Court File No. CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

COMERICA BANK

Applicant

- and –

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC

Respondents

APPLICATION UNDER SECTION 243 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

MOTION RECORD
(RETURNABLE DECEMBER 27, 2013)

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INDEX

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TAB 1

Court File No. CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

COMERICA BANK

Applicant

- and –

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC

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NOTICE OF MOTION
(Returnable December 27, 2013)

Duff & Phelps Canada Restructuring Inc. ("**D&P**"), in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of the undertaking, property, and assets of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (collectively, the "**Debtor**"), will make a motion to a Judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario, on December 27, 2013, at 10:00 a.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR an order approving a stalking horse asset purchase agreement ("**APA**" or "**Stalking Horse Agreement**") and related bidding procedures (the "**Bidding Procedures**") and sales process (the "**Sales Process**") for certain assets (the "**Purchased Assets**", as defined in the APA), substantially in the form of the draft order included at Tab 3 of the Receiver's Motion Record:

THE GROUNDS FOR THE MOTION ARE:

(a) On December 9, 2013, this Honourable Court granted an order (the "**Appointment Order**") appointing D&P as the Receiver of the undertaking, property, and assets of the Debtor pursuant to Section 243 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, R.S.O. 1990, c. C.43, as amended (the "**CJA**");

(b) The Appointment Order authorizes the Receiver to market any or all of the Debtor's 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;

(c) As set forth in greater detail in the First Report of the Receiver dated December 19, 2013, and the various exhibits thereto (the "**First Report**"), in accordance with the Appointment Order, the Receiver has negotiated the Stalking Horse Agreement for the sale of substantially all of the Debtor's property subject to, among other things, approval by this Court;

(d) The Stalking Horse Agreement contemplates that the Receiver will conduct a Sales Process whereby other prospective purchasers will have the opportunity to submit a bid for the Purchased Assets. The Stalking Horse Agreement is to provide a minimum floor price in respect of the Sales Process for the Purchased Assets;

(e) The Receiver has brought this motion to request approval of the Stalking Horse Agreement, approval of the Bidding Procedures, and approval of the Sales Process, and has filed its First Report to provide the Court with the background, basis for, and its recommendation in respect thereof;

(f) section 243 of the BIA;

(g) section 101 of the CJA;

(h) the *Rules of Civil Procedure*, including, without limitation, Rules 1.04, 2.03, 3.02, and 37 thereof; and

(i) 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:

(a) the First Report; and

(b) such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: December 20, 2013

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TO: This Honourable Court

AND TO: The Service List

Service List
As of December 20, 2013

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AND TO: **MMV FINANCE CANADA INC.**
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COMERICA BANK	and	ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC	Court File No. CV-13-10353-00CL
APPLICANT		RESPONDENTS	

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

NOTICE OF MOTION

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TAB 2

DUFF & PHELPS

First Report of Duff & Phelps Canada Restructuring Inc. as Receiver of ARXX Building Products Inc., ARXX Building Products U.S.A. Inc., ARXX Corporation, ECB Holdings, LLC, APS Holdings, LLC, Unisas Holdings, LLC and Eco-Block International, LLC

December 19, 2013

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COURT FILE NO: CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COMERICA BANK

APPLICANT

- AND -

ARXX BUILDING PRODUCTS INC., ARXX BUILDING PRODUCTS U.S.A. INC., ARXX CORPORATION, ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC AND ECO-BLOCK INTERNATIONAL, LLC

RESPONDENTS

FIRST REPORT OF
DUFF & PHELPS CANADA RESTRUCTURING INC.
AS RECEIVER

DECEMBER 19, 2013

1.0 Introduction

1. This report ("Report") is filed by Duff & Phelps Canada Restructuring Inc. ("D&P") in its capacity as Court-appointed receiver (the "Receiver") of the properties, assets and undertakings of ARXX Building Products Inc. ("ARXX Canada"), ARXX Building Products U.S.A. Inc. ("ARXX USA") (ARXX Canada and ARXX USA are jointly referred to as the "Company"), ARXX Corporation, ECB Holdings, LLC, APS Holdings, LLC, Unisas Holdings, LLC and Eco-Block International, LLC (collectively, the "ARXX Group").

2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on December 9, 2013 (the "Receivership Order"), D&P was appointed Receiver of the ARXX Group. A copy of the Receivership Order and the Endorsement of the Honourable Justice Morawetz dated December 9, 2013, are attached as Appendix "A".

3. The primary purpose of these receivership proceedings is to allow the business to continue to operate while a Court-supervised "stalking horse" sale process for the ARXX Group's business and assets is carried out in a stabilized environment ("Sale Process").

4. The Receivership Order contemplates that the Receiver may act as foreign representative of the ARXX Group ("Foreign Representative") for the purpose of seeking an Order from the United States Bankruptcy Court for the District of Delaware (the "U.S. Court") recognizing the receivership proceedings as a foreign main proceeding and recognizing the Orders of this Court made in these proceedings pursuant to Chapter 15 of the U.S. Bankruptcy Code. The ancillary proceedings in the US are likely to be commenced on or around December 27, 2013.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) Provide background information about the ARXX Group, including its creditor composition and concentration in Canada;

   b) Summarize the terms of a "stalking horse" offer for substantially all of the ARXX Group's business and assets submitted by Airlite Plastics Co. ("Airlite") in the form of an Asset Purchase Agreement dated December 19, 2013, between Airlite and the Receiver (the "Stalking Horse Offer"), which, subject to the approval of this Court, would serve as the "stalking horse" in the Sale Process;

   c) Summarize the proposed Sale Process pursuant to which the ARXX Group's business and assets would be marketed for sale, including the bidding procedures to be used in connection with the Sale Process (the "Bidding Procedures"); and

   d) Recommend that this Honourable Court issue an Order:

      - Approving the Stalking Horse Offer, including the Break Fee and Expense Reimbursement mechanism contemplated therein; and

      - Approving the Sale Process, including the Bidding Procedures, and authorizing and directing the Receiver to conduct the Sale Process on the basis detailed herein.

1.2 Defined Terms

1. Capitalized terms not defined in this Report have the meanings provided to them in the Bidding Procedures and/or the Stalking Horse Offer.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

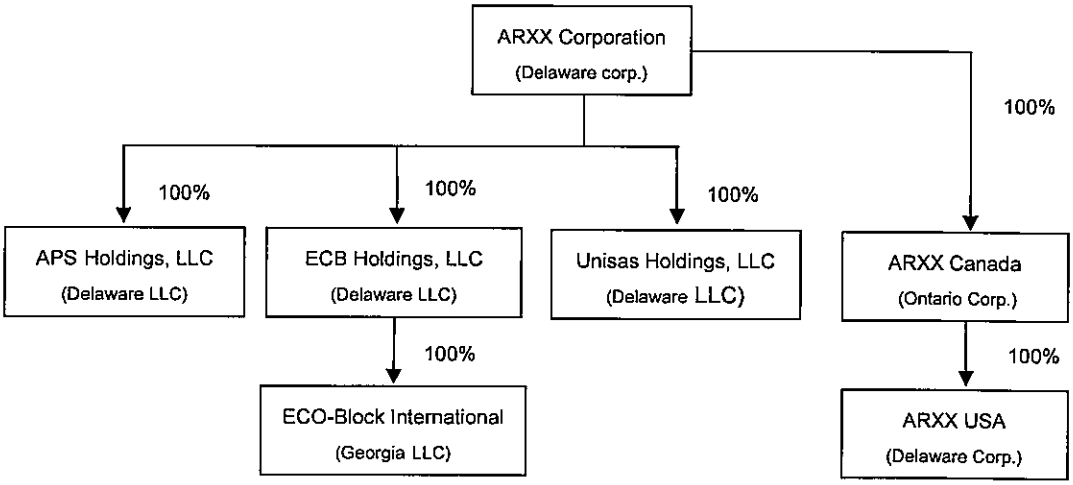
2.0 Background

1. The ARXX Group designs and markets building products known as insulating concrete forms ("ICF"). ICF is an environmentally friendly and energy efficient technology system of formwork for structural walls and floors of buildings used in residential and commercial construction. The forms are used to hold fresh concrete, which provides insulation for the structures they enclose.

2. The ARXX Group's principal line of business is selling ICF. The ARXX Group purchases ICF on a "just-in-time" basis from various suppliers and immediately ships the product to customers, primarily consisting of distributors, general contractors and builders. The ARXX Group also hires subcontractors to install ICF for commercial customers ("Turnkey Projects"). These projects, depending on size, typically take two to three months to complete.

3. The ARXX Group's business is seasonal. Sales are slower in the winter months as residential and commercial building slows. As a result, the ARXX Group has traditionally experienced significant operating losses during the winter months and requires increased funding during this time.

4. The ARXX Group's business is operated through the Company. The other entities in the ARXX Group are inactive. A corporate chart is provided below (the shaded entities represent the operating entities):



5. The ARXX Group operates from leased premises in Cobourg, Ontario, which serves as its head office – there is no other physical premises from which the ARXX Group operates (in the U.S. or otherwise). The chief executive officer of the ARXX Group and other senior management are based at and primarily work from the Cobourg headquarters, and it is there that all administrative, corporate governance, tax and financial, cash management, human resource, payroll, information technology and management functions for each entity in the ARXX Group are carried out. The ARXX Group's books and records are also maintained at the Cobourg headquarters. Accordingly, ARXX USA is entirely dependent on ARXX Canada and cannot operate on a standalone basis.

6. As at the date of this Report, ARXX Canada[1] and ARXX USA employ nine and seven individuals, respectively. ARXX Canada's employees work from the Cobourg premises, other than certain home-based sales representatives. ARXX USA's employees are all sales representatives, who work from their home offices located throughout the U.S.

7. The Company's workforce is not unionized and it does not maintain any registered pension plans.

8. Further information about the ARXX Group and its background and copies of materials filed in the receivership proceedings can be found on the Receiver's website at: http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx.

3.0 Creditors

3.1 Comerica Bank

1. The application to appoint the Receiver was brought by Comerica Bank (the "Bank"), being the ARXX Group's principal secured creditor[2]. As at the date of the Receivership Order, the ARXX Group was indebted to the Bank in the amount of approximately US$3.6 million, inclusive of interest to November 27, 2013 but exclusive of expenses, costs and fees.

2. Pursuant to a Pledge and Security Agreement dated as of October 17, 2012, ARXX Canada granted cash collateral to the Bank in the amount of $750,000 (the "Cash Collateral"), which has been held by the Bank since that time. The Bank has advised the Receiver that it intends to exercise its setoff rights and apply these funds against the ARXX Group's indebtedness owing to the Bank. The Receiver notes that this pledge was granted outside of the "lookback" period prescribed under the

[1] In accordance with Paragraph 15 of the Receivership Order, six employees were terminated or resigned on December 10, 2013, which reduced ARXX Canada's headcount from 15 to nine employees.

[2] Based on a PPSA search obtained by counsel to the Receiver, Gienow Building Products Ltd. appears to have (or to have had) a General Security Agreement with a predecessor company (ARXX Acquisition Corp.). The Receiver is investigating the nature of this obligation, if any. MMV Finance Canada Inc. also has a registered security interest, although it has since been fully repaid. The only other PPSA registrant is Xerox Canada Ltd., an equipment lessor.

Bankruptcy and Insolvency Act and as consideration for the Fifth Amendment to the Loan Agreement dated October 17, 2012.

3. The Bank has committed to fund the Company's operations over the course of these proceedings, provided that the contemplated Sale Process and Bidding Procedures Order are approved by this Court. To the extent required, the Receivership Order authorizes the Receiver to borrow up to $500,000 pursuant to Receiver's Certificates. These advances, if any, would be granted a charge on the assets of the ARXX Group subject only to the Receiver's Charge. As at the date of this Report, the Receiver has not required any such borrowings.

