the Purchased Assets free and clear of all encumbrances (the “**Proposed Approval and Vesting Order**”).

Approval of the Sale Transaction

45. Should the Court approve the APS and the transaction subject to same closing, Infinity will conduct an auction of the Purchased Assets located at the Cutler Premises (the “**Auction**”) and has agreed to abide by the Occupation Agreement. It is anticipated that Infinity will vacate the Cutler Premises on or before December 28, 2022.

46. In light of, most notably, the marketing of the Assets both before and during the Receivership and for the reasons set-out in Paragraph 41 above, the Receiver is of the view that the conduct of the Sale Process and the resulting proposed Sale Transaction comply with the principles set out in Royal Bank v. Soundair Corp. (1991), 4 O.R. (3d) 1 (C.A.).¹ The Receiver recommends that the Court approve the Sale Transaction and grant the Proposed Approval and Vesting Order.

V. TEMPORARY SEALING ORDER

47. Each of the Confidential Appendices contains confidential information of a highly sensitive commercial nature, which would likely jeopardize the value that could be generated from the Assets if disclosed prior to a transaction closing in respect of same. A redacted copy of the APS has also been included in the public record to limit the request for sealed information to what the Receiver believes needs to be sealed to preserve the integrity of the Receiver's realization efforts. The Receiver therefore requests that the Confidential Appendices be sealed subject to the completion of the Auction or further Order of the Court.

VI. REQUESTS FOR APPROVAL

48. The Receiver respectfully recommends and requests that this Court grant the relief as requested in Paragraph 3 of this First Report.

All of which is respectfully submitted this 4th day of October 2022.

A handwritten signature in blue ink that reads "The Fuller Landau Group Inc." with a stylized flourish at the end.

**The Fuller Landau Group Inc.
in its capacity as Court appointed
Receiver of Cutler Forest Products Inc.**

APPENDIX A

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

THE HONOURABLE) THURSDAY, THE 4th
)
MADAM JUSTICE DIETRICH) DAY OF AUGUST, 2022
)

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

**ORDER
(Appointment Order)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing The Fuller Landau Group Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Cutler Forest Products Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Jeff Dawson sworn August 2, 2022 and the Exhibits thereto and on hearing the submissions of counsel for Royal Bank of Canada and upon no one appearing for any other parties, although duly served, as appears from the affidavit of service of Mariela Adriana Gasparini sworn August 2, 2022 and the affidavit of service of Saikat Das sworn August 2, 2022, and on reading the consent of The Fuller Landau Group Inc., to act as the Receiver.

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, The Fuller Landau Group Inc., is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$500,000 and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver'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 the Receiver'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 the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that 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 the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor 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 services, insurance, transportation services, utility or other services to the Debtor 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 the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current

telephone numbers, facsimile numbers, internet addresses and domain names, 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 the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver 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 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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.

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in

this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **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/e-service-protocol/>) 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 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 <https://fullerllp.com/active-engagements/Cutler-Forest-Products-Inc/>.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is 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 the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

30. **THIS COURT ORDERS** that the Receiver 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 Receiver 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.

31. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis

to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

Dietrich J.

SCHEDULE "A"

BD

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that The Fuller Landau Group Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Cutler Forest Products Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 4th day of August, 2022 (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

The Fuller Landau Group Inc. solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name: Gary Abrahamson

Title: President

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ROYAL BANK OF CANADA

- and -

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

ORDER
(Appointment Order)

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower

22 Adelaide Street West

Toronto, ON M5H 4E3

Tel: (416) 367-6000

Fax: (416) 367-6749

ROGER JAIPARGAS – LSO No. 43275C

Tel: (416) 367-6266

Email: rjaipargas@blg.com

Lawyers for the Applicant

APPENDIX B

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

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,
AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

**AFFIDAVIT OF JEFF DAWSON
(Sworn August 2, 2022)**

I, **JEFF DAWSON**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY
as follows:**

1. I am Director – Central Region in the Special Loans and Advisory Services (“**SLAS**”) of the Applicant, Royal Bank of Canada (the “**Bank**” or “**RBC**”) and as such have knowledge of the matters hereinafter deposed to, or where I do not possess such personal knowledge, I have stated the source of my information and in all such cases do verily believe it to be true.
2. This Affidavit is sworn in support of an application by RBC to appoint The Fuller Landau Group Inc. (“**Fuller Landau**”) as receiver (in such capacity, the “**Receiver**”), without security, over the assets, properties and undertaking (the “**Property**”) of Cutler Forest Products Inc. pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and section 101 of the *Courts of Justice Act* (Ontario) (the “**Application**”).

3. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement (as defined below).

A. BACKGROUND ON CUTLER FOREST PRODUCTS INC.

4. Cutler Forest Products Inc. (“**Cutler**”) is incorporated pursuant to the laws of the Province of Ontario. Cutler is primarily engaged in the business of producing and creating bathroom and kitchen cabinets (the “**Cutler Business**”).
5. The President of Cutler is Harold Krawitz. The Chief Executive Officer of Cutler is Jonathan Glick. Attached hereto and marked as Exhibit “**A**” is a Corporation Profile Report for Cutler obtained from the Ontario Ministry of Government and Consumer Services on July 27, 2022.
6. According to the Ontario Corporation Profile Report for Cutler, the registered office is located at 81 Royal Group Crescent, Unit A, Vaughan, Ontario L4H 1X9.

B. LOAN AND SECURITY DOCUMENTS

7. Pursuant to the evidence of indebtedness dated November 5, 2019 (the “**EOI**”), and the third amended and restated loan agreement dated December 30, 2020 (the “**TARCA**”), as amended by a letter agreement dated February 25, 2021 (the “**Letter Agreement**”) (collectively, the “**Credit Agreement**”), the Bank provided certain credit facilities to Cutler, on the terms and conditions as outlined in the Credit Agreement. Attached hereto and marked as Exhibit “**B**” is a copy of the EOI. Attached hereto and marked as Exhibit “**C**” is a copy of the TARCA. Attached hereto and marked as Exhibit “**D**” is a copy of the Letter Agreement.
8. As security for the repayment of all amounts owing by Cutler to the Bank, Cutler provided certain security to the Bank, including the following:
 - (a) a general security agreement dated April, 2007 (the “**Cutler GSA**”);
 - (b) Section 427 *Bank Act* security dated April, 2007 (the “**Bank Act Security**”); and
 - (c) an assignment of policies dated April, 2021 (“**Assignment of Policies**”).

9. Attached hereto and marked as Exhibit “**E**”, is a copy of the Cutler GSA. Attached hereto and marked as Exhibit “**F**” is a copy of the Bank Act Security. Attached hereto and marked as Exhibit “**G**” is a copy of the Assignment of Policies. The Cutler GSA, the Bank Act Security and the Assignment of Policies shall hereinafter be referred to as the “**Security**”.
10. As of August 2, 2022, Cutler was indebted to the Bank in the amount of \$4,372,009.31, inclusive of interest to such date, plus further interest, fees and costs that continue to accrue from and after August 2, 2022.

C. TRANSFER TO SLAS

11. The Cutler account was transferred to SLAS on or about March 3, 2022, due to their defaults under the Credit Agreement, as described in the balance of this Affidavit.

D. DEFAULT UNDER THE CREDIT AGREEMENT AND DEMAND FOR PAYMENT

12. RBC took the decision to demand payment of the obligations under the Credit Agreement in light of the fact that Cutler had committed certain Events of Default (as defined in the Credit Agreement) had occurred, including, without limitation, (a) as a result of the fixed charge coverage ratio set forth in Section 5.1 (a) of the Credit Agreement for the February, 2022 reporting periods; and (b) the occurrence of a material adverse affect.
13. Given the foregoing concerns, the Bank instructed its lawyers, Borden Ladner Gervais LLP (“**BLG**”), to issue a formal demand for payment dated March 30, 2022 and a Notice of Intention to Enforce Security (“**NITES**”), pursuant to the BIA, to Cutler. Attached hereto and marked as Exhibit “**H**” is a copy of the Demand Letter and NITES which was delivered to Cutler.
14. In an effort to assist Cutler in connection with its various defaults, the Bank entered into a forbearance agreement dated April 21, 2022, (the “**Forbearance Agreement**”) with Cutler, wherein the Bank agreed to forbear from taking steps under the Security (subject to the

terms of the Forbearance Agreement) until July 13, 2022 (the “**Forbearance Period**”). Attached hereto and marked as Exhibit “**T**” is a copy of the Forbearance Agreement.

15. Paragraph 23 of the Forbearance Agreement provides as follows:

Termination of Forbearance and Exercise of Rights

Upon the occurrence of any Forbearance Termination Event (as defined below), the Security shall be immediately enforceable and the Lender may exercise all of the rights and remedies as provided for in the Credit Agreement, the Security and the other Loan Documents. The Lender shall have no obligation to give the Borrower any notice or notification of the occurrence of a Forbearance Termination Event before taking such steps. Without limiting the generality of the foregoing, the Borrower irrevocably consents to the appointment of a receiver by instrument, or to the appointment by the Ontario Superior Court of Justice (Commercial List) of an interim receiver pursuant to the provisions of the BIA, and a receiver, or receiver and manager, in respect of all of the property, assets and undertaking of the Borrower, pursuant to section 243 the BIA and section 101 of the *Courts of Justice Act*, substantially in the form of the then current Commercial List Users Committee model receivership order, with such modifications as the Lender may reasonably require, immediately upon the occurrence of any Forbearance Termination Event, subject to applicable law. The Borrower acknowledges that but for the provision of these consents, the Lender would not have entered into this Agreement and would have taken steps, as required by applicable law, to enforce the Security and its other rights and remedies immediately.

16. The Forbearance Agreement provides for a number of “Forbearance Termination Events” at paragraph 24 of the Forbearance Agreement, which include the failure of Cutler to pay, or cause to be repaid, the amounts owing to the Bank by the expiry of the Forbearance Period.
17. As of the date that this Affidavit is sworn, the Bank has not received payment of the amounts owing.
18. RBC registered its security interest in respect of all of Cutler’s Property under the *Ontario Personal Property Security Act* (the “**PPSA**”). Attached hereto and marked as Exhibit “**J**” is a copy of the Enquiry Response Certificate in respect of a PPSA search against Cutler obtained from the Ministry of Government Services, with a file currency of July 26, 2022.

Attached hereto and marked as Exhibit “**K**” is a Section 427 *Bank Act* Search obtained on July 28, 2022, against Cutler, which confirms the registration of the Bank Act Security.

E. REQUEST FOR THE APPOINTMENT OF FULLER LANDAU AS RECEIVER

19. Cutler is in default of their obligations to RBC and is unable to repay the indebtedness owing to RBC.
20. Given the circumstances, RBC seeks to appoint Fuller Landau as the Receiver, so that the Receiver can review all options on a go-forward basis and return to court to seek the appropriate direction under the circumstances, with a view to maximizing the realization for the benefit of all stakeholders involved.
21. The Cutler GSA provides RBC with the right to appoint a receiver pursuant to Section 13 thereof.
22. If the relief sought is not granted, RBC is of the view that significant value may be irrevocably destroyed. I am very concerned that the assets of Cutler, as well as the Security held by the Bank, is at risk, unless a receiver is appointed by the court.
23. The defaults by Cutler and the non-payment of rent by Cutler to its landlord for its head office for the month of August, 2022, places the Bank’s collateral at risk.
24. In light of the foregoing, the Bank has significant concerns with respect to the stability of Cutler if the appointment of a receiver is not made by the court and if a stay of proceedings is not ordered immediately to ensure that the Receiver is provided with an opportunity to secure the collateral for the benefit of all stakeholders.
25. Fuller Landau is familiar with Cutler as it has been acting for many months as financial advisor to Cutler. Accordingly, Fuller Landau is best placed to be appointed as the Receiver.
26. Fuller Landau is a licensed insolvency trustee.

- 27. Fuller Landau has consented to act as Receiver. Attached hereto and marked as Exhibit "L" is a copy of the consent of Fuller Landau to act as Receiver.
- 28. This Affidavit is sworn in support of an Order for the appointment of Fuller Landau as Receiver over Cutler and for no other or improper purpose.

SWORN BEFORE ME over video conference)
this 2nd day of August 2022, in accordance with)
Ontario Regulation 431/20. The affiant was)
located in Toronto, in the Province of Ontario,)
while the commissioner, Adriana Gasparini,)
was located in Vaughan, in the Province of)
Ontario.)



A Commissioner for taking affidavits)



JEFF DAWSON

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ROYAL BANK OF CANADA

- and -

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF JEFF DAWSON
(Sworn August 2, 2022)

BORDEN LADNER GERVAIS LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3
Tel: (416) 367-6000
Fax: (416) 367-6749

ROGER JAIPARGAS – LSO No. 43275C
Tel: (416) 367-6266
Email: rjaipargas@blg.com

Lawyers for the Applicant

APPENDIX C

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated as of the 4th day of October, 2022.

BETWEEN:

The Fuller Landau Group Inc., solely in its capacity as court-appointed Receiver of all the assets, undertakings and properties of **Cutler Forest Products Inc.** and not in its personal or corporate capacity and without personal or corporate liability.

(the “**Vendor**”)

- and -

Infinity Asset Solutions Inc.