3.2 Unsecured Creditors

1. According to the ARXX Group's accounts payable listings, unsecured obligations totaled approximately $2 million as at the date of the Receivership Order. Trade creditors are principally comprised of inventory suppliers and freight companies.

4.0 Pre-Filing Marketing Process

1. In September, 2013, the Company initiated a process to identify potential investors and/or prospective purchasers. Certain strategic parties were approached in the process, including Airlite.

2. On September 19, 2013, Airlite executed a confidentiality agreement and commenced its diligence efforts. On November 12, 2013, Airlite submitted a letter of intent. Since that time, the Company, Airlite and their respective legal counsel had commenced negotiations of sale transaction documents.

3. Negotiations with Airlite were ongoing at the time of the commencement of the receivership proceedings and were significantly advanced.

4. At the time of its appointment, the Receiver believed there were a number of reasons to pursue completion of negotiations with Airlite and to proceed by way of a stalking horse sale process, including:

    i. negotiations with Airlite were significantly advanced;

    ii. significant value of the ARXX Group consists of its customer relationships - announcing a sale agreement at the outset of the receivership proceedings is likely to best preserve the value of the ARXX Group in the circumstances;

    iii. a stalking horse process preserves the opportunity to seek a superior bid to the Airlite APA while simultaneously avoiding the risk of expending time and resources to conduct a sale process that might prove unsuccessful; and

    iv. the Bank was supportive of proceeding in this manner.

5. Accordingly, negotiations with Airlite were continued by the Receiver immediately following its appointment. The Receiver's objective from the outset was to negotiate an Asset Purchase Agreement with Airlite that could be used as a "stalking horse" in a Sale Process.

6. On December 19, 2013, the Receiver and Airlite settled the terms of the Stalking Horse Offer, as detailed herein.

5.0 The Stalking Horse Offer

1. The Stalking Horse Offer is in the form of an Asset Purchase Agreement between the Receiver and Airlite. It provides for Airlite to acquire substantially all of the Company's business and assets, other than the Excluded Assets, and to assume certain liabilities, subject to higher and/or better offers resulting from the Sale Process in accordance with the Bidding Procedures.

2. Should the Stalking Horse Offer be the Successful Bid, it is contemplated that the Receiver would seek an Order from this Honourable Court approving, among other things, the Stalking Horse Offer and vesting title in the Purchased Assets in Airlite ("Approval and Vesting Order").

3. A copy of the Stalking Horse Offer is attached as Appendix "B". The key terms and conditions of the Stalking Horse Offer include the following:

   - Purchase Price: $2.8 million base cash purchase price, plus the Working Capital Amount and certain Assumed Liabilities. As at the date of this Report, the value of the transaction is estimated to total approximately $3.8 million. The Working Capital Amount, which is estimated to total approximately $1 million as at the date of this Report, is the sum of the Accounts Receivable Value and Inventory Value, based on the following:

     - Accounts receivable: Other than receivables owing from Turnkey Projects or any accounts receivable aged greater than 60 days, both of which are to be excluded from the transaction, the Accounts Receivable Value is calculated as follows:

       i. book value less 5% for any accounts receivable aged less than 45 days; plus

       ii. book value less 10% for any accounts receivable aged between 45 and 60 days.

- Inventory: The Inventory Value is based on the book value of the following two categories of inventory:

    i. prime 6" & 8" standard and 90 degree corners manufactured in 2013; and

    ii. webs for prime 6" & 8" prime standard and 90 degree corner products manufactured in 2013.

- Inventory count: To the extent required, a joint inventory count would be conducted to confirm the value ascribed to the Inventory for the purposes of finalizing the Working Capital Amount.

- Collection fee: To the extent any excluded accounts receivable (i.e. those aged greater than 60 days) are collected by the Purchaser post-closing, the Purchaser would remit any such collections to the Receiver net of a 15% collection fee that it would be entitled to retain. As at the date of this Report, the book value of the excluded accounts receivable totals approximately $750,000.

- Deposit: $300,000 payable on execution of the Stalking Horse Offer.

- Purchased Assets: Substantially all of the ARXX Group's business and assets, including Accounts Receivable, Inventory, equipment, patents and other intellectual property, customer information and Assumed Contracts.

- Excluded Assets: Cash and cash equivalents (including the Cash Collateral), Turnkey Projects and accounts receivable related thereto, accounts receivable aged over 60 days, tax receivables (including SRED refunds), inventory other than the two categories of inventory specifically identified above, Excluded Contracts, deposits and prepaid expenses, leased or owned real property and such other excluded assets detailed in the Stalking Horse Offer.

  Prior to selling the Excluded Inventory, the Receiver is to provide notice to Airlite, following which Airlite has three Business Days to advise the Receiver if it wishes to purchase the Excluded Inventory. Any such additional inventory purchases would be based on the book value of the Excluded Inventory. As at the date of this Report, the book value of the Excluded Inventory totals approximately $589,000.

- Employees: At least five Business Days prior to the Closing Date, Airlite shall offer employment to the employees it is interested in retaining. Those Transferred Employees are to be offered employment on substantially the same terms and conditions of employment as their existing employment arrangements with the Company, with recognition of their seniority and the assumption of their vacation entitlements.

  Contemporaneously with finalizing the Stalking Horse Offer, Airlite identified certain employees that it intends to retain. In the event that one or more of these employees do not accept the offer of continuing employment, there would be a corresponding purchase price reduction. If none of the employees in question accepted employment with Airlite, the aggregate reduction in purchase price would be $300,000. The Receiver and Airlite have entered into a letter agreement documenting the terms of such arrangement, which letter the Receiver intends to make available in the data room so that this information is available to all prospective purchasers.

- Break Fee: $150,000 payable to Airlite on the closing of a transaction should Airlite not be the Successful Bidder.

- Expense Reimbursement: Up to $150,000 of costs and expenses incurred by Airlite in connection with the Stalking Horse Offer and the transaction contemplated therein on the closing of a transaction should Airlite not be the Successful Bidder.

- Closing Date: February 3, 2014. Should the parties be unable to close on February 3, 2014, the Closing Date shall be February 10, 2014 or such other date as agreed by the parties.

- Conditions: The material conditions precedent to the transaction are:

  i. Court approval of the Sale Process, including the Stalking Horse Offer and Bidding Procedures;

  ii. Not more than two of the top five customers of the ARXX Group shall have terminated their agreements or otherwise informed the Receiver between the date of execution of the Stalking Horse Offer and the Closing Date that they have, or intend, to permanently cease doing business with the ARXX Group;

  iii. The Approval and Vesting Order; and

  iv. Recognition of the Approval and Vesting Order by the U.S. Court in the context of proceedings to be commenced by the Receiver, as Foreign Representative, pursuant to Chapter 15 of the United States Bankruptcy Code.

- Other: The Stalking Horse Offer is consistent with standard insolvency transactions, i.e. completed on an "as is, where is" basis with minimal representations or warranties by the Receiver.

5.1 Break Fee and Expense Reimbursement

1. As detailed above, the Stalking Horse Offer contemplates a Break Fee of $150,000 and Expense Reimbursement up to $150,000.

2. The purpose of the Break Fee and Expense Reimbursement is to, *inter alia*, provide Airlite with:

   - incentive to be the Stalking Horse Bidder in the Sale Process; and
   - a means to recover a portion of its costs and expenses incurred in connection with the Stalking Horse Offer.

3. The Receiver is of the view that the Break Fee and Expense Reimbursement is reasonable as:

   - It is the Receiver's experience that Break Fees in transactions of this nature typically range from 2.5% and 4%. Based on the estimated value of the transaction contemplated by the Stalking Horse Offer, the Break Fee represents approximately 4% of the value, which is consistent with market for transactions in this value range;
   - It likely would be requested by any stalking horse purchaser. Without it, Airlite has little incentive to act as the Stalking Horse;
   - In respect of the Expense Reimbursement, Airlite has been performing diligence and negotiating this transaction since September, 2013. While the Expense Reimbursement as a percentage of the transaction value may exceed the average in other Canadian stalking horse sale processes, the Receiver believes it is reasonable in the circumstances given that: (i) the transaction value is relatively low; and (ii) the amount of work to be done by a prospective stalking horse purchaser is largely unchanged irrespective of a relatively small transaction size as compared to a larger size transaction; and
   - The Receiver is satisfied that the aggregate quantum of the Break Fee and Expense Reimbursement is unlikely to be viewed as being so large as to discourage a third party from submitting an offer that is superior to the Stalking Horse Offer.

6.0 Sale Process and Bidding Procedures

6.1 Sale Process

1. A summary of the proposed Sale Process is as follows:

   - Immediately following the making of the proposed Order, the Receiver would distribute a brief interest solicitation letter detailing this opportunity to prospective purchasers identified by the Receiver, including those parties that were approached by the ARXX Group in its pre-filing process. Attached to the interest solicitation letter will be a form of confidentiality agreement ("CA");

   - On or prior to January 7, 2014, the Receiver will advertise the acquisition opportunity in *The Globe and Mail (National Edition)*;

   - The Receiver is in the process of preparing a confidential information memorandum ("CIM") that provides an overview of, among other things, the Company's business, assets and financial results. The CIM will be made available to parties that execute a CA;

   - Upon execution of a CA, prospective bidders will be provided with the opportunity to commence due diligence, including reviewing information in an online data room to be maintained by the Receiver. Prospective purchasers will only be granted access to the data room if they are determined by the Receiver to be a Qualified Bidder;

   - The Receiver will facilitate due diligence efforts by, *inter alia*, arranging site visits and meetings between key employees and interested parties, provided that such meetings are supervised by the Receiver, and the Receiver is of the view that such prospective purchasers are bona fide, in the Receiver's sole discretion;

   - Prospective purchasers will be provided with a copy of the Stalking Horse Offer. Prospective purchasers will be required to submit offers in the form of the Stalking Horse Offer;

   - Offers will be required to be submitted to the Receiver by 5:00 pm (Eastern time) on January 22, 2014, being approximately one month from the return date of the motion for approval of the Sale Process and Bidding Procedures;

   - The Receiver will have the right to extend or amend the Sale Process as it considers appropriate, subject to the terms of the Stalking Horse Offer; however, the Receiver would seek the Court's approval to materially amend the Sale Process; and

- Subject to Court approval, the following table sets out the Sale Process timeline:

Milestone	Timeline
Motion for approval of Sale Process, Stalking Horse Offer and Bidding Procedures	December 27, 2013
Commencement of Chapter 15 Proceedings	December 27, 2013
Offer deadline under Sale Process	January 22, 2014
Auction (if required)	January 24, 2014
Canadian Sale Approval Motion	January 29, 2014
U.S. Motion for recognition of Canadian Sale Approval and Vesting Order	January 31, 2014
Anticipated closing date of the Stalking Horse Offer	February 3, 2014

6.2 Bidding Procedures

1. The Bidding Procedures are appended to the proposed Order and are summarized as follows:

   - A Qualified Bidder is a potential bidder that the Receiver determines is likely (based on financial information submitted by the bidder, the availability of financing, experience and other considerations deemed relevant by the Receiver) to be able to consummate a sale if selected as the Successful Bidder.