(the “**Purchaser**”)

WHEREAS:

- A. By way of the Order of the Honourable Madam Justice Dietrich issued August 4, 2022 in the Ontario Superior Court of Justice (Commercial List) file no. CV-22-00684833-00CL (the “**Appointment Order**”), the Vendor was appointed as Receiver (in this capacity, the “**Receiver**”) of all the assets, undertakings and properties (the “**Debtor Property**”) of Cutler Forest Products Inc. (the “**Debtor**”);
- B. The Appointment Order grants the Receiver, among other things, the power to market and sell any, or all, of the Debtor Property, including the Purchased Assets, as defined herein;
- C. Subject to the Court issuing the Approval and Vesting Order (each as defined herein), the Purchaser has agreed to purchase from the Vendor, and the Vendor has agreed to sell to the Purchaser, the right, title and interest of the Debtor in and to the Purchased Assets on the terms and conditions set out herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each party), the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) **Agreement** means this Agreement of Purchase and Sale, together with the attached schedules;
- (b) **Appointment Order** has the meaning specified in Recital “A”;
- (c) **Approval and Vesting Order** means an order of the Court, substantially in the form of the template Approval and Vesting Order for use on the Commercial List of the Court, approving the transaction provided for in this Agreement and ordering that the Debtor’s right, title and interest in the Purchased Assets be vested in the Purchaser free and clear of all encumbrances upon satisfaction by the Purchaser of its obligations under this Agreement, a draft of which is attached hereto at Schedule “B”;
- (d) **Assumed Liabilities** has the meaning specified in Section 2.2;
- (e) **Auction Date** means the date on which the Purchaser shall sell the Purchased Assets at auction, which shall be no later than December 28, 2022, unless otherwise agreed to in writing as between the Purchaser and the Vendor;
- (f) **Business Day** means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (g) **Closing** has the meaning specified in Section 5.1;
- (h) **Closing Date** has the meaning specified in Section 5.1;
- (i) **Court** means the Ontario Superior Court of Justice (Commercial List);
- (j) **Damages** means any losses, liabilities, damages or expenses (including legal fees and expenses), whether resulting from an action, suit, proceeding, investigation, enquiry, arbitration, claim, demand, cause, matter, thing, act or omission;
- (k) **Debtor** has the meaning specified in Recital “A”;
- (l) **Debtor Property** has the meaning specified in Recital “A”;
- (m) **Deposit** has the meaning specified in Section 2.6;
- (n) **E-Commerce Inventory** has the meaning specified in Schedule “A” hereto;
- (o) **ETA** means the *Excise Tax Act* (Canada);
- (p) **Excluded Assets** means all of the assets, undertakings and properties of the Debtor, other than the Purchased Assets, including, for the avoidance of doubt, the following:
 - (i) all cash and cash equivalents;

- (ii) the Leased Assets, subject to the Leased Asset Adjustment;
 - (iii) all agreements, contracts, leases, licenses, understandings, commitments and/or other arrangements of any nature, whether written or oral, that are legally binding upon the Debtor;
 - (iv) all accounts receivable, notes receivable and other debts due or accruing due to the Debtor;
 - (v) the minute books and corporate records of the Debtor; and
 - (vi) income tax refunds and other tax refunds receivable by the Debtor and all tax returns pertaining to corporate income taxes of the Debtor;
- (q) **Excluded Liabilities** has the meaning specified in Section 2.3;
 - (r) **Intellectual Property** has the meaning specified in Schedule "A";
 - (s) **Interim Inspection** has the meaning specified in Section 6.6;
 - (t) **Interim Period Inventory Reduction Amount** means an amount equal to multiplied by the aggregate amount generated by the sale of any E-Commerce Inventory between the date hereof and the Closing Date;
 - (u) **Inventory** has the meaning specified in Schedule "A";
 - (v) **Landlord** means the Debtor's landlord, Omers Realty Corporation;
 - (w) **Leased Assets** has the meaning specified in Schedule "A" hereto;
 - (x) **Leased Asset Adjustment** means an adjustment to the Purchase Price in favour of the Vendor should any of the Leased Assets which are currently classified as Excluded Assets become available for sale by the Vendor prior to the Auction Date, the quantum of which shall be determined by reference to the value assigned to the relevant Leased Asset(s) as set out at Exhibit "A" to Schedule "A" hereto;
 - (y) **Occupancy Agreement** means the Occupancy Agreement as between the Receiver and the Landlord dated September 15, 2022;
 - (z) **Occupancy Period** has the meaning specified in Section 6.1(a);
 - (aa) **Pre-Signing Inventory Reduction Amount** means an amount equal to multiplied by the aggregate cost of any E-Commerce Inventory that is sold between September 12, 2022 and the date hereof;
 - (bb) **Premises** means 81 Royal Group Crescent, Unit A, Vaughan, Ontario;
 - (cc) **Purchased Assets** has the meaning specified in Schedule "A" hereto;

- (dd) **Purchase Price** has the meaning specified in Section 2.5;
- (ee) **Receiver** has the meaning specified in Recital “A”;
- (ff) **Receiver’s Certificate** means a document substantially similar to that at Schedule “A” of the Approval and Vesting Order;
- (gg) **Time of Closing** means 10:00 a.m. (Toronto time) on the Closing Date.

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. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 Extended Meanings

Words importing the singular include the plural and *vice versa*, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings.

1.4 Schedules

The schedules are incorporated into, and forms part of, this Agreement, including:

- Schedule “A” Purchased Assets
- Schedule “B” Form of Approval and Vesting Order

ARTICLE 2 SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Assets

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor on the Closing Date, effective as of the Time of Closing, the Purchased Assets. For the avoidance of doubt, the Purchased Assets shall not include any of the Excluded Assets.

2.2 Assumed Liabilities

Subject to Closing, the Purchaser agrees to discharge, perform and fulfil all obligations and liabilities with respect to the Purchased Assets (collectively, the “**Assumed Liabilities**”), including:

- (a) all obligations and liabilities expressly assumed under this Agreement.

2.3 Excluded Liabilities

The Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any and all Excluded Liabilities. “**Excluded Liabilities**” means any and all obligations and liabilities of the Debtor in existence on or prior to the Closing Date, other than the Assumed Liabilities.

2.4 “As is, Where is”

The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an “as is, where is” basis, and subject to whatever defects, conditions, impediments or deficiencies which may exist on the Closing Date, including, without limiting the generality of the foregoing, any latent or patent defects in the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets, and that the Purchaser shall have conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate and shall have satisfied itself regarding these matters. No representation, warranty or condition, whether expressed or implied, statutory or non-statutory, oral or written, has been or will be given by the Vendor as to title, encumbrances, description, fitness for any present or intended purpose or use, merchantability, condition, quality, quantity, cost, state of repair, degree of maintenance, durability 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 provided for in this Agreement. Without limiting the generality of the foregoing, all conditions, warranties, or representations, expressed or implied, pursuant to the *Sale of Goods Act* of Ontario do not apply hereto and have been waived by the Purchaser. The descriptions of the Purchased Assets contained in this Agreement are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the accuracy of such descriptions. Any documentation, materials or information provided by the Vendor to the Purchaser regarding the Purchased Assets, or any part thereof, was provided solely for the convenience of the Purchaser and is not warranted or represented to be complete or accurate and does not form part of this Agreement. The Purchaser shall and shall be deemed to rely entirely on its own inspections and investigations concerning the Purchased Assets. If the Closing occurs, the Purchaser shall assume all risks relating to the physical condition of the Purchased Assets which existed on or prior to the Closing Date. Neither the Purchaser nor any other party shall have any recourse to the Vendor because of the nature or condition of the Purchased Assets.

2.5 Purchase Price

The consideration payable by the Purchaser to the Vendor for the Purchased Assets shall be equal to: (a) ; minus (b) the Pre-Signing Inventory Reduction Amount, if any; minus (c) the Interim Period Inventory Reduction Amount, if any; plus the Leased Asset Adjustment, if any (all collectively, the “**Purchase Price**”).

2.6 Payment of Purchase Price

The Purchase Price shall be paid and satisfied as follows:

- (a) the Purchaser has paid to the Vendor a cash deposit in the amount of (the “**Deposit**”), which Deposit is and shall be held by the Vendor in trust. The

Purchaser agrees that it waives any accrued interest earned on the Deposit. If the transaction contemplated by this Agreement does not Close and this Agreement is terminated in accordance with Section 5.6, then (i) if the termination is the result of a default of the Purchaser hereunder, the Vendor, in addition to any other remedies that it may have, shall be entitled to retain the Deposit as liquidated damages and not as a penalty, and (ii) if the termination is other than the result of a default by the Purchaser hereunder, the Deposit shall be returned to the Purchaser forthwith, without interest or deduction; and

- (b) at Closing, the Purchaser shall pay to the Vendor, by wire transfer of immediately available funds to the bank account(s) designated by the Vendor in writing, the balance of the Purchase Price (after deducting the amount paid by the Purchaser to the Vendor pursuant to Section 2.6(a)).

2.7 Allocation of Purchase Price

The Vendor and the Purchaser acknowledge and agree that the Purchase Price shall be allocated among each class of Purchased Assets as agreed by the parties hereto on or before Closing, acting reasonably. Such allocation shall be binding and the Purchaser and the Vendor. The Purchaser and the Vendor shall each report the purchase and sale of the Purchased Assets for all tax purposes in a manner consistent with such allocation, will complete and file all tax returns, designations, elections and filings that are necessary or desirable under the Income Tax Act to give effect to such allocations, and shall not take any position or action inconsistent with such allocation.

2.8 Taxes

The Purchaser shall pay upon Closing, in addition to the Purchase Price, all applicable federal and provincial taxes eligible in connection with the purchase and sale of the Purchased Assets, including, without limitation, HST. Alternatively, where applicable and available in accordance with applicable law, the Purchaser shall have the option to furnish the Vendor with appropriate exemption certificates.

2.9 Excluded Assets in Trust

Any assets, properties or rights that are received by the Purchaser and that constitute Excluded Assets shall be held in trust for the Vendor separate and apart from the Purchased Assets, and shall, as soon as practicable, be delivered to the Vendor.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Purchaser's Representations and Warranties

The Purchaser represents and warrants to the Vendor that, as at the date hereof and as of the Closing Date:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Ontario;

- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement, and the execution and delivery of this Agreement and consummation of the transactions contemplated herein has been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any law, indenture, agreement, instrument, charter, constating document (including its articles) or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the transaction contemplated herein;
- (e) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Time of Closing, as applicable, duly and validly executed and delivered by the Purchaser and constitutes or will, as at the Time of Closing, as applicable, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof, and for the avoidance of doubt, this Agreement, as of the date hereof, has been duly and validly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable in accordance with the terms hereof; and
- (f) the Purchaser is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (g) the Purchaser has made adequate arrangements to have sufficient, cleared and readily available funds to satisfy its obligations to pay the Purchase Price to the Vendor in accordance with this Agreement;
- (h) the Purchaser acknowledges that it is responsible for conducting its own searches and investigations of the Purchased Assets, including the current and past uses of same;
- (i) the Purchaser acknowledges the Vendor makes no representation or warranty of any kind regarding the Purchased Assets, other than as described herein, including that the present use or future intended use by the Purchaser of the Purchased Assets is or will be lawful or permitted;
- (j) the Purchaser is satisfied with the Purchased Assets and all matters and things connected therewith or in any way related thereto;

- (k) the Purchaser acknowledges that it has conducted to its satisfaction an independent investigation of the Purchased Assets and, in making the determination to proceed with the transaction contemplated by the Agreement, has relied solely on the results of its own independent investigation;
- (l) the Purchaser has not formulated the opinion that any of the representations and warranties of the Vendor contained herein are incorrect in any respect;
- (m) the Purchaser shall be registered for the purposes of the ETA prior to the Closing and shall provide its registration number to the Vendor on or prior to the Closing;
- (n) the Purchaser will be responsible for and will remit, as applicable, all taxes that arise from the sale of the Purchased Assets; and
- (o) no broker, agent or other intermediary is entitled to any fee, commission or other remuneration in connection with the transaction contemplated by this Agreement based upon arrangements made by or on behalf of the Purchaser.

The Purchaser shall promptly deliver to the Vendor written notice specifying the occurrence or likely occurrence of any event which may result in any of the Purchaser's representations and warranties contained in this Agreement not continuing to be true as at Closing.

3.2 Vendor's Representations

The Vendor represents and warrants to the Purchaser that, as at the date hereof and as of the Closing Date:

- (a) the Vendor is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (b) the Appointment Order is in full force and effect;
- (c) the Vendor is registered under Part IX of the ETA; and,
- (d) the Vendor is in possession of all of the Purchased Assets, other than any Purchased Assets, including any Inventory, that are held by third-parties in connection with the Vendor's operation of the Debtor's business.

ARTICLE 4 CONDITIONS

4.1 Conditions - Purchaser

The obligation of the Purchaser to complete the transaction contemplated herein is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;

- (b) the Vendor shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
 - (c) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the transaction contemplated by this Agreement;
 - (d) the Approval and Vesting Order shall not have been stayed, varied, or vacated and shall be in full force and effect and no appeal of the Approval and Vesting Order shall have been commenced and be outstanding; and
 - (e) delivery to the Vendor of the items described in Section 5.2.
- (f) The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by the Purchaser, in whole, or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

The Vendor covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled all the conditions contained in this section which are under the Vendor's control.

4.2 Conditions – Vendor

The obligation of the Vendor to complete the transaction contemplated herein is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
 - (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
 - (c) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the transaction contemplated herein;
 - (d) the Vendor shall not have lost possession or control of the Purchased Assets or any part thereof, other than any such loss that occurs from the sale of Inventory prior to the Closing Date; and
 - (e) delivery to the Vendor of the items described in Section 5.3.
- (f) The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by the Vendor, in whole, or in part. Any such waiver shall be binding on the Vendor only if made in writing.

The Purchaser covenants to use reasonable commercial efforts to fulfil or cause to be fulfilled all the conditions contained in this section which are under the Purchaser's control.

In the event that any of the foregoing conditions shall not be fulfilled, in whole or in part, at or prior to Closing, the Vendor may, in its absolute and unfettered discretion, terminate this

Agreement by written notice to the Purchaser without penalty or liability whatsoever to the Vendor.

4.3 **Approval and Vesting Order**

The obligations of the Vendor and the Purchaser are subject to the conditions that:

- (a) the Approval and Vesting Order shall have been made by the Court; and,
- (b) prior to Closing, the Approval and Vesting Order shall not have been stayed, varied or vacated, and no order shall have been issued which restrains or prohibits the completion of the transaction contemplated herein, and no appeal of the Approval and Vesting Order shall have been commenced and be outstanding.

The parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser. As soon as practicable after the date hereof, the Vendor shall file with the Court, and proceed with, a motion seeking the Court's issuance of the Approval and Vesting Order.

4.4 **Non-Satisfaction of Conditions**

If any condition set out in this section is not satisfied or performed prior to the time specified therefore, the party for whose benefit the condition is inserted may:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) elect on written notice to the other party to terminate this Agreement; provided, however, that neither party may terminate this Agreement pursuant to this Section 4.4 if the failure to satisfy such condition is due in whole or in part to the breach by such party of this Agreement.

ARTICLE 5 CLOSING

5.1 **Closing**

Provided that all of the conditions to close have been satisfied or waived, the transaction contemplated hereunder shall be completed (the moment of completion shall be referred to as "**Closing**") on the first Business Day ten days following the date upon which the Approval and Vesting Order is granted, or, in the event that an appeal from the Approval and Vesting Order is filed, the first Business Day following the final dismissal of the appeal (the "**Closing Date**"), unless the parties hereto otherwise agree to such other date in writing.

5.2 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute (if applicable) and deliver to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Purchase Price in accordance with Section 2.6;
- (b) evidence of payment of applicable taxes, or alternatively, where appropriate and available in accordance with applicable law, appropriate exemption certificates, in each case, as set out in Section 2.8;
- (c) a certified copy of a resolution of the board of directors of the Purchaser authorizing the execution of this Agreement and performance of each of the Purchaser's obligations hereunder, and a certificate of incumbency setting out the names and specimen signatures of each of the directors and officers of the Purchaser;
- (d) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (e) a certificate, dated the Closing Date, confirming that all of the covenants of the Purchaser contained in this Agreement that are required to be fulfilled or complied with by it at or prior to Closing, have been fulfilled or complied with;
- (f) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 4.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- (g) any other documentation relative to the completion of this Agreement as may reasonably be required by the Vendor or the Vendor's solicitors.

5.3 Vendor's Deliveries on Closing

At or before the Time of Closing, the Vendor shall execute (if applicable) and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) the Receiver's Certificate;
- (b) a copy of the issued and entered Approval and Vesting Order; and,
- (c) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 4.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date.

5.4 Possession of Assets

On Closing, the Purchaser shall take possession of the Purchased Assets where situate at the Time of Closing. The Purchaser acknowledges that the Vendor does not have an obligation to deliver physical possession of the Purchased Assets to the Purchaser except, where such Purchased Assets are in the physical possession of the Vendor. 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 has satisfied all conditions outlined in Section 4.2. If applicable, the Purchaser shall be responsible for the costs of dismantling the Purchased Assets and removing same.

The Purchaser does not assume any responsibility for the removal or disposal of any oils, waste, garbage, hazardous material, debris, unsold work in progress and raw materials, and all costs for waste receptacles and labour required during the Occupancy Period for the clean-up of the premises as is required under the Occupancy Agreement shall be paid for by the Vendor.

5.5 Risk

The Purchased Assets shall be and remain at the risk of the Vendor until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets are materially damaged or destroyed it shall complete the transaction and shall be entitled to an assignment of the proceeds of insurance (if any) referable to such material damage or destruction. Where any damage or destruction is not material, the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance (if any) referable to such damage or destruction provided that such damage or destruction is insured.

5.6 Termination

If either the Vendor or the Purchaser validly terminates this Agreement pursuant to the provisions of Sections 4.3, 4.4,

- (a) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end;
- (b) the Deposit shall be paid in accordance with the terms of this Agreement; and
- (c) neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

5.7 Breach by Purchaser

If the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit shall be forfeited to the Vendor on account of its liquidated damages, the right, title and interest in the Purchased Assets shall remain with, or be returned to, the Vendor, and the Purchased Assets may be resold by the Vendor.

5.8 Breach by the Vendor

If the Vendor fails to comply with the terms of this Agreement, the Purchaser may by notice to the Vendor elect to treat this Agreement as having been repudiated by the Vendor. In that event, the Deposit and any other payments made by the Purchaser shall be returned to the Purchaser.

ARTICLE 6 ACCESS TO THE PURCHASED ASSETS

6.1 Access to Premises

- (a) Provided that the Purchaser is in compliance with this Agreement, the Vendor shall provide, or cause to be provided, the Purchaser and its agents and employees with unrestricted access to the Premises from Closing to the earlier of the date the Purchased Assets are removed from the Premises or seventy-five days from the date that the Approval and Vesting Order is issued by the Court (the “**Occupancy Period**”), for the purpose of viewing and inspecting the Purchased Assets, showing the Purchased Assets to prospective purchasers and preparing for and conducting a public auction or other form of resale at the Premises and removing or arranging for the removal of the Purchased Assets. For greater certainty, the Vendor agrees to allow, with the permission of the Landlord, members of the public to access the Premises for sale and pre-sale inspections.
- (b) If not already provided to the Purchaser, the Vendor shall deliver keys to the Premises, particulars of alarm codes and the names of all persons, firms or corporations who have keys to the Premises as required by the Purchaser to enable it to prepare for the auction, which keys shall then be returned to the Vendor on or before the last day of the Occupancy Period.
- (c) The Vendor and its respective employees, agents and professionals shall continue to have unrestricted access to the Premises during the Occupancy Period.
- (d) The Purchaser agrees that it and its invitees shall act in a commercially reasonable, prudent and responsible manner while at the Premises and the Premises shall be maintained by the Purchaser in the same state of repair as existed as at the commencement of the Occupancy Period, ordinary wear and tear excepted.
- (e) For the avoidance of doubt, during the Occupancy Period, the Purchaser shall comply with the terms of the occupation agreement between the Receiver and Omers Realty Corporation dated September 15, 2022 (the “**Occupation Agreement**”) as if the Purchaser, rather than the Receiver, was bound by the Occupation Agreement (including with respect to Sections 1.5 and 1.6), save and except for Sections 1.8, 1.9 and 1.10 of the Occupation Agreement.

6.2 Occupancy Costs

During the Occupancy Period, the Vendor shall be responsible for the continued supply of all utilities to the Premises, including, without limitation, gas, water, heat, hydro and telephone (although the Purchaser shall be responsible for any long distance telephone charges incurred by it, its agents, employees or persons invited by the Purchaser to the Premises), and for the maintenance of fire and third party liability insurance on the Premises.

6.3 Insurance

The Purchaser shall be responsible for insuring against damage to the Purchased Assets from Closing to the date of the removal of the Purchased Assets from the Premises. Such insurance shall be for an amount not less than the Purchase Price. As Purchased Assets are removed, the amount of such insurance may be reduced accordingly. The Purchaser shall also maintain insurance for third party liability with a minimum coverage of \$5,000,000.00 million per occurrence with respect to any activities at the Premises. Each party shall maintain the appropriate workers' compensation coverage or equivalent for that own party's employees.

6.4 Indemnity

The Purchaser agrees to indemnify and save the Vendor harmless from and against all Damages incurred or arising from or in any way directly related to the inspection, the preparation for or the sale of the Purchased Assets or the attendance at the Premises of the Purchaser, its employees or agents, or members of the general public. For the avoidance of doubt, the Purchaser will hold the Vendor harmless from and against all Damages suffered by, imposed upon or asserted against the Vendor that arise as a result of, in respect of or in connected with the access to the Premises during the Occupancy Period granted under this Article 6. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

6.5 End of Occupancy Period

Without limiting Section 6.1(e), before the last day of the Occupancy Period, the Purchaser shall:

- (a) supervise the removal of the Purchased Assets from the Premises, which removal shall be done in a commercially reasonable, prudent, responsible and workmanlike manner on or before the last day of the Occupancy Period. The Purchaser agrees to provide the Receiver with at least seven (7) Business Days' written notice regarding the removal of any Purchased Asset which may require repairs to be made to any part of the Premises;
- (b) deliver vacant possession of the Premises to the Vendor. The Purchaser shall restore the Premises to their condition as at the commencement of the Occupancy Period and to repair any damages caused by the Purchaser, its invitees or anyone for whom it is in law responsible, at its sole expense, forthwith but in any event, before the expiry of the Occupancy Period. Without limiting the foregoing, the Purchaser, its invitees or anyone for whom it is in law responsible, shall abide by the provisions of the Occupancy Agreement, and shall, at its sole

expense, shear off to the floor any protruding bolts or similar items remaining after the removal of the Purchased Assets, properly cap all wires, gas and electrical connections, pull fuses at the main junction and cut vent pipes below the roof line, both on the interior and exterior of the Premises (and, if applicable, the pipes cut below the roof line, and any vent openings above the roof line, will be capped, insulated and sealed). The supply of waste containers and related costs of all waste removal as is required under the Occupancy Agreement, and all associated labour costs, shall be paid by the Vendor; and,

- (c) be responsible for any costs incurred, including but not limited to, the cost of occupancy as provided for under the Occupancy Agreement, utilities, property tax and damages, if it fails to remove all Purchased Assets or remains in occupancy of the Premises beyond the Occupancy Period. This section in no way releases the Purchaser from the requirement to vacate the premises on or before the end of the Occupancy Period.

6.6 Interim Inspection

The Vendor and the Purchaser agree to conduct an interim inspection by not later than five (5) days prior to the date that the Purchaser agrees or is required to vacate the Premises (the "**Interim Inspection**"). The Purchaser shall immediately conduct or cause to be conducted all repairs, restoration and clean-up of the Premises identified as being required pursuant to any Interim Inspection and to complete such work forthwith. Following the Interim Inspection and on the final day of the Purchaser's intended occupancy of the Premises, the Vendor and the Purchaser shall conduct a final inspection of the condition of the Premises. It is agreed that the Purchaser shall not be responsible for repairing any damages to the Premises that are demonstrated to have been caused by the Vendor.

ARTICLE 7 INDEMNIFICATION

7.1 Indemnification

The Purchaser shall indemnify and hold harmless the Vendor from and against, and will pay for, any Damages suffered by, imposed upon or asserted against the Vendor as a result of, in respect of, connected with, or arising out of, under or pursuant to:

- (a) *Representations and Warranties* – any breach or inaccuracy of any representation or warranty provided by the Purchaser contained in this Agreement or any certificate delivered pursuant to this Agreement;
- (b) *Covenants* – any failure of the Purchaser to perform or fulfil any of its covenants or obligations under this Agreement or any certificate delivered pursuant to this Agreement;
- (c) *Assumed Liabilities* – the Assumed Liabilities;
- (d) *Taxes* – the failure to comply with Section 2.8 and/or Section 3.1(n);

- (e) *Inspection* – the Purchaser’s inspection of the Purchased Assets, including the Purchaser’s inspection rights granted under Section 6.1;
- (f) *Dismantling* – the failure to comply with Section 5.4; and
- (g) *Access to Premises* – access to the Premises during the Occupancy Period granted under this Article 6, including as set out under Section 6.4.

**ARTICLE 8
GENERAL**

8.1 Further Assurances

Each of the parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

8.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted electronically, addressed in the case of the Purchaser, as follows:

Infinity Asset Solutions Inc.
63 Maplecrete Road
Concord, ON L4K 1A5

Attention: Bruce Lyle
Telephone No.: 905.669.8893
Email: blyle@infinityassets.com

with a copy to:

Attention:
Telephone No.:
Fax No.:
Email:

and in the case of the Receiver, as follows:

The Fuller Landau Group Inc.
151 Bloor Street West, 12th floor, Toronto, Ontario, M5S 1S4

Attention: Gary Abrahamson, CPA, CA, CIRP, LIT
[Joshua Samson](#)

Telephone No.: 416.645.6524
Fax No.: 416.645.6501
Email: gabrahamson@fullerLLP.com
jsamson@fullerllp.com

with a copy to:

(enter info)

Attention:
Telephone No.:
Email:

with a copy to the Vendor's solicitors at:

Harrison Pensa LLP
450 Talbot St.,
London, ON N6A5J6

Attention: Timothy C. Hogan
Jonathan Lin
Email: thogan@harrisonpensa.com
jlin@harrisonpensa.com
Tel: 519-661-6743
Fax: 519-667-3362

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted electronically before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted electronically 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.

8.3 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 or by their respective solicitors and on notice to the Interim Receiver.

8.4 Currency

Except where otherwise indicated, all references herein to money amounts are in the currency of Canada.

8.5 Survival

The representations, warranties, covenants and indemnities of the parties hereto contained in this Agreement shall survive Closing.