   - The material bid requirements include the following:

     - A base cash purchase price of $3.15 million, reflecting the base purchase price of $2.8 million plus the Break Fee ($150,000), Expense Reimbursement (up to $150,000) and Overbid Amount ($50,000), plus additional cash consideration that is equal to or greater than the value of the Assumed Liabilities and the Working Capital Amount;

     - An executed copy of a proposed purchase agreement and a redline of the bidder's proposed purchase agreement reflecting variations from the Stalking Horse Offer. All Qualified Bids must provide: (a) a commitment to close within one business day after satisfaction of all conditions and a covenant to use all reasonable commercial efforts to satisfy all conditions; and (b) the identity of and contact information for the bidder and full disclosure of any affiliates and any debt or equity financing sources involved in such bid;

- A cash deposit in the amount of $300,000;
- The bid shall identify with particularity those contracts of the Company that the bidder seeks to receive an assignment of, if any;
- The bid shall not request or entitle the bidder to any transaction or break fee, expense reimbursement, termination or similar type of fee or payment;
- The bid shall not contain any due diligence, financing or regulatory contingencies of any kind, though the bid may be subject to the satisfaction of other specific conditions in all material respects at Closing;
- The bid shall identify with particularity any liabilities being assumed;
- If no Qualified Bids are submitted by the Bid Deadline, the Stalking Horse Offer shall be accepted, subject to Court approval;
- If one or more Qualified Bids are received by the Bid Deadline, the Receiver shall conduct an Auction on January 24, 2014, at 11:00 am (Eastern time) to determine the Successful Bidder;
- Bidding at the Auction shall be restricted to Qualified Bidders, which includes the Stalking Horse. Bidding at the Auction shall be conducted in rounds. The Receiver, with the assistance of its advisors, will determine the Lead Bid for each round. The Overbid Amount and the Minimum Bid Increment are $50,000 and $25,000, respectively;
- There is no credit bidding permitted under Bidding Procedures; and
- If the transaction contemplated by the Successful Bid is consummated and the Successful Bidder is not Airlite, the Break Fee and Expense Reimbursement shall be paid by the Receiver to Airlite from the proceeds of such transaction.

6.3 Sale Process Recommendation

1. The Receiver recommends that this Court issue an Order approving the Sale Process and Bidding Procedures for the following reasons:

   a) In the Receiver's view, the Sale Process is commercially reasonable and the Bidding Procedures and Auction, if required, provide an opportunity for a result superior to the transaction contemplated by the Stalking Horse Offer;

   b) In the Receiver's view, the duration of the Sale Process - while expedited - is sufficient to allow interested parties to perform diligence and submit offers. Many of the parties that will be contacted by the Receiver during the Sale Process are familiar with this opportunity given their participation in the ARXX Group's pre-filing process and, accordingly, shouldn't require a prolonged diligence period to determine whether they are prepared to submit a Qualified Bid;

   c) An expedited Sale Process is required for the following reasons:

      - The Company operates in a highly competitive industry in which customers can easily transition to alternative suppliers. There is urgency to complete a transaction in order to preserve the Company's customer base, being the principal asset that Airlite is acquiring. In this regard, Airlite has advised that it is not prepared to act as a stalking horse bidder should the Sale Process be prolonged; and

      - Given the winter slower season, the Company is projected to generate operating losses during the receivership period. The Bank has agreed to fund these losses for a limited period of time provided the proposed Order is granted. The losses and erosion to the Bank's collateral are projected to continue into February, 2014, and, accordingly, it is critical for the transaction to close expeditiously in order for the Receiver to maximize value;

   d) The existence of a "stalking horse" offer will assist to create certainty for all stakeholders (employees, customers and vendors) to understand that the Company's business will continue to operate as a going concern. It will also facilitate a shorter sale process duration;

   e) Absent the completion of the transaction contemplated by the Stalking Horse Offer or a superior transaction that may result from the Sale Process, the Receiver will not have access to funding, in which case the Company's operations would be discontinued;

f) As set out in Section 5.1 of this Report, it is the Receiver's view that the Break Fee and Expense Reimbursement are reasonable in the circumstances and should not discourage potential purchasers from participating in the Sale Process; and

g) Although the Receiver has not yet completed a security review, it appears that the Bank is the principal economic stakeholder in these proceedings and has consented to the Sale Process, Stalking Horse Offer and Bidding Procedures. It is uncertain at this time whether there will be funds available for distribution to creditors ranking subordinate to the Bank.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 of this Report.

* * *

All of which is respectfully submitted,

Duff + Phelps Canada Restructuring Inc.

DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER OF
ARXX BUILDING PRODUCTS INC., ARXX BUILDING PRODUCTS USA INC., ARXX CORPORATION, ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC AND ECO-BLOCK INTERNATIONAL, LLC
AND NOT IN ITS PERSONAL CAPACITY

TAB A

~~Schedule "A"~~ B

CV-13-10353-00CL

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR	)	MONDAY, THE 9TH
JUSTICE MORAWETZ	)	DAY OF DECEMBER, 2013
	)	

COMERICA BANK

Applicant

- and -

ARXX BUILDING PRODUCTS INC.
ARXX CORPORATION
ARXX BUILDING PRODUCTS U.S.A. INC.
ECB HOLDINGS, LLC
APS HOLDINGS, LLC
UNISAS HOLDINGS, LLC
ECO-BLOCK INTERNATIONAL, LLC

Respondents

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 Duff & Phelps Canada Restructuring Inc. ("D&P") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC and Eco-Block International, LLC (collectively the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Moore sworn December 6, 2013 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for counsel for the Respondents although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of Duff & Phelps Canada Restructuring Inc. to act as the Receiver,

SERVICE

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

2. 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/to-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.

APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Duff & Phelps Canada Restructuring 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

4. 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 of 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

(j) 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;

(k) 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;

(l) 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 $100,000, 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*, or any similar legislation having similar effect in any other applicable

jurisdiction, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(m) 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;

(n) 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;

(o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(p) 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;

(q) 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;

(r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;

(s) 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 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; and

(t) 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

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, (iii) any supplier in possession of moulds ("Moulds"), inventory or other goods (jointly, "Inventory") owned by the Debtor and (iv) 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.

6. THIS COURT ORDERS that the release of any Moulds and Inventory that are the subject of a valid possessory lien shall be delivered to the Receiver on the basis that the holder of such a lien shall be entitled to a non-possessory lien against any proceeds of sale of such Moulds or Inventory with such non-possessory lien having the same priority and being equal in amount to the value of its possessory lien immediately prior to release of the Moulds or Inventory to the Receiver.

7. 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.

8. 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.

NO PROCEEDINGS AGAINST THE RECEIVER

9. 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

10. 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

11. 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

12. 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

13. 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 continue to purchase goods from the Respondents' suppliers, and continue to use 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

14. 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

15. 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

16. 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

17. 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

18. 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

19. 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, 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.

20. 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.

21. 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 normal 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

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Applicant, 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.

23. 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.

24. 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.

25. 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.

GENERAL

26. 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.

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

28. 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.

29. 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.

30. THIS COURT ORDERS THAT the Receiver be at liberty and is hereby authorized and empowered to apply as foreign representative to the United States Bankruptcy Court for relief pursuant to the *United States Bankruptcy Code*, 11 U.S.C. §§101-1330, as amended and if such relief is granted is authorized to take such other steps with respect thereto as it may deem appropriate from time to time.

31. THIS COURT ORDERS that the Applicant shall have its costs of this motion, 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.

DEC - 9 2013

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that Duff & Phelps Canada Restructuring Inc., the receiver (the "Receiver") of the assets, undertakings and properties ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC and Eco-Block International, LLC 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 9th of December, 2013 (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 December, 2013.

Duff & Phelps Canada Restructuring Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

COMERICA BANK Applicant	and	ARXX BUILDING PRODUCTS INC., et al Respondents	Court File No: CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

MCMILLAN LLP
Brookfield Place,
181 Bay Street, Suite 4400
Toronto ON M5J 2T3, Canada

Brett Harrison LS#: 44336A
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Tel: (416) 865-7932
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Lawyers for the Applicant

COMERICA BANK Applicant	and	ARXX BUILDING PRODUCTS INC. et al. Respondents	Court File No: CV-13-10353-00CL

B. Harrison for Applicant
N. MacFarlane for ARXX
D. Bish for Duff & Phelps

December 9, 2013.

- On consent of the respondent debtors.
- Having reviewed the record, including the comprehensive factum of the Applicant, I am satisfied that it is both just and convenient to appoint Duff & Phelps Canada Restructuring, Inc as Receiver of the Respondent.

In doing so, I have been persuaded that the assets of the Receiver are the US Corporations is reasonable for the reasons set out in the factum at paragraphs 21-28

Motion granted and order

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

APPLICATION RECORD
(RETURNABLE ON December 9, 2013)

McMillan LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON, M5J 2T3

Brett Harrison LS#: 44336A
Tel: (416) 865-7932
Fax: (416) 865-7048

Lawyers for the Applicant/s/c

SUPERIOR COURT OF JUSTICE
FILED / DÉPOSÉ
DEC. 6 2013
AT / À
LOCAL REGISTRAR / GREFFIER LOCAL
TORONTO

signed in the form presented, which includes the e-service Protocol and the Consent Letter.

Yours faithfully,

TAB B

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

AIRLITE PLASTICS CO.

and

DUFF & PHELPS CANADA RESTRUCTURING INC., in its capacity as the Court-appointed Receiver of ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, and ECO-BLOCK INTERNATIONAL, LLC, and not in its personal capacity

December 19, 2013

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THIS AGREEMENT is made as of the 19th day of December, 2013.

BETWEEN:

AIRLITE PLASTICS CO.,
a corporation existing under the laws of the State of Nebraska, U.S.A.,

(hereinafter referred to as the "**Purchaser**")

AND:

DUFF & PHELPS CANADA RESTRUCTURING INC., in its capacity as the Court-appointed Receiver of **ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, and ECO-BLOCK INTERNATIONAL, LLC**, and not in its personal capacity

(hereinafter referred to as the "**Seller**")

WHEREAS the Seller was appointed as the receiver of all of the property, assets and undertaking of the Corporation pursuant to Section 243 of the *Bankruptcy and Insolvency Act* (Canada) and Section 101 of the *Courts of Justice Act* (Ontario) by Order of the Ontario Superior Court of Justice – Commercial List (the "**Court**") dated December 9, 2013, in proceedings bearing Court file number CV-13-10353-00CL;

AND WHEREAS the Seller wishes to sell certain assets and to assign certain liabilities of the Corporation, and the Purchaser has agreed: (i) to act as a "stalking horse bidder" in connection therewith; and (ii) in the absence of the Seller's acceptance of a superior bid to the transaction of purchase and sale contemplated in this Agreement in accordance with the Bidding Procedures, to purchase certain assets and assume certain liabilities of the Corporation, on the terms and conditions set out herein and in accordance with the Bidding Procedures Order;

AND WHEREAS the Seller will seek to obtain the Bidding Procedures Order to authorize the Seller to enter into this Agreement and authorize the sale process with respect to the property, assets and undertaking of the Corporation pursuant to the Bidding Procedures,

NOW THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Seller and the Purchaser agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Accounts Receivable**" has the meaning set out in Section 2.1(e);

"**Accounts Receivable Value**" has the meaning set out in Section 2.7(a);

"**Act**" means the *Business Corporations Act* (Ontario) as in effect on the date hereof;

"**Affiliate**" has the meaning given to that term in the Act;

"**Agreement**" or "**this Agreement**" means this asset purchase agreement between the Purchaser and the Seller, including all exhibits and schedules and all amendments or restatements, as permitted;

"**All Commercially Reasonable Efforts**" means the efforts that a prudent person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible;

"**Approval and Vesting Order**" means an approval and vesting order of the Court in a form substantially similar to the draft order attached hereto as Schedule 1.1(a) or as otherwise, in form and substance satisfactory to the Seller and the Purchaser and on service satisfactory to the Purchaser, acting reasonably, approving this Agreement and vesting in and to the Purchaser the Purchased Assets, free and clear of and from any and all Encumbrances other than Permitted Encumbrances;

"**Assumed Contracts**" has the meaning set out in Section 2.1(c)

"**Assumed Liabilities**" has the meaning set out in Section 2.3;

"Assumed Vacation Entitlements" means any vacation accrual that may be owing to Transferred Employees