8.6 **Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, provided that neither party shall assign the benefit of this Agreement without the consent of the other party.

8.7 **Entire Agreement**

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

8.8 **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.

8.9 **Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provisions validity or enforceability in any other jurisdiction.

8.10 **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.

8.11 **Commission**

The Purchaser acknowledges that there are no agent or broker fees or other commissions payable by the Vendor on the Purchase Price or otherwise in connection with the Transaction, and the Purchaser agrees to indemnify the Vendor 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.

8.12 **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 email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

8.13 Confidentiality

The Purchaser and its agents, advisors and authorized representatives shall maintain in strict confidence, until Closing, all information and materials delivered or made available pursuant to this Agreement, except as may reasonably be disclosed by the Purchaser in order:

- a) to facilitate the procurement of financing for the Purchased Assets;
- b) to enforce any of its rights/remedies hereunder;
- c) to enforce any of its other rights/remedies, if any, pursuant to common law, equity, or statute; or
- d) to comply with laws requiring disclosure.

If the transaction contemplated in this Agreement is, for any reason whatsoever, not completed, then the Purchaser shall, upon request from the Vendor, promptly return to the Vendor all materials delivered hereunder and deliver to the Vendor all copies of materials made available hereunder.

8.14 Vendor's Capacity

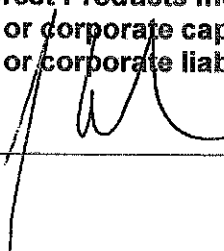
It is acknowledged by the Purchaser that the Vendor is entering into this Agreement solely in its capacity as Court-appointed receiver of the Debtor pursuant to the Appointment Order and that the Vendor shall have no personal or corporate liability under or because of this Agreement. Any claim against the Vendor shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as receiver of the Debtor and the Purchased Assets and shall not apply to its personal property and other assets held by it in any other capacity. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Purchased Assets.

[remainder of page left intentionally blank]

The parties have executed this Agreement on the date first written above.

The Fuller Landau Group Inc., solely in its capacity as court-appointed Receiver of all the assets, undertakings and properties of Cutler Forest Products Inc. and not in its personal or corporate capacity and without personal or corporate liability.

By: _____

A handwritten signature in black ink, appearing to be a stylized 'M' or similar, written over a horizontal line.

INFINITY ASSET SOLUTIONS INC.

By: _____

A handwritten signature in black ink, appearing to be 'Leslie Amols', written over a horizontal line.

Name: Bruce Lyle **LESLIE AMOLS**

"I have authority to bind the corporation"

Schedule "A" – Purchased Assets

- (a) **Machinery and Equipment.** The machinery and equipment set out in Exhibit "A" to Schedule "A".
- (b) **Leased Assets.** The machinery and equipment set out in Exhibit "A" to Schedule "A" which are subject to leasehold claims by lessors of the Debtor, and which are identified as such in Exhibit "A". Subject to the Leased Asset Adjustment, the Leased Assets are currently considered Excluded Assets, and not included in the Purchase Price.
- (c) **Intellectual Property.** The intellectual property set out in Exhibit "B" to Schedule "A" (the "**Intellectual Property**").
- (d) **Inventory.** All of the inventories of the Debtor that are, as of the Closing Date, located at each of the following premises:
- i. 81 Royal Group Crescent, Unit A, Vaughan, Ontario, L4H 1X9;
 - ii. Barone Transport and Warehousing Ltd., 130 Silver Street Blvd. Scarborough, ON, M1V 4V8;
 - iii. FedEx Trade Networks, 555 Riverwalk Parkway, Tonawanda NY, 14150, USA;
 - iv. CastleGate Logistics, 48 Station Road, Cranbury NJ, 08512, USA;
 - v. CastleGate Logistics, 13483 103rd Street, Jacksonville FL, 32210, USA;
 - vi. CastleGate Logistics, 3300/3500 Indian Avenue, Perris CA, 92571, USA;
 - vii. CastleGate Logistics, 2820 N Interstate 35 E, Lancaster TX, 75134, USA; and,
 - viii. CastleGate Logistics, 130 Distribution Drive, McDonough GA, 30252 USA.
- (all inventory located at e(iii)-(viii), collectively, the "**E-Commerce Inventory**")
- (all inventory located at e(i)-(viii), collectively, the "**Inventory**").

Exhibit “A” – Equipment and Machinery

See attached Schedule and Exhibits

Cutler Forest Products Inc.

Exhibit A - Equipment and Machinery

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
1	73	Portable 2 Wheel Strapping Carts w/ Fromm Italiana "P324" Rechargeable Strapping Tools	2
2	2	Pegboard Machine Mechanical Punch s/n 10176 w/ hOut Feed Conveyors, 48" Width Ca	1
3	22	Rolling Self Dumping Forklift Bins	9
4		Manual Pallet Trucks	19
5	3	2006 Homag "Otimat Kal 310/3/A20" Single Side Edge Bander s/n 0-200-05-0575 w/ Homag Power Control PC22 Controller, Single Coil Bandng Stand, Glue System, Milling, Buffing Stations	1
6	4	2014 Blue Giant ""HW40001" Electric Scissor Lift Table s/nZ14122279 4.000kg Capacity, 48"x66" Table	1
7		1998 Polymac "Single 89N" Manual Edge Bander s/n 71709	5
8		(4) Metal Clip-Together Shelves (3) 18"x36" (1) 18"x48"	LOT
9		Handling Speciatty "32-50" Scissor Lift Table s/n L9829 5,000lbs Capacity, 36"x72" Table	1
10	6	Progress ""PMC-150" Horizontal Belt Sander s/n A927, 5HP, 6"x48"	1
11	7	SCM "T120C" Spindle Shaper s/n 1830579	1
13	11	2002 Selco "WNT 600" Panel Saw s/n 22282 w/ Series WN CNC Control Panel, 10'-5" Capacity Stack Conveyor Feeder to Stack Lifter and Rear Load Sheet Feeder	1
14	12	Handling Specialty Electric Scissor Lift Table 5,000lbs Capacity, 36"x72"Table	1
15	13A	Air Control Technology "GB 8x16x8" Enclosed Glue Spray Booth s/n 6558-07/16 w/Dual Sliding Doors, Single Sliding Back Door, Exhaust Fan, Filter Box. 2020 Binks Pressure Paint Pot s/n 375881	1
16	14	Centauro "800 CO" Vertical Bandsaw s/n 7019 w/Material Guide, 30" Throat	1
18	15	Sections of Pallet Racking Size 42" x6' w/Safety Grid Deck	32
19		Portable 2 Wheel Strapping Carts wf Fromm "P328" Rechargeable Strapping Tools	2
20	16	Wulfotec "WHP-200" Turntable Type Pallet Wrapper s/n 1197-272	1
21		CARDINAL "708" DIGITAL PLATFORM SCALE, S/N 9411-17 48"X48", 5,000 LBS X 0.5 LBS	1
22		Portable 2 Wheel Strapping Carts w/ (No Tools)	10
23	30	1999 BIESSE "ROVER 321R" CNC ROUTER, S/N 91988, W/ CNI XNC CNC CONTROL PANEL, VACUUM PUMP, LIGHT CURTAINS	1
24	10	ECONO LIFT ELECTRIC SCISSOR LIFT TABLE, 36"X72" TABLE, 5,000LBS CAPACITY, FOOT PEDAL CONTROLS	1
25	27	2019 BIESSE "ROVER GOLD 12.32" CNC ROUTER, S/N 1 000031662, W/ CNC CONTROL PANEL, BENQ DISPLAY, BSOLID 3D CAD CAM SOFTWARE	1
26	29	GRAVITY FEED ROLLER CONVEYORS, SIZE 24"X 8', APPROX. 151 PIECES	LOT
27	28	ROLLING TRANSFER GAVITY FEED CONVEYORS, W/ FLOOR TRACK	11
28	59	2013 LIGMATECH ""MPH410-25-07 CASE CLAMP, S/N 0-306-06-5325	1
29	25	DEWATT 36" RADIAL ARM SAW	1
30	28A	2000 BIESSE "ROVER 27" CNC ROUTER, S/N 03236 BORING AND ROUTER, CNC CONTROL PANEL	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
31	31	2004 WEEKE "OPTLMAT BST 500" CNC BORING MACHINE, S/N 0- 251-66-2008, W/ CNC CONTROL, FEED THROUGH, VERTICAL AND HORIZONTAL BORING	1
32	32	GENERAL "90-460M3" VERTICAL BANDSAW, S/N 91784710, W/ MATERIAL GUIDE, 22" THROAT	1
33	33	1998 BIESSE "TECHNO SVBL" AUTOMATIC FEED THROUGH DOWEL INSERTING MACHINE, S/N 82476, W/ (2) VIBRATORY BOWL FEEDERS, BIESSE CNC CONTROLLER	1
34	34	1998 BIESSE "TECHNO LOGIC" HORIZONTAL & VERTICAL BORING MACHINE, S/N 82475	1
35	35	2007 WEEKE "OPTLMAT BHX 500" CNC MACHINING CENTER, S/N 0- 250-66-4386, W/ DUST REMOVER	1
36	36	2003 BIESSE "ROVER 35L" CNC ROUTER, S/N 28980, W/ 2 VACUUM PUMPS, CHAMPION AIR COMPRESSOR, 2015 COSMOTEC INDUSTRIAL COOLER	1
37	37	2011 HOMAG "KAI 210 EDITION" EDGE BANDER, S/N 0-200-66- 7737, W/ HOMAG ELECTRICAL PANEL DOUCET "BT3-36" EDGE BANDER RETURN CONVEYOR	1
38	38	2000 HOMAG "KL 76/A20" EDGE BANDER, S/N 0-200.15-1893, W/ DOUCET "BT3-36" EDGE BANDER RETURN CONVEYOR	1
39	39	CTD DOUBLE MITRE SAW/TOE KICK	1
40	40	SCM "SL15F" SLIDING TABLE SAW (NO TABLE) W/ 2005 4 ROLL MATERIAL POWER FEEDER	1
41		4-STEP ROLLING WAREHOUSE LADDER	1
42	41	1 SCM "T 110" SPINDLE SHAPER, S/N B.510581 W/ 2015 SILVER "AP44" 4 ROLL MATERIAL POWER FEEDER	1
43	42	SCM "SL15F" SLIDING TABLE SAW (NO TABLE), S/N AB 10726 43, W/ 4 ROLL MATERIAL POWER FEEDER	1
44	43	1984 BIESSE "BEAVER" DOUBLE END HORIZONTAL /VERTICAL BORING MACHINE, S/N 224584	1
45		2001 ALTENDORF "F45 ELMO CE" SLIDING TABLE SAW, SIN 01-07- 014, W/ ALTENDORF CONTROL PANEL	1
46		BUFFALO 18" PEDESTAL DRILL PRESS	1
47		LARICK "222" TWO SPINDLE BRUSH SANDER, S/N 28028, W/ VARIABLE SPEED CONTROLS	1
49	1	BATCHING SYSTEMS "800" VLBRATORY FEEDERS, W/ VARIABLE SPEED CONTROLS	12
50	23	2008 SELCO "WNA600SLC" CNC ANGULAR PANEL SAW, S/N 33228, W/ SELCO CONTROL PANEL, APPROX.. 8' WIDE CAPACITY, SECURITY FENCING, LNFEED CONVEYOR, STACK CONVEYOR, STACK LIFTER, LNLEED CONVEYOR	1
51	45	2015 KUKA "'KR120 R3200 PA" ROBOT, S/N 676442, W/ 12 CUP SUCTION LIFTING DEVICE, LIGHT CURTAINS WEBER "5300 R.H. DOM" LABEL PRINTER / APPLICATOR, S/N W53002243 BUSCH "MINK MM 1104BV" VACUUM PUMP	1
52	46	PORTABLE 2 WHEEL STRAPPING CART, W/ FROMM "A335" STRAPPING TOOL	1
53	47	7-STEP ROLLING WAREHOUSE LADDER	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
54	48	HIGH CAPACITY STORAGE RETRIEVAL SYSTEM, SAW, CHOPPER AND STACKERS: 2015 HOMAG "PROFI TLF411/40/11" STORAGE RETRIEVAL SYSTEM, S/N 0-286-05-9406, W/ OVERHEAD CRANE, 20" SPAN X 112' RUNWAY, STACK LIFTER, LIGHT CURTAINS CONVEYOR SHEET FEEDER	1
	48	2015 HOLZMA "HRZ540" MULTI-SAW, S/N 0-249-02-7632, W/ INCLINE WASTE CONVEYOR HYDRAULIC POWER SUPPLY	1
	48	2015 HOLZMA "HKL400/43/22/X" HORIZONTAL PANEL SAW W/ PRESSURE BEAM, S/N 0-241-02-4631	1
	48	2015 HOLZMA LIFTOMAT "HAU A 25/12" SHEET STACKERS, S/N 0- 244.02-4853, S/N 0-244.02-48534, S/N 0-244.02-4633, S/N 0-244.02- 4634	4
55	49	2001 HAAS "HTLL 145/185" WOOD CHIPPER, S/N 25577 57" WIDE	1
56	50	SWEEP SCRAP METAL BANDING CHOPPER, S/N 510AA-8-89-0094	1
57	51	SEALED AIR "SPEEDYPACKER INSIGHT" FOAM-LN BAG PACKAGING SYSTEM, S/N SP5-7315	1
58		ATLAS NCOPCO OIL/WATER SEPARATOR	1
59	20	SECTIONS OF PALLET RACKING, 16' x 8' x 42" mesh deck, avg 8 beams / section	85
60	19	STRAPACK PORTABLE STRAPPING MACHINE	1
62	91	2003 ATLAS COPCO "GA75" ROTARY SCREW AIR COMPRESSOR, S/N ATT 478325, 100 HP, 132 PSI, 433 CFM	1
63	91	CHAMPION 10HP PISTON TYPE AIR COMPRESSOR	1
64	91	CHAMPION 25HP PISTON TYPE AIR COMPRESSOR	1
65	91	2002 ULTRA AIR "UA250AC" REFRIGERATED COMPRESSED AIR DRYER, S/N U-36809-38	1
66	91	SULLAIR "1809E/A" ROTARY SCREW AIR COMPRESSOR, 25 hp, S/N 200806120069	1
67	91	48" PORTABLE FLOOR FANS	4
68	94	2008 TITUS + "133" HINGE MACHINE, S/N 1219	1
69	94	SECTIONS OF 6' RACKING	3
70	94	2-DOOR FLAMMABLE STORAGE CABINET	2
71	94	LOBO UPACTING CUT-OFF SAW, W/ IN/OUT FEED CONVEYORS, PISTORIUS SCREEN CONTROL, AUTOMATIC MEASURING STOP	1
72	94	ACCU SYSTEMS "MMTJ-6" MORTISE AND TENON MITRE MACHINE, S/N 022-07-MMTJ-6, W/ 2 MILLING HEADS	1
73	94	PILLAR MACHINE "MMTJ" MORTISE AND TERON MACHINE, S/N PM 018-14-MMTJ-12, W/ 2 MILLING HEADS	1
74	94	2011 CAMERON AUTOMATION "79-5-LM" 5 ARM PNEUMATIC DOOR CLAMP, S/N 79X5-LM-M1	1
75	94	JLT "79-5M" 5 ARM PNEUMATIC DOOR CLAMP	1
76	94	2014 CAMERON AUTOMATION "GI79X-5" 5 ARM PNEUMATIC DOOR CLAMP	1
77	94	SECTIONS OF GRAVITY FEED CONVEYORS	3
78	24	SECTIONS OF 18"X8' GRAVITY FEED CONVEYOR	39
79		4-WHEEL WAREHOUSE ORDER PICKING CARTS	9
80		PORTABLE 2 WHEEL STRAPPING CARTS, W/ FROMM "P326" STRAPPING TOOLS	3
81		10- STEP ROLLING WAREHOUSE LADDER	5
82		3 - STEP ROLLING WAREHOUSE LADDER	3
83	6	FOOT ACTIVATED PNEUMATIC BOX STAPLERS	2
84	66	FOX "C4" TURNTABLE TYPE PALLET WRAPPER, S/N C4-052908118	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
85	65	2008 "SA-321PE-W112-PS" SHRINK WRAP MACHINE, S/N 083006- 02, W/ IN/OUT GRAVITY FEED CONVEYORS, 38' FLOW WRAPPER, SHRINK TUNNEL, W/ 2 STRAPACK "JK-2" SEMI-AUTO STRAPPERS	1
86	65	2008 DAMARK "B44-180" SHRINK WRAP MACHINE, S/N 6744, W/ IN-OUT GRAVITY FEED CONVEYORS, 35' FLOW WRAPPER, SHRINK TUNNEL, W/ 2 STRAPACK "JK-2" SEMI-AUTO STRAPPERS	1
87	58	2004 OMAL "LIVELLO1PLUS" DOWELING INSERTER, S/N 4054, W/ OMAL DELUXE NC400 CONTROL PANEL	1
88	57	2010 WEEKE "BHX 050" VERTICAL CNC MACHINING CENTER, S/N 0- 250-68-6690	1
89	59A	2008 LIGMATECH "MPH 400/09" CASE CLAMP MACHINE, S/N 0-306- 66-5178.	1
90	59C	SECTIONS GRAVITY FEED ROLLER CONVEYOR, APPROX. 18' X 8' SECTION	13
91	59B	2008 TITUS PLUS "134" HINGE MACHINE, S/N 1220	1
92		SEALED AIR "NEWAIR IB FLEX" STAND AND ROLL WINDER, S/N NAF - 16699	1
93	20	SECTIONS OF PALLET RACKING, 16' x 8' x 42" w APPROX. 6 CROSS BEAMS PER SECTION, mesh decking	161
94	64	FOX "C4" TURNTABLE TYPE PALLET WRAPPER, S/N C4-092412-166	1
95		MAN CAGE, DRILL PRESS, CUT-OFF SAW, BENCH GRINDER, ETC.	LOT
96		2017 SEMI-AUTO STRAPPING MACHINE, S/N 1170011079	1
97		ACT & CONQUEST DUST COLLECTION SYSTEM, W/ BLOWERS, AIRLOCKS. DUCTING, FIRE SURPRESSION SYSTEM, 2 BIN, SPREADERS	1
98		MISCELLANEOUS EQUIPMENT CONSISTING OF: W/ PORTABLE DUST COLLECTOR, BENCHTOP DRILL PRESS, ROLLING RACK, COMPOUND MITRE SAW, TABLE SAWS, HAND TOOLS, LINE PAINTER, GREASE PUMP, PEDESTAL FANS, PNEUMATIC HAND STAPLERS, 12" BENCH TOP FANS, 2- STEP STOOL, PICKER CARTS, 4-WHEEL DOLLY, SHOP VACS, BBQ, PALLET RACKING, ETC.	LOT
100	26	2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, S/N ZL01434, W/ DELL CONTROL PANEL	1
101		2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, TO ARRIVE AT FACILITY WITHIN APPROX. 30 DAYS	
102		2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, TO ARRIVE AT FACILITY WITHIN APPROX. 30 DAYS	
	7	YALE "GLC070VXNGSE085" LPG FORKLIFT, S/N A910V04442C, W/ 3 STAGE MAST. 6,500LBS CAPACITY, 182" LIFT HEIGHT CUSHION TIRES, 54" FORKS, METER READS: 8,865 HOURS (OUT OF SERVICE)	1
	RS	2007 RAYMOND "EASI R40TT" ELECTRIC REACH TRUCK, S/N EZ D-07- 38061, W/ 4,000LBS CAPACITY, 36 VOLT	1
	75	HYSTER "W20ZA" WALK BEHIND ELETRIC PALLET STACKER, S/N A495N01859E, 2,00LBS CAPACITY, 118" LIFT HEIGHT, 24 VOLT, 42" FORKS	1
	77	TOYOTA "426FGCU30" LPG FORKLIFT, S/N 60137, 5,800LBS CAPACITY, 187" LIFT HEIGHT , SIDE SHIFTER, CUSHION TIRE, METER READS: 24,103 HOURS (OUT OF SERVICE - BLOWN GASKET)	1
	83	YALE "MSW040SEN24TV072" WALK BEHIND ELETRIC PALLET STACKER, S/N C820N04214F, 4,000LBS CAPACITY, 100" LIFT HEIGHT, 24 VOLT, 48" FORKS	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
	76	HYSTER "E50XL" ELETRIC FORKLIFT, S/N C108V17559N 4,550 LBS CAPACITY, 187" HEIGHT, 48 VOLT, 48" FORKS, APPROX. 4,713 HOURS	1
	73	2008 RAYMOND "EASIR40TT" ELETRIC REACH TRUCK, S/N EZ-D 0839389, 4,500LBS CAPACITY, 210" LIFT HEIGHT, 36 VOLT	1
	79	DOCKTOCKER "DSS350TT" RIDE ON ELETRIC STACKER, S/N S350- 00794-95, 3,500LBS CAPACITY, 227" LIFT HEIGHT, 36 VOLT.	1
	85	2002 RAYMOND "EASIR30TT" ELETRIC REACH TRUCK, S/N ET-D-02- 11921, 3,000LBS, CAPACITY, 192" LIFT HEIGHT, 24 VOLT	1
	9	CATERPILLAR "EP6000" ELETRIC FORKLIFT, S/N FN408955, 5,640LBS CAPACITY, 48 VOLT, CUSHION TIRE, METER READS: 7,791 HOURS (OUT OF SERVICE, DRIVE ASSEMBLY ISSUE)	1
	80	HYSTER "E60Z-33" ELETRIC FORKLIFT, S/N G108N08853F, 5,750LBS CAPACITY, 193" LIFT BHEIGHT CUSHION TIRE, 48" FORKS, 36 VOLT	1
	86	2003 RAYMOND "112TM-FRE60L" ELETRIC PALLET WLAKIE, S/N 112- 03-48388, 6,000LBS CAPACITY, 24 VOLT, METER READS: 3,888 HOURS	1
	84	2003 Raymond "112TM-FRE60L" Electric Pallet Walkie s/n 112-03-48386 6,000lbs Capacity, 24 Volt Meter Reads: 4,031hours	1
	68	Hyster "E60XN-33" Electric Forklift s/n A268N04916J 5.600lbs Capacity, 187" Lift Height. 48" Forks, 48 Volt, Cushion Tire	1
	82	Toyota "42-6FGCU25" LPG Forklift s/n 61242 5,5101bs Capacity, 170" Lift Height. Cushion Tire Meter Reads: 14,920 hours	1
	88	2002 Raymond "EASI R30TT" Electric Reach Truck s/n EZ-A-2-25159 3,000lbs Capacity, 252" Lift Height. 36 Volt	1
	81	2006 Raymond "EASI R40TT" Electric Reach Truck s/n EZ-0-06-37445 4,000lbs Capacity, 250" Lift Height. 36 Volt	1
	70	1997 Raymond "EASI" Electric Reach Truck s/n ET-B-97-05407 3,000lbs Capacity, 204" Lift Height. 24 Volt	1
		2000 Raymond "EASI R30TT" Electric Reach Truck s/n ES-D-00-08943 3,000lbs Capacity, 225" Lift Height. 36 Volt	1
R7		1997 Raymond "EASI" Electric Reach Truck s/n ES-B-57-01818 3,000lbs Capacity, 252" Lift Height. 36 Volt	1
	3	Hyster "S6SXM" LPG Forklift s/n n/a 5,850lbs Capacity, 182" Lift Height Meter Reads: 3,010 hours	1
	4	Hyster "S6SXM" LPG Forklift s/n 0187V30966B 5,8501bs Capacity, 182" Lift Meter Reads: 14,906 hours	1
		5 Sections Racking - Battery Charger Rack w 10 forklift battery chargers	LOT
		2007 Skyjack SJLII3219 s/n 22000469 550lb Capacity, 19ft Platform Height	1
		Unicarrier LPG forklift, 5250 lb, s/n CUG1F2-9R21624	1
		2007 Raymond, 740 R35TT Electric Reach Truck 3500 lb reach, s/n 740-07-CA-07764	1
13B		Rigid Sander Machine	1
17		Rems 84500 Cutter	1
18		Strapack Model Model RQ8, S/N 20325102	1
20A		Omega radial arm saw	1
52		BlueGiant Model HW4001	1
53		Batching system model 1300 s/n BC-016	1
55		2005 Weber model W5200v2 - label applicator	1
56		Max bench drill press	1
60		Danmark Shrink Packaging System	1
61		Green Lifter	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
	62	Packsize on Demand	1
	63	Packsize on Demand EM735 Year 2013	1
	67	Raymond Forklift Model EASI R40TT	1
	69	Hyster S70 FT	1
	71	Raymond Forklift R4 5TT	1
	72	Raymond Forklift R30TT	1
	74	Hyster Forklift S65XM	1
	78	Raymond Forklift Model EASI S/N 1818	1
	87	Raymond Forklift Model 740 R33TT	1
	89	Racking, Inventory Sinks & Tops	LOT
	90	Contents R&D Warehouse Room	LOT
	93	Contents Hardware Warehouse Room	LOT
	95	Contents /inventory Upper Mezzanine	LOT
	60A	StarPack Strapping Machine	2
	60B	Econo Capacity 2000lbs S/N 83232	1
		Trailer Blue Cutler curtain side (Trailer ID 468) and Contents: Scrap wood / pallets, wooden tie down racks, propane cylinders	1
		Trailer Black Cutler curtain side (Trailer T8298Z) and Contents:	1
		Trailer contents - 53 Foot plain white: Old Machinery Parts; Old motors, 84MG Prosander; cables/metal tie down stands, power supplys, drill press	LOT
		Trailer contents - 53 Foot (Koch Systems): convyer racks, metal rail stands, old ducts;	LOT
		Trailer contents - 53 Foot (Duncan Transport): DanoDesign Vanity Tops, Vanity Tops, boxes;	LOT

Note 1:

Cutler Forest Products Inc.