"**Bidding Procedures**" means the bidding procedures substantially in the form attached as Schedule 1.1(b) or such other form as the Seller and the Purchaser may agree;

"**Bidding Procedures Order**" has the meaning set out in Section 10.1(b);

"**Books and Records**" has the meaning set out in Section 2.1(j);

"**Business**" means the sale, distribution, design and marketing of insulating concrete form building solutions carried on by the Corporation;

"**Business Day**" means any day, other than a Saturday or a Sunday, on which commercial banks in Toronto, Ontario or Omaha, Nebraska are open for business during normal banking hours;

"**Canadian Corporation**" means ARXX Building Products Inc.;

"**Closing Certificate**" means the certificate referred to in the Approval and Vesting Order which, when delivered to the Purchaser, has the effect of invoking the vesting provisions contained in the Approval and Vesting Order;

"**Closing Date**" means February 3, 2014, or such other date as may be agreed to in writing by the parties, provided that if there is an objection to the transaction contemplated hereby at the hearing at which the Approval and Vesting Order is granted or for any other reason the parties are unable to close the transaction on February 3, 2014, the Closing Date shall be February 10, 2014, or such other date as may be agreed to in writing by the parties;

"**Confidentiality Agreement**" has the meaning set out in Section 2.1(c);

"**Consent**" has the meaning set out in Section 2.2(j);

"**Contract**" means any agreement, contract, licence, undertaking, engagement or commitment of any nature, written or oral;

"**Corporation**" means, collectively, ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, Unisas Holdings, LLC, and Eco-Block International, LLC;

"**Court**" has the meaning set out in the recitals to this Agreement;

"**Cure Costs**" means the amount that must be paid, if any, in connection with the assignment and assumption of the Assumed Contracts to the Purchaser, including costs to cure monetary defaults thereunder that are required to be cured as a condition of such assignment, together with any such other reasonable costs required to obtain any Consent;

"**Deposit**" has the meaning set out in Section 2.9;

"**Employees**" means all individuals employed or retained by the Corporation on a full-time, part-time or temporary basis in connection with the Business;

"**Employee Plans**" means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control,

pension, retirement stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to the current or former directors, officers or employees of the Corporation maintained, sponsored or funded by the Corporation, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered under which the Corporation may have any liability, contingent or otherwise;

"**Employment Letter**" has the meaning set out in Section 4.2;

"**Encumbrance**" means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege or any contract to create any of the foregoing, whether written or oral, or imposed by law, equity or otherwise;

"**Equipment**" has the meaning set out in Section 2.1(a);

"**Estimated Accounts Receivable Value**" has the meaning set out in Section 2.7(a);

"**ETA**" means Part IX of the *Excise Tax Act* (Canada), as amended from time to time;

"**Excess Amount**" has the meaning set out in Section 2.7(e);

"**Excluded Assets**" has the meaning set out in Section 2.2;

"**Excluded Inventory**" has the meaning set out in Section 2.2(m);

"**GAAP**" means Canadian generally accepted accounting principles from time to time, as set out in the Handbook of the Canadian Institute of Chartered Accountants;

"**Governmental Authority**" means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government;

"**HST**" means all Taxes payable under the ETA, including goods and services taxes and any harmonized sales taxes in applicable provinces, the QSTA, or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA, the QSTA, or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;

"**Intellectual Property**" has the meaning set out in Section 2.1(b);

"**Inventory**" has the meaning set out in Section 2.1(d);

"**Inventory Value**" has the meaning set out in Section 2.6;

"**Objection Notice**" has the meaning set out in Section 2.7(b);

"**Objection Period**" has the meaning set out in Section 2.7(b);

"**Permitted Encumbrances**" means the Encumbrances described in Schedule 1.1(c);

"**Person**" means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity;

"**Product Materials**" has the meaning set out in Section 2.1(f);

"**Purchase Price**" has the meaning set out in Section 2.5;

"**Purchased Assets**" has the meaning set out in Section 2.1;

"**QSTA**" mean An Act respecting the Quebec Sales Tax, as amended from time to time;

"**Qualified Bidder**" has the meaning set out in the Bidding Procedures;

"**Shortfall Amount**" has the meaning set out in Section 2.7(d);

"**Software**" means computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs;

"**Stalking Horse Bid**" has the meaning set out in Section 10.1(b);

"**Subsequently Acquired Inventory**" has the meaning set out in Section 2.11;

"**Successful Bid**" has the meaning set out in the Bidding Procedures;

"**Tax**" and "**Taxes**" means any federal, provincial, territorial, state, local or foreign income, gains, value added, corporation, land transfer, property, licence, payroll, governmental plan premium or contribution, goods and services, harmonized sales, excise, sales, use, capital, withholding or other tax, levy, duty, assessment, reassessments or other charge of any kind whatsoever, whether direct or indirect, including any interest and penalty or other addition to or on any of the foregoing, whether disputed or not, imposed by a Governmental Authority;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time;

"**Time of Closing**" means 10:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as the Seller and the Purchaser may agree;

"**Transferred Employees**" has the meaning set out in Section 4.1;

"**Transfer Taxes**" has the meaning set out in Section 3.2;

"**U.S. Corporation**" means ARXX Building Products U.S.A. Inc.;

"**U.S. Recognition Order**" means an order of the United States Bankruptcy Court for the District of Delaware recognizing and giving full force and effect in the United States of America to the Approval and Vesting Order, such order to be made pursuant to Chapter 15 of the U.S. Bankruptcy Code; and

"**Working Capital Amount**" means the sum of (i) the Accounts Receivable Value and (ii) the Inventory Value.

1.2 Currency

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States dollars.

1.3 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section, Exhibit or Schedule refers to the specified Article, Section, Exhibit or Schedule of or to this Agreement.

1.4 Number, Gender and Persons

In this Agreement, words importing the singular number only shall include the plural and *vice versa*, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind whatsoever.

1.5 Interpretation of Certain Non-Capitalized Terms

The words "including" and "includes", when used in this Agreement, mean "including, without limitation" and "includes, without limitation", respectively.

1.6 Legislation

A reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or re-enactment thereof, any legislative provision substituted therefore and all regulations and statutory instruments thereunder or pursuant thereto.

1.7 Time

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

1.8 No Strict Construction

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

1.9 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule 1.1(a)	-	Form of Approval and Vesting Order
Schedule 1.1(b)	-	Bidding Procedures
Schedule 1.1(c)	-	Permitted Encumbrances
Schedule 2.1(a)	-	Equipment
Schedule 2.1(b)	-	Intellectual Property
Schedule 2.1(c)	-	Assumed Contracts
Schedule 2.1(d)	-	Inventory
Schedule 2.7	-	Accounts Receivable Valuation Methodology

ARTICLE 2
PURCHASE AND SALE

2.1 Purchased Assets

Subject to the provisions of this Agreement, the Seller agrees to sell, assign and transfer to the Purchaser at the Time of Closing, free and clear of all Encumbrances (other than Permitted Encumbrances), and the Purchaser agrees to purchase, acquire and accept from the Seller, all of the Corporation's right, title and interest in and to the property and assets of the Corporation of every kind and description, and wherever situated, used in respect of the Business, other than the Excluded Assets (collectively, the "**Purchased Assets**"), including the following:

(a) Equipment. All equipment, fixtures, furniture, machinery, molds, tooling and other fixed assets of the Corporation used in connection with the Business (collectively, the "**Equipment**"), including those listed on Schedule 2.1(a);

(b) Intellectual Property. All right, title and interest of the Corporation in and to intellectual property of any nature owned or controlled by the Corporation, including all trade names, business names, domain names, trademarks, proposed trademarks, certification marks, distinguishing guises, industrial designs, copyrights, formulae, processes, research data, technical expertise, technical data, know-how, trade secrets, inventions, patents, patent continuations, re-examinations, continuations-in-part, divisions, reissues, extensions whether domestic or foreign and whether registered or unregistered, and all applications for registration in respect of any of the aforesaid and any Software (to the extent transferrable), owned by, licensed to or used by the Corporation, including those listed on Schedule 2.1(b) (collectively, the "**Intellectual Property**");

(c) Contracts. Subject to Section 2.2(j), the full benefit of those Contracts listed on Schedule 2.1(c) (collectively, the "**Assumed Contracts**"), together with the Seller's and the Corporation's rights under any confidentiality agreements or non-disclosure agreements entered into between the Seller and any potential purchaser of the Purchased Assets or Business, including any such agreements with Qualified Bidders (collectively, the "**Confidentiality Agreements**");

(d) Inventory. The following inventory of the Corporation consisting of: (i) Prime 6" & 8" Standard and 90 Degree corners manufactured in 2013; and (ii) Webs for Prime 6" & 8" Prime Standard and 90 Degree corner products manufactured in 2013, in each case as listed on Schedule 2.1(d) (the "**Inventory**");

(e) Accounts Receivable. All accounts receivable, accounts or monetary obligations owing to the Corporation, including any security for payment and all related agreements but excluding: (i) all accounts receivable, accounts and monetary obligations owing to the Corporation in respect of that portion of the Business relating to installed commercial industrial projects; (ii) all accounts receivable aged greater than 60 days as at the Closing Date; (iii) the property and assets set out in Section 2.2(f); and (iv) all inter-company accounts receivable, accounts and monetary obligations among or between the entities comprising the Corporation ("**Accounts Receivable**");

(f) Product Materials. All product and equipment manuals, quality control manuals, designs, engineered designs, product picture gallery, production processes, code and testing documents, prescriptive design tables, architectural details, specifications, product certifications, formulae or enhancements and other technological developments and production techniques ("**Product Materials**");

(g) Customer Information. All customer lists and files, sales histories and project bids (historical, pending and/or contracted) relating to the Business;

(h) Business Plans. Business and marketing plans, including trade show and marketing displays and all other marketing materials relating to the Business;

(i) Internet Accounts. All internet web sites and, to the extent transferrable, social media accounts relating to the Business, including all product pictures, marketing materials, building plans, designs and drawings posted thereon that do not form part of the Intellectual Property;

(j) Books and Records. All information in any form relating to the Business, including books of account, financial and accounting information and records, personnel records, tax records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, business reports, laboratory reports and logs, plans and projections, marketing and advertising materials and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices) (collectively, the "**Books and Records**").

2.2 Excluded Assets

The Purchased Assets shall not include the following property and assets (collectively, the "**Excluded Assets**"):

(a) all cash on hand, cash equivalents and bank deposits;

(b) the accounts receivable specifically excluded from Accounts Receivable in Section 2.1(e);

(c) all deposits and prepaid expenses;

(d) all real property leased or owned by the Corporation, including any leasehold improvements;

(e) all investment in deferred compensation;

(f) all income tax instalments paid by the Corporation and the right to receive any refund of income or other taxes paid by the Corporation, and all other Tax assets of the Corporation of any kind whatsoever (including, without limitation, in respect of any Scientific Research and Experimental Development (SRED) tax credits or refunds);

(g) any shares or other equity or debt securities or other interests in any Person;

(h) all Contracts other than the Assumed Contracts and the Confidentiality Agreements, including all industrial, commercial and institutional Contracts;

(i) the corporate seals, articles of incorporation, corporate records, minute books, stock books, tax records and returns, and other records having to do with the

corporate organization of the Corporation; all personnel records that the Seller is required by law to retain in its possession; and all other files, data, information and materials of the Corporation not specifically related to or used in connection with the Business;

(j) Contracts that are not assignable in whole or in part without the consent, approval or waiver of another party or parties to them (a "**Consent**"), where such Consent has not been obtained by the Seller as of the Closing Date on terms satisfactory to the Purchaser;

(k) all Employee Plans;

(l) all express or implied customer or product warranties; and

(m) all inventory of the Corporation that is not Inventory (the "**Excluded Inventory**").

2.3 Assumed Liabilities

Subject to the provisions of this Agreement, the Purchaser agrees, effective at the Time of Closing, to assume and be responsible for and thereafter honour, perform, discharge and pay as and when due only the following obligations and liabilities (collectively, the "**Assumed Liabilities**"):

(a) all debts, liabilities and obligations with respect to the Purchased Assets arising on or after the Closing Date, including all debts, liabilities and obligations and services to be rendered in connection with the Business solely in relation to the Purchased Assets for the period from and after the Closing Date but excluding, for greater certainty, any Taxes of the Corporation;

(b) all debts, liabilities and obligations under the Assumed Contracts arising in respect of the period on or after the Closing Date and not related to any default existing at, prior to or as a consequence of the closing of the transactions herein, and all Cure Costs;

(c) all debts, liabilities and obligations arising on or after the Closing Date in respect of the Transferred Employees, together with the Assumed Vacation Entitlements; and

(d) any Transfer Taxes payable by the Purchaser pursuant to Section 3.2.

2.4 Excluded Liabilities

Other than the Assumed Liabilities, the Purchaser will not assume or have any responsibility with respect to any of the obligations or liabilities of the Corporation, whether or not incurred in connection with the Business or the Purchased Assets. Without limiting the

generality of the foregoing, the Purchaser shall not assume and shall have no obligations in respect of any of the Excluded Assets or with respect to any express or implied customer or product warranties of the Corporation.

2.5 Purchase Price

The Purchase Price (the "**Purchase Price**") payable by the Purchaser to the Seller for the Purchased Assets, exclusive of all applicable Transfer Taxes, shall be the aggregate of: (a) $2.8 million; (b) the Working Capital Amount; and (c) the aggregate dollar value of the Assumed Vacation Entitlements.

2.6 Closing Date Inventory Valuation

On the last Business Day prior to the Closing Date, or such other date as may be agreed by the parties, the Seller shall provide the Purchaser with a listing of the book value of all Inventory, as converted to U.S. dollars using the Bank of Canada's daily noon rate on such date, including raw materials, work-in-process and finished goods (the "**Inventory Value**"). The Purchaser shall then have two (2) days to conduct a joint physical inventory count with the Seller at any location at which the Inventory Value exceeds $50,000 for the purpose of confirming the Inventory Value as at the Closing Date. If an inventory count is conducted, the revised Inventory Value determined pursuant such inventory count shall be the Inventory Value for the purpose of this Agreement; if an inventory count is not conducted, the Inventory Value for the purpose of this Agreement shall be the Inventory Value determined by the Seller in accordance with this Section 2.6.

2.7 Closing Date Accounts Receivable Valuation

(a) The Seller shall prepare and deliver, or cause to be prepared and delivered, to Purchaser three (3) days prior to Closing, a complete and accurate list of the estimated Accounts Receivable as at the Closing Date, valued by the Seller in accordance with Schedule 2.7 (the "**Estimated Accounts Receivable Value**"), together with supporting documentation and calculations. The Seller shall prepare and deliver, or cause to be prepared and delivered, to Purchaser within three (3) days after the Closing Date, a complete and accurate list of the actual Accounts Receivable as at the Closing Date, valued by the Seller in accordance with Schedule 2.7 (the "**Accounts Receivable Value**"), together with supporting documentation and calculations; provided that the Purchaser shall provide the Seller with access to all Books and Records necessary to complete the foregoing.

(b) On or prior to the 10th day after the Purchaser's receipt of the Closing Date Accounts Receivable Value (such ten day period, the "**Objection Period**"), the Purchaser may deliver a written notice (the "**Objection Notice**") to the Seller stating the Purchaser's objections, if any, to the Accounts Receivable Value. Any Objection Notice shall detail the dollar amount and nature of any objection and the basis therefor. Unless the Purchaser delivers an Objection Notice during the Objection Period, the Accounts Receivable Value will be conclusive and binding upon the parties for purposes of determining the adjustment in Section 2.7(d) or 2.7(e), as applicable.

(c) If the Purchaser delivers an Objection Notice during the Objection Period, then the Seller and the Purchaser will negotiate in good faith to resolve any dispute regarding the Accounts Receivable Value. If the Seller and the Purchaser are unable to resolve any disputes regarding the Accounts Receivable Value on or prior to the 10th day after the Seller's receipt of the Objection Notice, then either the Seller or the Purchaser may bring a motion to the Court to have determined the outstanding disputes; provided that no dispute may be continued if not commenced before the Court on or prior to the 20th day after the Purchaser's receipt of the Objection Notice.

(d) In the event that the Accounts Receivable Value (as determined pursuant to this Section 2.7) is less than the Estimated Accounts Receivable Value (such difference, the "**Shortfall Amount**"), the Seller shall forthwith refund to the Purchaser the Shortfall Amount, such amount having been retained by the Seller until final determination of the Accounts Receivable Value.

(e) In the event that the Accounts Receivable Value (as determined pursuant to this Section 2.7) greater than the Estimated Accounts Receivable Value (such difference, the "**Excess Amount**"): the Purchaser shall forthwith pay the Excess Amount to the Seller.

(f) Any payment made pursuant to Section 2.7(d) or 2.7(e) shall be made within two (2) Business Days of the final determination of the Accounts Receivable Value, and shall be treated as an adjustment to the Purchase Price.

(g) Should any Accounts Receivable aged over 60 days be collected by the Purchaser following the Closing Date, the Purchaser shall be entitled to retain 15% of any such collections and shall remit the remainder (85%, less any reasonable out-of-pocket expenses incurred by the Purchaser for which evidence of same is provided to Seller) to the Seller within five (5) Business Days of any such collections. The Purchaser shall provide the Seller with reasonable access to any books and records relating to the excluded accounts receivable so that the Seller can verify whether those amounts have been collected. In the event that the Purchaser collects any Accounts Receivable from a Person that has outstanding Accounts Receivable aged both under and over 60 days, the Purchaser shall: (a) apply such amounts in question to designated invoices; (b) where such Person has not designated one or more invoices to which such amounts apply, make reasonable inquiries of the Person to determine the invoices to which such amounts should be applied; and (c) where such Person does not designate one or more invoices to which such amounts apply despite reasonable inquiries by the Purchaser, apply such amounts to the oldest outstanding invoices.

(h) Should any amounts in respect of Accounts Receivable aged under 60 days be collected or otherwise received by the Seller or the Corporation following the Closing Date, the Seller shall forthwith following receipt by it or by the Corporation of any such amounts pay such amounts to the Purchaser.

(i) Should any amounts in respect of accounts receivable that are Excluded Assets be collected or otherwise received by the Purchaser following the Closing Date, the Purchaser shall forthwith following receipt by it of any such amounts pay such amounts to the Seller.

2.8 Satisfaction of Purchase Price

The Purchase Price shall be paid and satisfied as follows:

(a) At Closing:

(i) by the Purchaser assuming the Assumed Vacation Entitlements;

(ii) by applying the Deposit in satisfaction of a portion of the Purchase Price equal to a corresponding amount; and

(iii) by the Purchaser paying to the Seller by wire transfer of immediately available funds to the account designated in writing by the Seller pursuant to Section 2.9, the aggregate of: (A) $2.5 million (which amount, for greater certainty, is in addition to the Deposit), plus (B) an amount equal to the Inventory Value, plus (C) an amount equal to the Estimated Accounts Receivable Value; and

(b) Within two Business Days of the final determination of the Accounts Receivable Value in accordance with Section 2.7, an additional payment as set forth in Section 2.7(e), if applicable, by the Purchaser paying such amount to the Seller by wire transfer of immediately available funds to the account designated in writing by the Seller pursuant to Section 2.9.

2.9 Deposit

The Purchaser shall pay to the Seller concurrently with execution of this Agreement a deposit in the amount of $300,000 (the "**Deposit**") by wire transfer of immediately available funds to an account designated in writing by the Seller. If this Agreement is the Successful Bid, the Deposit shall be credited and set off against payment of the Purchase Price, as provided for in 2.8. If this Agreement is not the Successful Bid or this Agreement is otherwise terminated in accordance with Sections 11.1 or 11.2, the Seller shall refund the Deposit, without interest, to the Purchaser forthwith upon the closing of the Successful Bid or the termination of this Agreement, as the case may be. If this Agreement is terminated by the Seller in accordance with Section 11.1(b) by reason of a condition set out in Section 5.5(a) or 5.5(b) not being satisfied or waived, the Purchaser shall forfeit the Deposit.

2.10 Allocation of Purchase Price

The Seller and the Purchaser agree to allocate the Purchase Price among the Purchased Assets no later than two (2) Business Days after the Accounts Receivable Value is determined, and they shall report the sale and purchase of the Purchased Assets for all federal,

provincial and local Tax purposes in a manner consistent with such allocation. Without limitation, such allocation shall clearly allocate the Purchase Price as between Purchased Assets situated in Canada and in the United States, and as between each corporate entity that comprises the Corporation.

2.11 Future Inventory Sales by Seller

The Seller shall, prior to selling the Excluded Inventory, notify the Purchaser in writing of its intention to proceed to sell the Excluded Inventory and the Purchaser shall have three (3) Business Days following delivery of such notice by the Seller to confirm to the Seller in writing of the Purchaser's intention to purchase all or any part of such Excluded Inventory (the "**Subsequently Acquired Inventory**") at book value, with book value to be determined in a manner consistent with Section 2.6. For greater certainty, the Purchaser shall pay any and all Taxes (other than taxes on income) arising in connection with the sale of any Subsequently Acquired Inventory. If the Seller is so notified by the Purchaser, it shall sell the Subsequently Acquired Inventory in question to the Purchaser forthwith. Failing receipt by the Seller of such notice of intention to purchase by the Purchaser in accordance with this Section 2.11, and with respect to any remaining Excluded Inventory, the Seller is at liberty to sell such Excluded Inventory in the Seller's discretion (subject to any approval of the Court that may be required) without further notice to the Purchaser.

2.12 No Agreement to Assign

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assumed Contract or any right thereunder to the extent that such Assumed Contract is not assignable under any applicable law without the consent of any other party thereto where the consent of such Person has not been given or received. The Purchaser shall have the obligation to obtain all Consents, and the Seller shall, to the extent reasonable, cooperate with the Purchaser with respect to the Purchaser's obtaining such Consents. If a Consent has not been obtained on or before the Closing Date, the Seller shall be at liberty, in its discretion, to disclaim or repudiate the Assumed Contract for which such Consent was required, and there shall be no adjustment to the Purchase Price.

ARTICLE 3
TAXES AND TAX ELECTIONS

3.1 ETA and QSTA Elections

The Purchaser and the Seller, on behalf of each of the Canadian Corporation and the U.S. Corporation, shall, on the Closing Date, elect jointly under subsection 167(1) of the ETA, under section 75 of the QSTA, and under any similar provision of any applicable federal, provincial or state legislation, in the form prescribed for the purposes of each such provision, in respect of the sale and transfer of the Purchased Assets hereunder situated in Canada, and the Purchaser shall file such elections with Canada Revenue Agency, Revenu Quebec, and any other applicable Governmental Authorities within the time and in the manner required by the applicable law. The Purchaser shall indemnify and hold the Seller, the Canadian Corporation

and the U.S. Corporation (and their respective shareholders, directors, officers and employees) harmless from and against any Taxes payable under the ETA, the QSTA, or other applicable federal, provincial or state legislation and any penalty or interest in respect thereof which may be payable by or assessed against the Seller, the Canadian Corporation or the U.S. Corporation as a result of or in connection with the Seller's failure to collect the applicable Taxes payable under the ETA, the QSTA, or other applicable federal, provincial or state legislation on the sale of the Purchased Assets hereunder situated in Canada, including any such Taxes, penalties and interest arising as a result of any failure or refusal by any Governmental Authority to accept such election or on the basis that any such election was inapplicable, invalid or not properly made.