Exhibit A - Leased Assets / Excluded Assets

	Lessor:	Description:
1	CWB National Leasing	Centateq N-300 (Optimat NBP084/VANTECH510)
2	Mitsubishi/CLE Capital Inc.	Edgeteq S-500 (KAL370 Ambition 2482) S/N 0-200-66-5245
3	Vault Credit Corporation	2008 KDF770 Brandt Edgebender, 2001 Weimoner ThermaFoil Press
4	Vault Credit Corporation	2006 Used Komo Mach II CNC, S/N 57184-06 with accessories
5	Paccar Leasing Company	2021 Kenworth T270 S/A Truck, VIN 2NKHHM6H4NM980633
6	Paccar Leasing Company	2021 Kenworth T880 Tandem-Axle Tractor
7	Paccar Leasing Company	2018 Peterbilt 337 Single Axle Straight Truck, VIN 2NP2HM7X0JM466679
8	Meridian Onecap Credit Corp.	Kyocera TA-8002i photocopier system S/N VAK6Y00032

Exhibit “B” – Intellectual Property

See attached Schedule and Exhibits

Cutler Forest Products Inc.
Exhibit B - Intellectual Property

- | | | |
|---|--|---|
| 1 | E-commerce platform | www.emoyahome.com |
| 2 | Customer Lists | Attachment |
| 3 | Telephone and Facsimile numbers | 905-212-1414
800-268-2393 |
| 4 | Bills of Materials | If available |
| 5 | Canadian Trademarks | Registration Number: 1791711 "Cutler Kitchen and Bath"
Registration Number: 1791710 "Cutler Modern Living"
Registration Number: 1813337 "Bano Design", "Bano"
Registration Number: 1813420 Bano Design Logo
Registration Number: 1898225 "Re-Face It Cabinet Refacing"
Registration Number: 1889332 "Emoya Home" |
| 6 | U.S Trademarks | Registration Number 5697780 "Cutler Kitchen and Bath" |
| 7 | URLs/domain names: | www.cutlerkitchenbath.com and .ca
www.cutlergroup.com and .ca
www.cutlermodernliving.com
www.emoyahome.com and .ca
www.cabinetfactory.ca |
| 8 | Social Media Sites: | https://www.facebook.com/CutlerKitchenandBath/ |

Schedule “B” – Form of Approval and Vesting Order

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	WEDNESDAY, THE 12th
)	
JUSTICE KIMMEL)	DAY OF OCTOBER, 2022

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by The Fuller Landau Group Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Cutler Forest Products Inc. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Infinity Asset Solutions Inc. (the "Purchaser") dated October 4, 2022 and appended to the Report of the Receiver dated October 4, 2022 (the "Report"), and vesting in the Purchaser the Debtor's 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 and on hearing the submissions of counsel for the Receiver, and all other counsel and parties present no one appearing for any other person on the service list, although properly served as appears from the affidavit of Lindsay Ferguson sworn October 4, 2022 filed:

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

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Madam Justice Dietrich dated August 4, 2022; and, (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, 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 AND DECLARES that the Purchased Assets shall not include the Excluded Assets, as defined and described in the Sale Agreement, which include the Leased Assets listed on Schedule "C" hereto, subject to the Leased Asset Adjustment, as defined and described in the Sale Agreement. In the event that the lessor of any one of the respective Leased Assets and the Receiver agree in writing to include such Leased Asset as a Purchased Asset, or the Court makes an order to include such Leased Asset as a Purchased Asset, then such Leased Asset shall be included as a Purchased Asset under the terms of this Order.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims 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.

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

6. THIS COURT ORDERS that, notwithstanding:

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

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

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

Justice, Ontario Superior Court of Justice
Commercial List

SCHEDULE "A" – FORM OF RECEIVER'S CERTIFICATE

Court File No. CV-22-00684833-00C

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

- and -

CUTLER FOREST PRODUCTS INC.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Dietrich of the Ontario Superior Court of Justice (the "Court") dated August 4, 2022, The Fuller Landau Group Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of Cutler Forest Products Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated October 12, 2022, the Court approved the agreement of purchase and sale made as of October 4, 2022 (the "Sale Agreement") between the Receiver and Infinity Asset Solutions Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's 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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 4.1 and 4.2 of the

Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section sections 4.1 and 4.2 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 at _____ [TIME] on _____ [DATE].

The Fuller Landau Group Inc., solely in its capacity as Receiver of the undertaking, property and assets of Cutler Forest Products Inc., and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE “B” – PURCHASED ASSETS

- (a) **Machinery and Equipment.** The machinery and equipment set out in Exhibit “A” to this Schedule “B”.
- (b) **Intellectual Property.** The intellectual property set out in Exhibit “B” to this Schedule “B”.
- (c) **Inventory.** All of the inventories of the Debtor that are, as of the Closing Date, located at each of the following premises:
- i. 81 Royal Group Crescent, Unit A, Vaughan, Ontario, L4H 1X9;
 - ii. Barone Transport and Warehousing Ltd., 130 Silver Street Blvd. Scarborough, ON, M1V 4V8;;
 - iii. FedEx Trade Networks, 555 Riverwalk Parkway, Tonawanda NY, 14150, USA;
 - iv. CastleGate Logistics, 48 Station Road, Cranbury NJ, 08512, USA;
 - v. CastleGate Logistics, 13483 103rd Street, Jacksonville FL, 32210, USA;
 - vi. CastleGate Logistics, 3300/3500 Indian Avenue, Perris CA, 92571, USA;
 - vii. CastleGate Logistics, 2820 N Interstate 35 E, Lancaster TX, 75134, USA; and,
 - viii. CastleGate Logistics, 130 Distribution Drive, McDonough GA, 30252 USA.

EXHIBIT "A" TO SCHEDULE "B"

Cutler Forest Products Inc.