3.2 Transfer Taxes

The Purchaser shall be liable for and shall pay all federal and provincial sales Taxes (including any HST and retail sales taxes) and all other similar Taxes and duties, fees or other like charges of any jurisdiction ("**Transfer Taxes**") properly payable in connection with the transfer of the Purchased Assets by the Seller to the Purchaser. The Purchaser agrees to indemnify and save the Seller harmless from and against all claims and demands for payment of such Transfer Taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure by the Purchaser to pay such Transfer Taxes when due.

3.3 Income Tax Elections

(a) Section 22 Tax Election. The Purchaser and the Seller, on behalf of the Canadian Corporation, agree to elect jointly in the prescribed form under Section 22 of the Tax Act, and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, and within the time period permitted under the Tax Act and under any other applicable provincial or territorial statute, as to the sale of the Accounts Receivable and to designate in such election or elections an amount equal to the portion of the Purchase Price allocated to such assets pursuant to Section 2.10 as the consideration paid by the Purchaser therefor.

(b) Subsection 20(24) Tax Election. The Purchaser and the Seller, on behalf of the Canadian Corporation, shall, if applicable, jointly execute and file an election under subsection 20(24) of the Tax Act in the manner required by subsection 20(25) of the Tax Act and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the Tax Act and under any other applicable provincial or territorial statute, as to such amount paid by the Seller, on behalf of the Canadian Corporation, to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Seller acknowledge that a portion of the Purchased Assets transferred by the Seller pursuant to this Agreement, having a value equal to the amount elected under subsection 20(24) of the Tax Act and the equivalent provisions of any applicable provincial or territorial statute, is being transferred by the Seller as a payment for the assumption of such future obligations by the Purchaser.

ARTICLE 4
EMPLOYEE MATTERS

4.1 Offers to Employees

Not later than five (5) Business Days prior to the Closing Date, the Purchaser shall offer employment, commencing on the Closing Date and conditional upon the closing of the transactions contemplated herein, to those Employees that the Purchaser may identify in writing to the Seller in its sole discretion prior to such time. The Employees who accept the Purchaser's offer of employment are collectively referred to herein as the "**Transferred Employees**". Each Transferred Employee will be offered continuing employment with the Purchaser on terms that are substantially similar in the aggregate to his or her existing employment by the Corporation, and his or her years of service with the Corporation will be recognized by the Purchaser and his or her Assumed Vacation Entitlements shall be assumed by the Purchaser.

4.2 Employment Letters

Concurrently with the execution of this Agreement, the Purchaser has identified in writing to the Seller by side-letter (the "**Employment Letter**") certain Employees that it intends to make offers of continuing employment pursuant to Section 4.1. In the event that one or more of such Employees does not accept the offer of continuing employment made to him or her by the Purchaser on or before the Closing Date, the Purchaser shall be entitled to the corresponding reduction in the Purchase Price in the amount set out in the Employment Letter; provided, however, that if any of such Employees subsequently accept any form of employment or consulting arrangement with the Purchaser or any Affiliate thereof within six (6) months of the Closing Date, the Purchaser shall be obligated to pay to the Seller forthwith the amount of the reduction in the Purchase Price obtained by the Purchaser in accordance with the Employment Letter.

ARTICLE 5
CLOSING AND CLOSING CONDITIONS

5.1 Transfer

Subject to compliance with the terms and conditions hereof, the transfer of possession of the Purchased Assets shall be deemed to take effect as at the close of business on the Closing Date. The closing shall take place at the offices of Torys LLP, 79 Wellington Street West, 30th Floor, TD Centre, Toronto, Ontario, M5K 1N2.

5.2 Closing Deliveries by Seller

At the Closing Date, the Seller shall deliver or cause to be delivered to the Purchaser:

(a) customary deeds, assignments, bills of sale and other conveyancing documents to which the Seller is a party, to be settled between counsel for the Seller and counsel for the Purchaser, sufficient to transfer the various categories of Purchased Assets, including, without limitation, an assignment and assumption agreement in respect of any Assumed Contracts;

(b) specific assignments of all the right, title and interest of the Corporation in and to the Intellectual Property as may be required for registration purposes;

(c) the elections referred to in Section 3.1 and 3.3;

(d) a receipt for the Purchase Price;

(e) originals of the Books and Records;

(f) a copy of the issued and entered Approval and Vesting Order, together with the Closing Certificate, as referenced therein; and

(g) any other documents required pursuant to this Agreement in form and substance satisfactory to the Purchaser and the Seller, each acting reasonably.

5.3 Closing Deliveries by the Purchaser

At the Closing Date, the Purchaser shall deliver:

(a) the Purchase Price;

(b) customary deeds, assignments, bills of sale and other conveyancing documents to which the Purchaser is a party, to be settled between counsel for the Seller and counsel for the Purchaser, sufficient to transfer the various categories of Purchased Assets, including, without limitation, an assignment and assumption agreement in respect of any Assumed Contracts;

(c) instruments evidencing the Purchaser's assumption of the Assumed Liabilities;

(d) a copy certified by a senior officer of the Purchaser of the articles of incorporation and by-laws of the Purchaser and the resolution of the Purchaser's directors approving the subject matter of this Agreement;

(e) a receipt for the Purchased Assets acknowledging the purchase of the Purchased Assets pursuant to this Agreement;

(f) Consents, if any;

(g) payment or evidence of payment, as the case may be, of all Transfer Taxes required to be paid on the Closing Date pursuant to applicable law or otherwise

pursuant to Section 3.2, if any, and the elections referred to in Section 3.1 and 3.3; and

(h) any other documents required pursuant to this Agreement in form and substance satisfactory to the Purchaser and the Seller, each acting reasonably.

5.4 Conditions of Closing in Favour of the Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Purchaser to be performed or fulfilled at or prior to the Time of Closing and which may be waived in whole or in part by the Purchaser at any time:

(a) Representations and Warranties. The representations and warranties of the Seller contained in this Agreement shall be true and correct in all material respects at the Time of Closing (unless they are expressed to be made only as of an earlier fixed date, in which case they need be true and correct only as of such earlier date);

(b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller and the Corporation at or before the Time of Closing shall have been complied with or performed in all material respects;

(c) No Action or Proceeding. No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Authority to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby;

(d) Injunctions. There shall be in effect no injunction against closing the transactions contemplated by this Agreement entered by a court of competent jurisdiction;

(e) U.S. Recognition Order: The U.S. Recognition Order shall have been obtained, and the operation and effect of such order shall not have been stayed, amended, modified, reversed or dismissed at the Time of Closing;

(f) Documents. The Seller shall have delivered the documents referred to in Section 5.2; and

(g) Customer Terminations. Not more than two (2) of the top five (5) customers of the Corporation, as determined based on the quantum of the Corporation's revenue accounted for by such customers in the past 12 months prior to the date hereof, shall have terminated their agreements or otherwise informed the Seller or the Corporation between the date of execution of this Agreement and the Closing Date (as defined in the Bidding Procedures) that they have, or intend, to permanently cease doing business with the Corporation and such terminated or discontinued business is not transferred by such customers to, or continued with, the Purchaser.

5.5 Conditions of Closing in Favour of the Seller

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Seller, to be performed or fulfilled at or prior to the Time of Closing and which may be waived in whole or in part by the Seller at any time:

(a) Representations and Warranties. The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at the Time of Closing (unless they are expressed to be made only as of an earlier fixed date, in which case they need be true and correct only as of such earlier date);

(b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing shall have been complied with or performed in all material respects;

(c) No Action or Proceeding. No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Authority to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby;

(d) Injunctions. There shall be in effect no injunction against closing the transactions contemplated by this Agreement entered by a court of competent jurisdiction; and

(e) Documents. The Purchaser shall have made the payments and delivered the documents referred to in Section 5.3.

5.6 Other Conditions of Closing in Favour of the Seller and the Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the mutual benefit of each of the Seller and the Purchaser, to be performed or fulfilled at or prior to the Time of Closing:

(a) Bidding Procedures Order. The Bidding Procedures Order shall have been duly granted, and the operation and effect of such order shall not have been stayed, amended, modified, reversed or dismissed at the Time of Closing;

(b) Successful Bid. This Agreement shall be the Successful Bid; and

(c) Approval and Vesting Order. The Approval and Vesting Order shall have been duly granted, and the operation and effect of such order shall not have been stayed, amended, modified, reversed or dismissed at the Time of Closing.

5.7 Risk of Loss

The Purchased Assets shall be at the risk of the Seller until the Closing Date. If before the Closing Date, all or any material part of the Purchased Assets are lost, damaged or

destroyed or are appropriated, expropriated or seized by any Governmental Authority, then the Purchaser shall have the option:

(a) to terminate this Agreement forthwith upon written notice to the Seller to such effect; or

(b) to complete the transactions contemplated by this Agreement, on Closing, and:

(i) reduce the Purchase Price by an amount equal to the cost of repair, or, if destroyed or damaged beyond repair, by an amount equal to the replacement cost of the assets forming part of the Purchased Assets so damaged or destroyed, provided that any proceeds of insurance paid to the Purchaser in respect of such destruction or damage be paid to the Seller immediately upon receipt thereof by the Purchaser; or

(ii) not reduce the Purchase Price and require the Seller to assign to the Purchaser the proceeds of any insurance payable as a result of the occurrence of such loss, damage or destruction and to reduce the Purchase Price by the amount of the replacement cost of the Purchase Assets which were lost, damaged or destroyed less the amount of any proceeds of insurance payable as a result of the occurrence.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with its purchase of the Purchased Assets:

6.1 Residency

The Seller and the Canadian Corporation are not non-residents of Canada for the purposes of the Tax Act.

6.2 Canadian Purchased Assets

None of the Corporation other than the Canadian Corporation and the U.S. Corporation owns Purchased Assets used in, or in respect of, that portion of the Business being carried on in Canada. All of the Purchased Assets owned by the U.S. Corporation are "excluded property" for the purpose of section 116 of the Tax Act.

6.3 HST and QST Registration

The Canadian Corporation is a registrant for purposes of the ETA and its registration number is 86980 3569 RT0001. The Corporation is not a registrant for the purposes of the QSTA.

6.4 Brokers of Finders

There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Seller or made by the Seller on behalf of the Corporation; save and except that the Seller has retained a consultant and the terms and conditions of such consulting arrangement include, *inter alia*, the payment of a bonus by the Seller to the consultant in the event of the successful completion of a sale transaction for the Purchased Assets and/or Business of the Corporation.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser represents and warrants to the Seller as follows and acknowledges and confirms that the Seller is relying on such representations and warranties in connection with its sale of the Purchased Assets:

7.1 Organization

The Purchaser is a corporation validly existing under the laws of the State of Nebraska, U.S.A. and has the corporate power to enter into this Agreement and to perform its obligations hereunder.

7.2 Authorization

This Agreement has been duly authorized, executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

7.3 No Violation

The execution and delivery of this Agreement by the Purchaser and the consummation of the transactions herein provided for will not result in the violation of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Purchaser under: (a) any material contract to which the Purchaser is a party or by which it is bound; (b) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of the Purchaser; or (c) any applicable law, statute, ordinance, regulation or rule.

7.4 Consents and Approvals

There is no requirement for the Purchaser to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement.

7.5 HST Registration

The Purchaser is a registrant for purposes of the ETA whose registration number is 819487265 RT0001. The Purchaser is not a registrant for the purposes of the QSTA.

7.6 Funding

The Purchaser has sufficient liquid assets available to the Purchaser to pay the Purchase Price on the Closing Date and to pay and perform the Assumed Vacation Entitlements as they become due.

7.7 Brokers or Finders

There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Purchaser.