Exhibit A - Equipment and Machinery

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
1	73	Portable 2 Wheel Strapping Carts w/ Fromm Italiana "P324" Rechargeable Strapping Tools	2
2	2	Pegboard Machine Mechanical Punch s/n 10176 w/ hOut Feed Conveyors, 48" Width Ca	1
3	22	Rolling Self Dumping Forklift Bins	9
4		Manual Pallet Trucks	19
5	3	2006 Homag "Otimat Kal 310/3/A20" Single Side Edge Bander s/n 0-200-05-0575 w/ Homag Power Control PC22 Controller, Single Coil Bandng Stand, Glue System, Milling, Buffing Stations	1
6	4	2014 Blue Giant ""HW40001" Electric Scissor Lift Table s/nZ14122279 4.000kg Capacity, 48"x66" Table	1
7		1998 Polymac "Single 89N" Manual Edge Bander s/n 71709	5
8		(4) Metal Clip-Together Shelves (3) 18"x36" (1) 18"x48"	LOT
9		Handling Speciatty "32-50" Scissor Lift Table s/n L9829 5,000lbs Capacity, 36"x72" Table	1
10	6	Progress ""PMC-150" Horizontal Belt Sander s/n A927, 5HP, 6"x48"	1
11	7	SCM "T120C" Spindle Shaper s/n 1830579	1
13	11	2002 Selco "WNT 600" Panel Saw s/n 22282 w/ Series WN CNC Control Panel, 10'-5" Capacity Stack Conveyor Feeder to Stack Lifter and Rear Load Sheet Feeder	1
14	12	Handling Specialty Electric Scissor Lift Table 5,000lbs Capacity, 36"x72"Table	1
15	13A	Air Control Technology "GB 8x16x8" Enclosed Glue Spray Booth s/n 6558-07/16 w/Dual Sliding Doors, Single Sliding Back Door, Exhaust Fan, Filter Box. 2020 Binks Pressure Paint Pot s/n 375881	1
16	14	Centauro "800 CO" Vertical Bandsaw s/n 7019 w/Material Guide, 30" Throat	1
18	15	Sections of Pallet Racking Size 42"x6' w/Safety Grid Deck	32
19		Portable 2 Wheel Strapping Carts wf Fromm "P328" Rechargeable Strapping Tools	2
20	16	Wulfotec "WHP-200" Turntable Type Pallet Wrapper s/n 1197-272	1
21		CARDINAL "708" DIGITAL PLATFORM SCALE, S/N 9411-17 48"X48", 5,000 LBS X 0.5 LBS	1
22		Portable 2 Wheel Strapping Carts w/ (No Tools)	10
23	30	1999 BIESSE "ROVER 321R" CNC ROUTER, S/N 91988, W/ CNI XNC CNC CONTROL PANEL, VACUUM PUMP, LIGHT CURTAINS	1
24	10	ECONO LIFT ELECTRIC SCISSOR LIFT TABLE, 36"x72" TABLE, 5,000LBS CAPACITY, FOOT PEDAL CONTROLS	1
25	27	2019 BIESSE "ROVER GOLD 12.32" CNC ROUTER, S/N 1 000031662, W/ CNC CONTROL PANEL, BENQ DISPLAY, BSOLID 3D CAD CAM SOFTWARE	1
26	29	GRAVITY FEED ROLLER CONVEYORS, SIZE 24"X 8', APPROX. 151 PIECES	LOT
27	28	ROLLING TRANSFER GAVITY FEED CONVEYORS, W/ FLOOR TRACK	11
28	59	2013 LIGMATECH ""MPH410-25-07 CASE CLAMP, S/N 0-306-06-5325	1
29	25	DEWATT 36" RADIAL ARM SAW	1
30	28A	2000 BIESSE "ROVER 27" CNC ROUTER, S/N 03236 BORING AND ROUTER, CNC CONTROL PANEL	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
31	31	2004 WEEKE "OPTLMAT BST 500" CNC BORING MACHINE, S/N 0- 251-66-2008, W/ CNC CONTROL, FEED THROUGH, VERTICAL AND HORIZONTAL BORING	1
32	32	GENERAL "90-460M3" VERTICAL BANDSAW, S/N 91784710, W/ MATERIAL GUIDE, 22" THROAT	1
33	33	1998 BIESSE "TECHNO SVBL" AUTOMATIC FEED THROUGH DOWEL INSERTING MACHINE, S/N 82476, W/ (2) VIBRATORY BOWL FEEDERS, BIESSE CNC CONTROLLER	1
34	34	1998 BIESSE "TECHNO LOGIC" HORIZONTAL & VERTICAL BORING MACHINE, S/N 82475	1
35	35	2007 WEEKE "OPTLMAT BHX 500" CNC MACHINING CENTER, S/N 0- 250-66-4386, W/ DUST REMOVER	1
36	36	2003 BIESSE "ROVER 35L" CNC ROUTER, S/N 28980, W/ 2 VACUUM PUMPS, CHAMPION AIR COMPRESSOR, 2015 COSMOTEC INDUSTRIAL COOLER	1
37	37	2011 HOMAG "KAI 210 EDITION" EDGE BANDER, S/N 0-200-66- 7737, W/ HOMAG ELECTRICAL PANEL DOUCET "BT3-36" EDGE BANDER RETURN CONVEYOR	1
38	38	2000 HOMAG "KL 76/A20" EDGE BANDER, S/N 0-200.15-1893, W/ DOUCET "BT3-36" EDGE BANDER RETURN CONVEYOR	1
39	39	CTD DOUBLE MITRE SAW/TOE KICK	1
40	40	SCM "SL15F" SLIDING TABLE SAW (NO TABLE) W/ 2005 4 ROLL MATERIAL POWER FEEDER	1
41		4-STEP ROLLING WAREHOUSE LADDER	1
42	41	1 SCM "T 110" SPINDLE SHAPER, S/N B.510581 W/ 2015 SILVER "AP44" 4 ROLL MATERIAL POWER FEEDER	1
43	42	SCM "SL15F" SLIDING TABLE SAW (NO TABLE), S/N AB 10726 43, W/ 4 ROLL MATERIAL POWER FEEDER	1
44	43	1984 BIESSE "BEAVER" DOUBLE END HORIZONTAL /VERTICAL BORING MACHINE, S/N 224584	1
45		2001 ALTENDORF "F45 ELMO CE" SLIDING TABLE SAW, SIN 01-07- 014, W/ ALTENDORF CONTROL PANEL	1
46		BUFFALO 18" PEDESTAL DRILL PRESS	1
47		LARICK "222" TWO SPINDLE BRUSH SANDER, S/N 28028, W/ VARIABLE SPEED CONTROLS	1
49	1	BATCHING SYSTEMS "800" VLBRATORY FEEDERS, W/ VARIABLE SPEED CONTROLS	12
50	23	2008 SELCO "WNA600SLC" CNC ANGULAR PANEL SAW, S/N 33228, W/ SELCO CONTROL PANEL, APPROX.. 8' WIDE CAPACITY, SECURITY FENCING, LNFEED CONVEYOR, STACK CONVEYOR, STACK LIFTER, LNLEED CONVEYOR	1
51	45	2015 KUKA "'KR120 R3200 PA" ROBOT, S/N 676442, W/ 12 CUP SUCTION LIFTING DEVICE, LIGHT CURTAINS WEBER "5300 R.H. DOM" LABEL PRINTER / APPLICATOR, S/N W53002243 BUSCH "MINK MM 1104BV" VACUUM PUMP	1
52	46	PORTABLE 2 WHEEL STRAPPING CART, W/ FROMM "A335" STRAPPING TOOL	1
53	47	7-STEP ROLLING WAREHOUSE LADDER	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
54	48	HIGH CAPACITY STORAGE RETRIEVAL SYSTEM, SAW, CHOPPER AND STACKERS: 2015 HOMAG "PROFI TLF411/40/11" STORAGE RETRIEVAL SYSTEM, S/N 0-286-05-9406, W/ OVERHEAD CRANE, 20" SPAN X 112' RUNWAY, STACK LIFTER, LIGHT CURTAINS CONVEYOR SHEET FEEDER	1
	48	2015 HOLZMA "HRZ540" MULTI-SAW, S/N 0-249-02-7632, W/ INCLINE WASTE CONVEYOR HYDRAULIC POWER SUPPLY	1
	48	2015 HOLZMA "HKL400/43/22/X" HORIZONTAL PANEL SAW W/ PRESSURE BEAM, S/N 0-241-02-4631	1
	48	2015 HOLZMA LIFTOMAT "HAU A 25/12" SHEET STACKERS, S/N 0- 244.02-4853, S/N 0-244.02-48534, S/N 0-244.02-4633, S/N 0-244.02- 4634	4
55	49	2001 HAAS "HTLL 145/185" WOOD CHIPPER, S/N 25577 57" WIDE	1
56	50	SWEEP SCRAP METAL BANDING CHOPPER, S/N 510AA-8-89-0094	1
57	51	SEALED AIR "SPEEDYPACKER INSIGHT" FOAM-LN BAG PACKAGING SYSTEM, S/N SP5-7315	1
58		ATLAS NCOPCO OIL/WATER SEPARATOR	1
59	20	SECTIONS OF PALLET RACKING, 16' x 8' x 42" mesh deck, avg 8 beams / section	85
60	19	STRAPACK PORTABLE STRAPPING MACHINE	1
62	91	2003 ATLAS COPCO "GA75" ROTARY SCREW AIR COMPRESSOR, S/N ATT 478325, 100 HP, 132 PSI, 433 CFM	1
63	91	CHAMPION 10HP PISTON TYPE AIR COMPRESSOR	1
64	91	CHAMPION 25HP PISTON TYPE AIR COMPRESSOR	1
65	91	2002 ULTRA AIR "UA250AC" REFRIGERATED COMPRESSED AIR DRYER, S/N U-36809-38	1
66	91	SULLAIR "1809E/A" ROTARY SCREW AIR COMPRESSOR, 25 hp, S/N 200806120069	1
67	91	48" PORTABLE FLOOR FANS	4
68	94	2008 TITUS + "133" HINGE MACHINE, S/N 1219	1
69	94	SECTIONS OF 6' RACKING	3
70	94	2-DOOR FLAMMABLE STORAGE CABINET	2
71	94	LOBO UPACTING CUT-OFF SAW, W/ IN/OUT FEED CONVEYORS, PISTORIUS SCREEN CONTROL, AUTOMATIC MEASURING STOP	1
72	94	ACCU SYSTEMS "MMTJ-6" MORTISE AND TENON MITRE MACHINE, S/N 022-07-MMTJ-6, W/ 2 MILLING HEADS	1
73	94	PILLAR MACHINE "MMTJ" MORTISE AND TERON MACHINE, S/N PM 018-14-MMTJ-12, W/ 2 MILLING HEADS	1
74	94	2011 CAMERON AUTOMATION "79-5-LM" 5 ARM PNEUMATIC DOOR CLAMP, S/N 79X5-LM-M1	1
75	94	JLT "79-5M" 5 ARM PNEUMATIC DOOR CLAMP	1
76	94	2014 CAMERON AUTOMATION "GI79X-5" 5 ARM PNEUMATIC DOOR CLAMP	1
77	94	SECTIONS OF GRAVITY FEED CONVEYORS	3
78	24	SECTIONS OF 18"X8' GRAVITY FEED CONVEYOR	39
79		4-WHEEL WAREHOUSE ORDER PICKING CARTS	9
80		PORTABLE 2 WHEEL STRAPPING CARTS, W/ FROMM "P326" STRAPPING TOOLS	3
81		10- STEP ROLLING WAREHOUSE LADDER	5
82		3 - STEP ROLLING WAREHOUSE LADDER	3
83	6	FOOT ACTIVATED PNEUMATIC BOX STAPLERS	2
84	66	FOX "C4" TURNTABLE TYPE PALLET WRAPPER, S/N C4-052908118	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
85	65	2008 "SA-321PE-W112-PS" SHRINK WRAP MACHINE, S/N 083006- 02, W/ IN/OUT GRAVITY FEED CONVEYORS, 38' FLOW WRAPPER, SHRINK TUNNEL, W/ 2 STRAPACK "JK-2" SEMI-AUTO STRAPPERS	1
86	65	2008 DAMARK "B44-180" SHRINK WRAP MACHINE, S/N 6744, W/ IN-OUT GRAVITY FEED CONVEYORS, 35' FLOW WRAPPER, SHRINK TUNNEL, W/ 2 STRAPACK "JK-2" SEMI-AUTO STRAPPERS	1
87	58	2004 OMAL "LIVELLO1PLUS" DOWELING INSERTER, S/N 4054, W/ OMAL DELUXE NC400 CONTROL PANEL	1
88	57	2010 WEEKE "BHX 050" VERTICAL CNC MACHINING CENTER, S/N 0- 250-68-6690	1
89	59A	2008 LIGMATECH "MPH 400/09" CASE CLAMP MACHINE, S/N 0-306- 66-5178.	1
90	59C	SECTIONS GRAVITY FEED ROLLER CONVEYOR, APPROX. 18' X 8' SECTION	13
91	59B	2008 TITUS PLUS "134" HINGE MACHINE, S/N 1220	1
92		SEALED AIR "NEWAIR IB FLEX" STAND AND ROLL WINDER, S/N NAF - 16699	1
93	20	SECTIONS OF PALLET RACKING, 16' x 8' x 42" w APPROX. 6 CROSS BEAMS PER SECTION, mesh decking	161
94	64	FOX "C4" TURNTABLE TYPE PALLET WRAPPER, S/N C4-092412-166	1
95		MAN CAGE, DRILL PRESS, CUT-OFF SAW, BENCH GRINDER, ETC.	LOT
96		2017 SEMI-AUTO STRAPPING MACHINE, S/N 1170011079	1
97		ACT & CONQUEST DUST COLLECTION SYSTEM, W/ BLOWERS, AIRLOCKS. DUCTING, FIRE SURPRESSION SYSTEM, 2 BIN, SPREADERS	1
98		MISCELLANEOUS EQUIPMENT CONSISTING OF: W/ PORTABLE DUST COLLECTOR, BENCHTOP DRILL PRESS, ROLLING RACK, COMPOUND MITRE SAW, TABLE SAWS, HAND TOOLS, LINE PAINTER, GREASE PUMP, PEDESTAL FANS, PNEUMATIC HAND STAPLERS, 12" BENCH TOP FANS, 2- STEP STOOL, PICKER CARTS, 4-WHEEL DOLLY, SHOP VACS, BBQ, PALLET RACKING, ETC.	LOT
100	26	2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, S/N ZL01434, W/ DELL CONTROL PANEL	1
101		2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, TO ARRIVE AT FACILITY WITHIN APPROX. 30 DAYS	
102		2021 HUAHUA "SKH-612HS" CNC DRILLING MACHINE, TO ARRIVE AT FACILITY WITHIN APPROX. 30 DAYS	
	7	YALE "GLC070VXNGSE085" LPG FORKLIFT, S/N A910V04442C, W/ 3 STAGE MAST. 6,500LBS CAPACITY, 182" LIFT HEIGHT CUSHION TIRES, 54" FORKS, METER READS: 8,865 HOURS (OUT OF SERVICE)	1
	RS	2007 RAYMOND "EASI R40TT" ELECTRIC REACH TRUCK, S/N EZ D-07- 38061, W/ 4,000LBS CAPACITY, 36 VOLT	1
	75	HYSTER "W20ZA" WALK BEHIND ELETRIC PALLET STACKER, S/N A495N01859E, 2,00LBS CAPACITY, 118" LIFT HEIGHT, 24 VOLT, 42" FORKS	1
	77	TOYOTA "426FGCU30" LPG FORKLIFT, S/N 60137, 5,800LBS CAPACITY, 187" LIFT HEIGHT , SIDE SHIFTER, CUSHION TIRE, METER READS: 24,103 HOURS (OUT OF SERVICE - BLOWN GASKET)	1
	83	YALE "MSW040SEN24TV072" WALK BEHIND ELETRIC PALLET STACKER, S/N C820N04214F, 4,000LBS CAPACITY, 100" LIFT HEIGHT, 24 VOLT, 48" FORKS	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
76		HYSTER "E50XL" ELETRIC FORKLIFT, S/N C108V17559N 4,550 LBS CAPACITY, 187" HEIGHT, 48 VOLT, 48" FORKS, APPROX. 4,713 HOURS	1
73		2008 RAYMOND "EASIR40TT" ELETRIC REACH TRUCK, S/N EZ-D 0839389, 4,500LBS CAPACITY, 210" LIFT HEIGHT, 36 VOLT	1
79		DOCKTOCKER "DSS350TT" RIDE ON ELETRIC STACKER, S/N S350- 00794-95, 3,500LBS CAPACITY, 227" LIFT HEIGHT, 36 VOLT.	1
85		2002 RAYMOND "EASIR30TT" ELETRIC REACH TRUCK, S/N ET-D-02- 11921, 3,000LBS, CAPACITY, 192" LIFT HEIGHT, 24 VOLT	1
9		CATERPILLAR "EP6000" ELETRIC FORKLIFT, S/N FN408955, 5,640LBS CAPACITY, 48 VOLT, CUSHION TIRE, METER READS: 7,791 HOURS (OUT OF SERVICE, DRIVE ASSEMBLY ISSUE)	1
80		HYSTER "E60Z-33" ELETRIC FORKLIFT, S/N G108N08853F, 5,750LBS CAPACITY, 193" LIFT BHEIGHT CUSHION TIRE, 48" FORKS, 36 VOLT	1
86		2003 RAYMOND "112TM-FRE60L" ELETRIC PALLET WLAKIE, S/N 112- 03-48388, 6,000LBS CAPACITY, 24 VOLT, METER READS: 3,888 HOURS	1
84		2003 Raymond "112TM-FRE60L" Electric Pallet Walkie s/n 112-03-48386 6,000lbs Capacity, 24 Volt Meter Reads: 4,031hours	1
68		Hyster "E60XN-33" Electric Forklift s/n A268N04916J 5.600lbs Capacity, 187" Lift Height. 48" Forks, 48 Volt, Cushion Tire	1
82		Toyota "42-6FGCU25" LPG Forklift s/n 61242 5,5101bs Capacity, 170" Lift Height. Cushion Tire Meter Reads: 14,920 hours	1
88		2002 Raymond "EASI R30TT" Electric Reach Truck s/n EZ-A-2-25159 3,000lbs Capacity, 252" Lift Height. 36 Volt	1
81		2006 Raymond "EASI R40TT" Electric Reach Truck s/n EZ-0-06-37445 4,000lbs Capacity, 250" Lift Height. 36 Volt	1
70		1997 Raymond "EASI" Electric Reach Truck s/n ET-B-97-05407 3,000lbs Capacity, 204" Lift Height. 24 Volt	1
		2000 Raymond "EASI R30TT" Electric Reach Truck s/n ES-D-00-08943 3,000lbs Capacity, 225" Lift Height. 36 Volt	1
R7		1997 Raymond "EASI" Electric Reach Truck s/n ES-B-57-01818 3,000lbs Capacity, 252" Lift Height. 36 Volt	1
3		Hyster "S6SXM" LPG Forklift s/n n/a 5,850lbs Capacity, 182" Lift Height Meter Reads: 3,010 hours	1
4		Hyster "S6SXM" LPG Forklift s/n 0187V30966B 5,8501bs Capacity, 182" Lift Meter Reads: 14,906 hours	1
		5 Sections Racking - Battery Charger Rack w 10 forklift battery chargers	LOT
		2007 Skyjack SJLII3219 s/n 22000469 550lb Capacity, 19ft Platform Height	1
		Unicarrier LPG forklift, 5250 lb, s/n CUG1F2-9R21624	1
		2007 Raymond, 740 R35TT Electric Reach Truck 3500 lb reach, s/n 740-07-CA-07764	1
13B		Rigid Sander Machine	1
17		Rems 84500 Cutter	1
18		Strapack Model Model RQ8, S/N 20325102	1
20A		Omega radial arm saw	1
52		BlueGiant Model HW4001	1
53		Batching system model 1300 s/n BC-016	1
55		2005 Weber model W5200v2 - label applicator	1
56		Max bench drill press	1
60		Danmark Shrink Packaging System	1
61		Green Lifter	1

<u>Item #</u>	<u>Unit #</u>	<u>Item Description</u>	<u>QTY</u>
	62	Packsize on Demand	1
	63	Packsize on Demand EM735 Year 2013	1
	67	Raymond Forklift Model EASI R40TT	1
	69	Hyster S70 FT	1
	71	Raymond Forklift R4 5TT	1
	72	Raymond Forklift R30TT	1
	74	Hyster Forklift S65XM	1
	78	Raymond Forklift Model EASI S/N 1818	1
	87	Raymond Forklift Model 740 R33TT	1
	89	Racking, Inventory Sinks & Tops	LOT
	90	Contents R&D Warehouse Room	LOT
	93	Contents Hardware Warehouse Room	LOT
	95	Contents /inventory Upper Mezzanine	LOT
	60A	StarPack Strapping Machine	2
	60B	Econo Capacity 2000lbs S/N 83232	1
		Trailer Blue Cutler curtain side (Trailer ID 468) and Contents: Scrap wood / pallets, wooden tie down racks, propane cylinders	1
		Trailer Black Cutler curtain side (Trailer T8298Z) and Contents:	1
		Trailer contents - 53 Foot plain white: Old Machinery Parts; Old motors, 84MG Prosander; cables/metal tie down stands, power supplys, drill press	LOT
		Trailer contents - 53 Foot (Koch Systems): convyer racks, metal rail stands, old ducts;	LOT
		Trailer contents - 53 Foot (Duncan Transport): DanoDesign Vanity Tops, Vanity Tops, boxes;	LOT

Note 1:

EXHIBIT "B" TO SCHEDULE "B"

**Cutler Forest Products Inc.
Intellectual Property**

- | | | |
|---|--|---|
| 1 | E-commerce platform | www.emoyahome.com |
| 2 | Customer Lists | Attachment |
| 3 | Telephone and Facsimile numbers | 905-212-1414
800-268-2393 |
| 4 | Bills of Materials | If available |
| 5 | Canadian Trademarks | Registration Number: 1791711 "Cutler Kitchen and Bath"
Registration Number: 1791710 "Cutler Modern Living"
Registration Number: 1813337 "Bano Design", "Bano"
Registration Number: 1813420 Bano Design Logo
Registration Number: 1898225 "Re-Face It Cabinet Refacing"
Registration Number: 1889332 "Emoya Home" |
| 6 | U.S Trademarks | Registration Number 5697780 "Cutler Kitchen and Bath" |
| 7 | URLs/domain names: | www.cutlerkitchenbath.com and .ca
www.cutlergroup.com and .ca
www.cutlermodernliving.com
www.emoyahome.com and .ca
www.cabinetfactory.ca |
| 8 | Social Media Sites: | https://www.facebook.com/CutlerKitchenandBath/ |

SCHEDULE "C" –LEASED ASSETS

(a) **Leased Assets.** The machinery and equipment set out below, which are subject to leasehold claims by lessors of the Debtor, and which are identified as such therein. Subject to the Leased Asset Adjustment, as defined in the Sale Agreement, and to paragraph 3 of this Order, the Leased Assets are currently considered Excluded Assets, and not included in the Purchased Assets.