ARTICLE 8
COVENANTS

8.1 Covenants of the Seller

The Seller covenants and agrees with the Purchaser as follows:

(a) until the Time of Closing, it shall furnish the Purchaser and its representatives reasonable access to the Business and the Employees, customers and suppliers and the Purchased Assets at all times during normal business hours, as well as such information within the possession or control of the Seller regarding the Business as the Purchaser and its representatives may reasonably request;

(b) until the Time of Closing, it shall cause to be maintained in full force all policies and contracts of insurance that are now in effect (or renewals thereof, to the extent available at reasonable cost) and under which it, the Business or any of the Purchased Assets are insured;

(c) until the Time of Closing, it shall use All Commercially Reasonable Efforts to preserve the Business and the Purchased Assets; and

(d) it shall use All Commercially Reasonable Efforts to fulfill the conditions set out in Sections 5.4, 5.6(a) and 5.6(c) of this Agreement, and shall cooperate with the Purchaser in its efforts to cause the satisfaction of the conditions set out in Section 5.5 of this Agreement.

8.2 Covenants of the Purchaser

The Purchaser covenants and agrees with the Seller as follows:

(a) it shall use All Commercially Reasonable Efforts to fulfill the conditions set out in Sections 5.5, 5.6(a) and 5.6(c) of this Agreement and shall cooperate with the Seller in its efforts to cause the satisfaction of the conditions set out in Section 5.4 of this Agreement;

(b) for a period of six (6) years following the Closing Date, or such longer period as may be required by law, it shall retain and use reasonable care to preserve the Books and Records and to permit the Seller and its representatives and successors and assigns and any trustee in bankruptcy of the Corporation access to, and to make copies of (at its expense), such Books and Records as any of such Persons may reasonably request; and

(c) upon taking assignment of the Assumed Liabilities, it shall and does hereby indemnify the Seller, its agents, partners and employees from, and hold them harmless against, any loss, liability or expense incurred or suffered by them arising out of or in connection with the Purchaser's failure to pay when due and to perform, observe, discharge and satisfy in accordance with their individual terms, the Assumed Liabilities, including the reasonable costs and expenses of legal counsel in defending itself against any claim made against it hereunder; provided however that such loss, liability or expense is not the result of the gross negligence or wilful misconduct of such indemnified Person.

ARTICLE 9
AS IS, WHERE IS SALE

9.1 "As is, Where is"

The Purchaser acknowledges that the Seller is selling the Purchased Assets on an "as is, where is" basis as they shall exist on the Closing Date and that, as of the date of this Agreement, the Purchaser has completed all of its due diligence in respect of the transactions contemplated by this Agreement and has satisfied itself in all respects as to the Purchased Assets, the Business and the Assumed Liabilities. No reduction in the Purchase Price will be made for any change in the condition, value, quantity, or quality of any of the Purchased Assets from the date hereof to the Closing Date, or otherwise, except as expressly set out herein (including as set out in Sections 4.2 and 5.7). Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the Sale of Goods Act (Ontario), as amended, the Civil Code of Quebec or similar legislation in other jurisdictions do

not apply hereto and have been waived by the Purchaser. Any information provided by the Seller to the Purchaser describing the Purchased Assets, the Business or the Assumed Liabilities has been prepared solely for the convenience of prospective purchasers and is not warranted to be complete, accurate or correct. Unless specifically stated herein, no representation, warranty or condition, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, is being given in this Agreement or in any instrument furnished in connection with this Agreement as to title, outstanding liens, encumbrances, description, merchantability, value, suitability or marketability thereof or in respect of any other matter or thing whatsoever, including the right, title and interest of the Seller, if any, therein. The Purchaser shall be deemed to have relied entirely on its own inspection and investigation in proceeding with the transactions contemplated hereunder. This Section 9.1 shall not merge on the closing of the transaction contemplated herein and is deemed incorporated by reference in all documents delivered pursuant to the terms of this Agreement or in connection with the closing of the transactions contemplated herein. Accordingly, subject to the terms and conditions of this Agreement, the Purchaser will accept the Purchased Assets at the Closing, "as is," "where is," and "with all faults."

ARTICLE 10
BIDDING PROCEDURES

10.1 Bidding Procedures

(a) The Seller and the Purchaser acknowledge that this Agreement and the transactions contemplated hereby are subject to Court approval.

(b) The Seller and the Purchaser acknowledge and agree that the Seller shall apply to the Court by no later than December 23, 2013, or such other date as they may agree, for an order (the "**Bidding Procedures Order**"), inter alia, recognizing this Agreement, and in particular the Purchase Price, as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**") and approving the Bidding Procedures, the payment of the break fee and expense reimbursement in the circumstances set out in Section 10.2, and the parties will use All Commercial Reasonable Efforts to have the Bidding Procedures Order issued. The Purchaser acknowledges and agrees that the Bidding Procedures are in contemplation of determining whether a superior bid can be obtained for the Purchased Assets, the Business and Assumed Liabilities.

10.2 Break Fee and Expense Reimbursement

In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of the Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to: (i) a break fee in the amount of $150,000; and (ii) an expense reimbursement in the amount not to exceed $150,000, in each case payable by the Seller to the Purchaser only in the event that a Successful Bid other than the Stalking Horse Bid is accepted by the Seller, approved by the Court and completed. The expense reimbursement shall be paid only after the Seller has received from the Purchaser documentation establishing

reasonable third party costs that have actually been incurred by the Purchaser in connection with this Agreement and the transactions contemplated herein. The payment of the foregoing amounts shall be approved in the Bidding Procedures Order and shall be payable to the Purchaser out of the sale proceeds derived from and upon completion of the Successful Bid. Each of the parties hereto acknowledges and agrees that the foregoing amounts represent a fair and reasonable estimate of the costs and damages that will be incurred by the Purchaser as a result of non-completion of this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Assets, Business and Assumed Liabilities. For greater certainty, the Seller shall not be liable in its personal capacity for the payment to the Purchaser of the foregoing break fee and expense reimbursement. The Purchaser agrees to indemnify and hold harmless the Seller (and its shareholders, directors, officers and employees) from and against any Tax, interest and penalties assessed, reassessed or imposed upon the Seller or the Corporation as a result of or in connection with the failure to withhold or remit any amount required to be withheld and remitted under Part XIII of the Tax Act in respect the break fee or expense reimbursement payable pursuant to this Section 10.2.

ARTICLE 11
TERMINATION

11.1 Termination of Agreement

This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing Date:

(a) by the Purchaser,

(i) if any of the conditions contained in Sections 5.4 or 5.6 shall not be performed or fulfilled at or prior to the Time of Closing to the satisfaction of the Purchaser, acting reasonably, or otherwise waived by the Purchaser; or

(ii) pursuant to Section 5.7(a), if before the Closing Date, all or any material part of the Purchased Assets are lost, damaged or destroyed,

in which case, the Purchaser may, by notice to the Seller, terminate this Agreement and the obligations of the Seller and the Purchaser under this Agreement shall be terminated;

(b) by the Seller, if any of the conditions contained in Sections 5.5 or 5.6 shall not be performed or fulfilled at or prior to the Time of Closing to the satisfaction of the Seller, acting reasonably, or otherwise waived by the Seller, in which case, the Seller may, by notice to the Purchaser, terminate this Agreement and the obligations of the Seller and the Purchaser under this Agreement shall be terminated; or

(c) by either party if the closing of the transactions herein has not occurred by the close of business on the Closing Date; provided that a party may not terminate this Agreement under this Section 11.1(c) if it has failed to perform any one or more of its material obligations or covenants under this Agreement to be performed at or prior to the Closing Date and the closing of the transactions herein has not occurred because of such failure.

11.2 Automatic Termination of Agreement

In the event that the Stalking Horse Bid is not the Successful Bid, this Agreement shall automatically terminate in accordance with the terms of the Bidding Procedures and the Seller shall return the Deposit to the Purchaser as provided for herein.

ARTICLE 12
MISCELLANEOUS

12.1 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by telecopy, e-mail, or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

(i) if to the Seller:

Duff & Phelps Canada Restructuring Inc.
333 Bay Street, 14th Floor
Toronto, Ontario, M5H 2R2

Attention:	David Sieradzki / Noah Goldstein
Fax No.:	647.497.9473
E-Mail:	david.sieradzki@duffandphelps.com / noah.goldstein@duffandphelps.com

and a copy to:

Torys LLP
79 Wellington Street West
30th Floor, TD South Tower
Toronto, Ontario, M5K 1N2

Attention:	David Bish / Lily Coodin
Fax No.:	416.865.7380
E-Mail:	dbish@torys.com / lcoodin@torys.com

(ii) if to the Purchaser:

Airlite Plastics Co.
6110 Abbott Dr
Omaha NE 68128
USA

Attention:	Patrick J. Kenealy, CFO
Fax No.:	402.408.5100
E-Mail:	PKenealy@airliteplastics.com

with a copy to:

Stikeman Elliott LLP
1155 boul. Rene-Levesque Ouest, 40e Etage
Montreal, Quebec, H3B 3V2

Attention:	Guy P. Martel
Fax No.:	514.397.3222
E-Mail:	gmartel@stikeman.com

(b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day) or, if mailed, on the third (3rd) Business Day following the date of mailing; provided, however, that if at the time of mailing or within three (3) Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 12.1.

12.2 Further Assurances

Each party to this Agreement covenants and agrees that it will at all times after the Closing Date, at the expense of the requesting party, promptly execute and deliver all such documents, including all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

12.3 Survival

Except as otherwise expressly set out herein, the representations and warranties of the parties contained in this Agreement shall merge and expire at the Time of Closing and only the covenants of the parties contained herein to be performed after the Closing Date shall survive the closing of the transactions herein and remain in full force and effect.

12.4 Expenses

Except as otherwise expressly provided herein, all costs and expenses incurred in connection with the negotiation and execution of this Agreement and in closing and carrying out the transactions contemplated hereby shall be paid by the party incurring such cost or expense.

12.5 Enurement and Assignment

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns. The Purchaser may assign its rights under this Agreement in whole or in part to any Affiliate of the Purchaser; provided, however, that any such assignment shall not relieve the Purchaser from any of its obligations hereunder. Otherwise, no party may assign any of its rights or obligations hereunder without the prior written consent of the other party. Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto and their successors and permitted assigns, and no Person, other than the parties hereto and their successors and permitted assigns, shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

12.6 Paramountcy

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

12.7 Commission

The Purchaser agrees to indemnify the Seller 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 transactions herein and the Seller indemnifies the Purchaser for any third party or agent or broker fees or other commissions payable by the Seller on the Purchase Price or otherwise, including those incurred by the Corporation in connection with the transactions contemplated herein.

12.8 Amendment and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented by such party in a writing specifically referencing the provision waived.

12.9 Seller's Capacity

The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including its execution, Duff & Phelps Canada Restructuring Inc. is acting solely in its capacity as Court-appointed receiver of the assets, property and undertaking of the Corporation and not in its personal capacity or any other capacity, and as such, its liability under this Agreement, if any, will be in its capacity as Court-appointed receiver and the Seller and its agents, partners, employees shall have no personal, corporate or other liability of any kind, whether in contract, tort or otherwise.

12.10 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement. Execution and delivery of this Agreement may be made and evidenced by facsimile or other electronic transmission.

12.11 Entire Agreement

This Agreement together with the exhibits and schedules hereto and the other documents executed in connection herewith embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior oral or written agreements and understandings relating to the subject matter hereof. There are no promises, conditions, representations, warranties, covenants, understandings or other agreements of any kind, oral or written, express, implied or collateral, between the parties in connection with the subject matter of this Agreement except as expressly set out herein and in any other documents executed in connection herewith. Any cost estimates, projections or other predictions contained in or referred to in any other material that has been provided to the Purchaser or its agents, advisors, employees or representatives are not and shall not be deemed to be representations or warranties of the Seller, the Corporation or any of their respective agents, advisors, employees or representatives.