1	CWB National Leasing	Centateq N-300 (Optimat NBP084/VANTECH510)
2	Mitsubishi/CLE Capital Inc.	Edgeteq S-500 (KAL370 Ambition 2482) S/N 0-200-66-5245
3	Vault Credit Corporation	2008 KDF770 Brandt Edgebender, 2001 Weimoner ThermaFoil Press
4	Vault Credit Corporation	2006 Used Komo Mach II CNC, S/N 57184-06 with accessories
5	Paccar Leasing Company	2021 Kenworth T270 S/A Truck, VIN 2NKHHM6H4NM980633
6	Paccar Leasing Company	2021 Kenworth T880 Tandem-Axle Tractor 2018 Peterbilt 337 Single Axle Straight Truck, VIN 2NP2HM7X0JM466679
7	Paccar Leasing Company	
8	Meridian Onecap Credit Corp.	Kyocera TA-8002i photocopier system S/N VAK6Y00032

ROYAL BANK OF CANADA

v.

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

Court File No. CV-22-00684833-00CL

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

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

APPROVAL AND VESTING ORDER

HARRISON PENZA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)**

Tel : (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Receiver,
The Fuller Landau Group Inc.

APPENDIX D

OCCUPATION AGREEMENT

THIS AGREEMENT made as of the 2022/09/15 | 07:22 EDT **day of September, 2022**

BETWEEN:

THE FULLER LANDAU GROUP INC., solely in its capacity as Court Appointed Receiver of the Property of Cutler Forest Products Inc. and not in any other capacity

E-mail: gabrahamson@fullerllp.com

(hereinafter called "Fuller" or the "Receiver",)

OF THE FIRST PART

- and -

OMERS REALTY CORPORATION

c/o Oxford Properties Group

EY Tower, Suite 900

100 Adelaide Street West

Toronto, Ontario

Email: mhutchings@oxfordproperties.com

dholmes@oxfordproperties.com

(hereinafter called the "Landlord")

OF THE SECOND PART

WHEREAS Fuller was appointed Receiver of all of the assets, undertakings and properties (the "**Assets**") of Cutler Forest Products Inc. ("**Cutler**"), pursuant to the Order of the Honorable Justice Dietrich of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in Court File No: CV-22-00684833-00CL (the "**Receivership Proceeding**") dated August 4, 2022 (the "**Appointment Order**");

AND WHEREAS the Landlord is the owner of real property municipally known as 81 Royal Group Crescent, Unit A, Vaughan, Ontario (the "**Premises**");

AND WHEREAS the Landlord and Cutler are parties to a Lease Agreement dated February 6, 2015, as amended by way of Amending Agreement dated December 29, 2015 (collectively, the “**Lease**”);

AND WHEREAS the term of the Lease runs to August 31, 2025;

AND WHEREAS pursuant to the Appointment Order, the Receiver is empowered but not obligated to occupy the Premises as Receiver and to sell the Assets, which Assets include Cutler’s interest in the Premises pursuant to the Lease;

AND WHEREAS the Receiver intends to market the Assets and pursue one or more transactions in respect of the sale or assignment of the Assets, subject to Court approval;

AND WHEREAS the Receiver has occupied the Premises effective August 4, 2022, and the Landlord and the Receiver have agreed to the following terms:

ARTICLE 1 - OCCUPATION BY RECEIVER – TERM AND COSTS

Term

- 1.1. The Appointment Order authorizes the Receiver, its independent contractors and agents (the Receiver when referred to hereinafter shall include the Receiver’s independent contractors and agents) to occupy the Premises on a per diem, day to day basis, for a period of time up to any including the final day that the Receiver requires use of the Premises as determined in its discretion, to administer the receivership estate through the Receivership Proceeding (the “**Occupation Term**”). The Receiver can terminate its occupancy of the Premises and vacate same, pursuant to the provisions of the Appointment Order.
- 1.2. The Landlord hereby agrees to provide to the Receiver unfettered access to the Premises as is required for the Receiver to administer the receivership estate, including, but not limited to, the Receiver:
 - 1.2.1. Completing any of Cutler’s outstanding purchase orders, work in process, and work product to finished goods, dealing with Cutler’s inventory, and selling and shipping same. The Receiver shall conduct such operations in a reasonable and proper manner and otherwise in accordance with the applicable provisions of the Lease, and shall comply with all applicable laws. Without in any way limiting the generality of the foregoing, the Receiver shall comply with

all insurance, fire, and health regulations and requirements with respect to its occupancy of the Premises; and,

- 1.2.2. Operating, conducting and completing a sale of the Assets, either en bloc or by auction or tender or private sale (the “**Asset Sale**”), and further to permit the Receiver or any purchaser(s) of the Assets to remove the Assets from the Premises prior to the expiration of the Occupation Term, the Receiver hereby acknowledging and agreeing that in accordance with the applicable provisions of the Appointment Order, the Receiver shall be required to provide the Landlord with notice of the Receiver’s intention to remove any fixtures from the Premises at least seven (7) days prior to the date of the intended removal, and that the Landlord shall be entitled to have a representative present in the Premises to observe any such removal, and, if the Landlord disputes the Receiver’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, the Landlord and the Receiver, or by further Order of the Court upon application by the Receiver on at least two (2) days’ notice to the Landlord and any such secured creditors.
- 1.3. The Receiver has changed the locks at the Premises and shall provide a copy of the access and security codes to the Landlord upon execution of this Agreement. The Landlord may only enter the Premises on twenty-four (24) hours written notice to the Receiver and when a representative for the Receiver is on site at the Premises.
- 1.4. The Receiver and all interested parties and purchasers shall be provided access to the Premises to in relation to the Asset Sale and any required removal of Assets.
- 1.5. The Receiver, agrees to leave the Premises in the same condition as it was in when the Receiver entered the Premises, normal wear and tear excluded, and to accept responsibility for any damage to the Premises caused by the Receiver while in possession of same and to the Premises upon the removal of any Assets, with the exception of ordinary wear and tear, damage by fire and similar perils, and excepting pre-existing conditions and building penetrations. It is agreed that the Receiver shall have no end of lease obligations under the Lease, specifically under articles 7.10, 12.01, 20.00, and under Schedule “F” of the Lease. Specifically, the Receiver is not obliged to remove toxic or hazardous materials at the Premises that existed at the Premises .

- 1.6. Subject to the applicable provisions of Article 1.2 of this Agreement, on the removal of any Assets the Receiver will, if necessary, shear bolts to the floor, pull fuses at the main junction, cap wires, cap gas lines and cut vent pipes below the roof line, both on the interior and the exterior of the Premises. If applicable, the pipes cut below the roof line will be capped, insulated and sealed by the Receiver's agent. The Receiver will also, if applicable, cap any vent openings above the roof line, but shall not have any further obligations above the roof line of the Premises.
- 1.7. Other than as explicitly detailed above, the Receiver shall not have the obligation to conduct any other repairs or do any other work with respect to the Premises.

Costs

- 1.8. The Receiver shall be responsible for all costs associated with the day-to-day occupation for the period of the Receiver's occupation of the Premises as a Receiver in occupation under the terms of this Agreement and not as a tenant under the Lease. The Receiver and the Landlord agree that the daily occupation cost payable for the period of occupation shall be based on an all-inclusive monthly sum of _____, inclusive of HST and inclusive of all other costs, levies, taxes and charges (including common area charges), and payable on a daily basis (collectively, the "**Cost**"). The Cost shall specifically exclude utilities for the Premises, which the Tenant has an obligation to pay directly to the relevant utility provider, and which shall be paid by the Receiver in addition to the Cost. The Cost shall be payable on a monthly basis due on the last day of each month during the Occupation Term. If the Receiver's occupancy is terminated through any month, the number of days occupied for that month shall be paid by the Receiver on termination.
- 1.9. The Receiver and the Landlord acknowledge and agree that, on or about August 5, 2022, the Landlord did set off the sum of _____ from monies paid by Cutler and held by the Landlord under the Lease to the monthly August rent owing by Cutler to the Landlord. As a result of such set off, the Cost owing by the Receiver for the month of August, 2022 shall be reduced accordingly, and the Receiver shall owe the balance of _____ to the Landlord on August 31, 2022.
- 1.10. No security deposit shall be paid by the Receiver to the Landlord in relation to the Receiver's occupation of the Premises.

ARTICLE 2 — SALE OF ASSETS

- 2.1. The Landlord acknowledges that:
 - 2.1.1. the Appointment Order allows for the Receiver to conduct a sale or sales of the Assets from the Premises, and providing access to the Premises to prospective purchasers and their agents at any time, provided that such access is supervised by the Receiver; and,
 - 2.1.2. the Receiver may be removing or permitting purchasers of any Assets to remove from the Premises all or any of the Assets.

ARTICLE 3 — NOTICE

- 3.1. All notices required by this Agreement shall be considered given if delivered by email to the e-mail addresses listed on the first page of this Agreement and shall be deemed effective on the day the e-mail was sent.

ARTICLE 4 — GENERAL

- 4.1. The Landlord, through the term of this Agreement, shall maintain and keep in full force all insurance, and in such amounts, and subject to such terms and conditions, as it is required to maintain pursuant to the terms of the Lease. Evidence of same shall be provided to the Receiver.
- 4.2. The Receiver, through the Occupation Term, shall maintain and keep in full force all insurance now in place, and shall deliver to the Landlord proof of any such insurance upon request therefor.
- 4.3. The Landlord acknowledges that the Receiver is acting solely in its capacity as Court Appointed Receiver and will have no personal or corporate liability with respect to this Agreement.
- 4.4. This Agreement shall be binding upon and enure to the benefit of each of the Landlord and the Receiver, and their respective successors and assigns.
- 4.5. 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 the

parties hereby irrevocably attorn to the courts of the Province of Ontario with respect to any matter ensuing hereunder.

- 4.6. Time is of the essence in this Agreement.
- 4.7. Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to the full extent the provisions of this Agreement.
- 4.8. The Receiver and Landlord agree that it is not their intention to create a commercial tenancy, subtenancy, or assignment of lease by execution of this Agreement, or otherwise impose on the Receiver any obligations as a lessee, sub-lessee or assignee, but merely to confer a right on the Receiver to temporarily occupy the Premises for such time as the Receiver requires it upon the terms herein.
- 4.9. This Agreement may be executed in counterparts and/or by facsimile and may be delivered by e-mail in PDF format or electronic transmission.

REMAINDER OF THIS PAGE INTENTIONALLY BLANK
SIGNING PAGE FOLLOWS

IN WITNESS WHEREOF the parties have duly executed this Agreement.

2022/09/14 | 09:45 EDT

Dated at _____, Ontario this _____ day of September, 2022

THE FULLER LANDAU GROUP INC., solely in its capacity as Court Appointed Receiver of the Property of Cutler Forest Products Inc. and not in any other capacity

Per: Adam Erlich

Name: Adam Erlich

Position: Partner

I have authority to bind the Receiver

2022/09/15 | 07:22 EDT

Dated at Toronto, Ontario this _____ day of September, 2022

OMERS REALTY CORPORATION

Per: Alistair Pickering

Name: Alistair Pickering

Position: Vice President

Per: David Holmes

Name: David C. Holmes

Position: Assistant Secretary

We have authority to bind the Corporation

ROYAL BANK OF CANADA

v.

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

Court File No. CV-22-00684833-00CL

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

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

FIRST REPORT OF THE RECEIVER

HARRISON PENZA LLP
Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

**Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)**

Tel: (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpenza.com
rdanter@harrisonpenza.com

Lawyers for the Receiver,
The Fuller Landau Group Inc.

ROYAL BANK OF CANADA

v.

CUTLER FOREST PRODUCTS INC.

Applicant

Respondent

Court File No. CV-22-00684833-00CL

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

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

MOTION RECORD OF THE RECEIVER

HARRISON PENZA ^{LLP}

Barristers & Solicitors
130 Dufferin Avenue, Suite 1101
London, Ontario N6A 5R2

Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)

Tel : (519) 679-9660

Fax: (519) 667-3362

Email: thogan@harrisonpensa.com
rdanter@harrisonpensa.com

Lawyers for the Receiver,
The Fuller Landau Group Inc.