12.12 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any

manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

12.13 Applicable Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

[The next page is the signature page.]

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first written above.

AIRLITE PLASTICS CO.

by Patrick J. Keneally
Name: Patrick J. Keneally
Title: Chief Financial Officer

DUFF & PHELPS CANADA RESTRUCTURING INC., in its capacity as the Court-appointed Receiver of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, Unisas Holdings, LLC, and Eco-Block International, LLC, and not in its personal capacity

by _____
Name:
Title:

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first written above.

AIRLITE PLASTICS CO.

by _____
Name:
Title:

DUFF & PHELPS CANADA RESTRUCTURING INC., in its capacity as the Court-appointed Receiver of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, Unisas Holdings, LLC, and Eco-Block International, LLC, and not in its personal capacity

by _____
Name: Mitch Vininsky
Title: Director

Schedule 1.1(a)

Form of Approval and Vesting Order

Court File No. CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 29th
	)	
JUSTICE ■	)	DAY OF JANUARY, 2014

B E T W E E N:

COMERICA BANK

Applicant

- and –

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Duff & Phelps Canada Restructuring Inc. ("**D&P**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (collectively, the "**ARXX Group**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Airlite Plastics Co. (the "**Purchaser**") dated December 19, 2013, and appended to the Report of the Receiver dated January ■, 2014 (the "**Second Report**"), and vesting in the Purchaser the ARXX Group'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, the Purchaser and Comerica Bank (the "**Bank**"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of ■ sworn December ■, 2013, 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 ARXX Group's right, title and interest in and to the Purchased Assets described in the Sale Agreement, 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 Justice Morawetz dated December 9, 2013; (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 B hereto (all of which are collectively referred to as the "Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the ARXX Group's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the ARXX Group.

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 ARXX Group and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the ARXX Group;

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 ARXX Group and shall not be void or voidable by creditors of the ARXX Group, nor shall it constitute nor be deemed to be a settlement, 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 ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. **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.

Schedule A – Form of Receiver's Certificate

Court File No. CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

COMERICA BANK

Applicant

- and –

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Morawetz of the Ontario Superior Court of Justice [Commercial List] (the "**Court**") dated December 9, 2013, Duff & Phelps Canada Restructuring Inc. ("**D&P**") was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (collectively, the "**ARXX Group**").

B. Pursuant to an Order of the Court dated January ■, 2014, the Court approved the agreement of purchase and sale made as of December 19, 2013 (the "**Sale Agreement**"), between the Receiver and Airlite Plastics Co. (the "**Purchaser**") and provided for the vesting in the Purchaser of the ARXX Group'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 Article 5

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 Article 5 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 _____ on _____.

Duff & Phelps Canada Restructuring Inc., in its capacity as Receiver of the undertaking, property and assets of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC, and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Claims

ARXX PPSA Registrations

1. Ontario

DEBTOR(S)	SECURED PARTY	REGISTRATION DATE	REGISTRATION EXPIRY DATE	COLLATERAL CLASSIFICATION
ARXX Building Products Inc.	Comerica Bank	09/20/2010	09/20/2018	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE
ARXX Building Products Inc.	Xerox Canada Ltd.	09/14/2009	09/14/2015	EQUIPMENT, OTHER
ARXX Building Products Inc.	MMV Finance Canada Inc.	01/31/2008	01/31/2018	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE
ARXX Corporation	Comerica Bank	09/20/2010	09/20/2018	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE
ARXX Building Products U.S.A. Inc.	Comerica Bank	09/20/2010	09/20/2018	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE
ECB Holdings, LLC	Comerica Bank	09/20/2010	09/20/2018	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE
APS Holdings, LLC	Comerica Bank	09/20/2010	09/20/2018	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER,

DEBTOR(S)	SECURED PARTY	REGISTRATION DATE	REGISTRATION EXPIRY DATE	COLLATERAL CLASS-IFICATION
				MOTOR VEHICLE
UNISAS Holdings, LLC	Comerica Bank	09/20/2010	09/20/2018	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE
Eco-Block International, LLC	Comerica Bank	09/20/2010	09/20/2018	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE

2. Alberta

DEBTOR(S)	SECURED PARTY	REGISTRATION DATE	REGISTRATION EXPIRY DATE	COLLATERAL CLASS-IFICATION
ARXX Building Products Inc.	Comerica Bank	09/20/2010	09/20/2018	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR
ARX Acquisition Corp.	Gienow Building Products Ltd.	10/30/2003	10/30/2029	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR ALSO A LAND CHARGE (DOES NOT EXPIRE)

3. Quebec

DEBTOR(S)	SECURED PARTY	REGISTRATION DATE	REGISTRATION EXPIRY DATE	COLLATERAL CLASSIFICATION
ARXX Building Products Inc.	Comerica Bank	09/29/2010	09/20/2020	THE UNIVERSALITY OF ARXX BUILDING PRODUCTS INC.'S MOVABLE PROPERTY, PRESENT AND FUTURE, CORPOREAL AND INCORPOREAL, WHEREVER SITUATED
ECB Holdings, LLC	Comerica Bank	09/29/2010	09/29/2020	THE UNIVERSALITY OF ECB HOLDINGS, LLC'S MOVABLE PROPERTY, PRESENT AND FUTURE, CORPOREAL AND INCORPOREAL, WHEREVER SITUATED

COMERICA BANK	and	ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC	Court File No. CV-13-10353-00CL
APPLICANT		RESPONDENTS	

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

APPROVAL AND VESTING ORDER

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2

David Bish (LSUC#: 41629A)
Tel: 416.865.7353

Lily Coodin (LSUC#: 62143S)
Tel: 416.865.7541

Fax: 416.865.7380

Lawyers for Duff & Phelps Canada Restructuring, Inc., in its capacity as the receiver for ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings LLC, and Eco-Block International, LLC

Schedule 1.1(b)

Bidding Procedures

Bidding Procedures

Set forth below are the bidding procedures (the "**Bidding Procedures**") to be employed with respect to the sale (the "**Sale**") of the assets, property and undertakings (the "**Purchased Assets**") of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (the "**Corporation**") by Duff & Phelps Canada Restructuring Inc., in its capacity as the Court-appointed receiver of the Corporation (the "**Receiver**").

On December 27, 2013, the Court issued an order (the "**Bidding Procedures Order**") approving and accepting for the purpose of conducting a "stalking horse" sales process (the "**Stalking Horse Process**") in accordance with these Bidding Procedures that certain asset purchase agreement dated December 19, 2013 (the "**Stalking Horse Bid**") between the Receiver and Airlite Plastics Co. (the "**Stalking Horse Bidder**"), including, without limitation, the payment of a break fee and expense Reimbursement (the "**Break Fee and Expense Reimbursement**") by the Receiver to the Stalking Horse Bidder in accordance with the provisions of the Stalking Horse Bid, and approving these Bidding Procedures.[1] All amounts specified herein are in U.S. dollars.

Subject to Court availability, within three (3) business days following the Auction (defined below), the Receiver shall bring a motion (the "**Sale Approval Motion**") seeking the granting of an order by the Court authorizing and approving the Sale of the Purchased Assets to the Qualified Bidder making the Successful Bid (each as defined below) (the "**Succesful Bidder**") (such order, as approved, the "**Approval and Vesting Order**").

Assets to Be Sold

The Receiver is offering for sale all of the Corporation's right, title and interest in and to all of the Purchased Assets and encourages bids for all or substantially all of the Purchased Assets, in whole but not in part.

The Bidding Process

The Receiver shall: (i) determine whether any person is a Qualified Bidder (as defined below); (ii) coordinate the efforts of Qualified Bidders in conducting their due diligence investigations; (iii) receive offers from Qualified Bidders; and (iv) negotiate any offers made to purchase the Purchased Assets (collectively, the "**Bidding Process**"). The Receiver shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of the Bidding Process, *provided, however*, that the adoption of any rule that materially deviates from these Bidding Procedures shall require the consent of the Stalking Horse Bidder herein.

[1] The Stalking Horse Asset Purchase Agreement is attached as Appendix "B" to the Receiver's First Report.

Participation Requirements

A "**Qualified Bidder**" is a potential bidder that the Receiver determines is likely (based on financial information submitted by the bidder, the availability of financing, experience and other considerations deemed relevant by the Receiver) to be able to consummate a sale if selected as the Successful Bidder. For greater certainty, the Stalking Horse Bidder is, and shall be deemed to be, a Qualified Bidder.

Due Diligence

Any person that wishes to participate in the Bidding Process must: (a) execute and deliver to the Receiver a confidentiality agreement in form and substance acceptable to the Receiver, which confidentiality agreement shall: (i) be in substantially the same form as the confidentiality agreement entered into between the Corporation and the Stalking Horse Bidder; and (ii) expressly permit the assignment of such confidentiality agreement by the Receiver to the Successful Bidder; and (b) be a Qualified Bidder. The Receiver shall not be obligated to furnish information of any kind whatsoever to any Person that the Receiver determines not to be a Qualified Bidder. The Receiver will afford any Qualified Bidder the time and opportunity to conduct reasonable due diligence, subject to the time frames contemplated by these Bidding Procedures. The Receiver will designate a representative to coordinate all reasonable requests for additional information and due diligence access from such Qualified Bidders.

Bid Deadline

A Qualified Bidder that desires to make a bid shall deliver written copies of its bid and the Required Bid Materials (defined below) to each of:

(i) the Receiver, Duff & Phelps Canada Restructuring Inc., 333 Bay Street, 14th Floor, Toronto, Ontario, M5H 2R2, Attn. David Sieradzki; and

(ii) counsel to the Receiver, Torys LLP, 79 Wellington St. W., 30th Floor, Box 270, TD South Tower, Toronto, ON M5K 1N2, Attn.: David Bish,

so that such bid is received by each of the foregoing by not later than 5:00 p.m. (prevailing Eastern time) on January 22, 2014 (the "**Bid Deadline**"). In the event that a bid is determined to be a Qualified Bid (as defined below), the Receiver shall deliver a written copy of any such Qualified Bid and the Required Bid Terms and Materials to the Stalking Horse Bidder's counsel.

Bid Requirements

All bids (other than the Stalking Horse Bid) must include, unless such requirement is waived by the Receiver, the following (collectively, the "**Required Bid Terms and Materials**"):

(i) A base cash purchase price equal to or greater than $3,150,000 (the "**Minimum Bid Amount**"),[2] plus additional consideration that is equal to or greater than the

[2] This is the sum of the Stalking Horse Bid's base cash purchase price, the Break Fee and Expense Reimbursement, and the Overbid Amount (as defined below).

value of the Assumed Liabilities and the Working Capital Amount (as each of those terms is defined in the Stalking Horse Bid);

(ii) A provision stating that the bidder's offer is irrevocably open for acceptance until the first business day after the Purchased Assets have been sold pursuant to the closing of the sale approved by the Court;

(iii) An executed copy of a proposed purchase agreement and a redline of the bidder's proposed purchase agreement reflecting variations from the Stalking Horse Bid (the "**Marked Agreement**"). All Qualified Bids must provide: (a) a commitment to close within one (1) business day after satisfaction of all conditions and a covenant to use all reasonable commercial efforts to satisfy all conditions; and (b) the identity of and contact information for the bidder and full disclosure of any affiliates and any debt or equity financing sources involved in such bid;

(iv) A cash deposit in the amount of not less than $300,000 in the form of a wire transfer, certified cheque or such other form acceptable to the Receiver (the "**Bid Deposit**"), which shall be placed by the Receiver in a non-interest bearing escrow account (the "**Escrow Account**"). Funds shall be disbursed from the Escrow Account only as follows: (i) if the Qualified Bidder is the Successful Bidder at the Auction, its Bid Deposit will be applied to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Qualified Bidder is not the Successful Bidder at the Auction, then its Bid Deposit shall be returned to it forthwith following the expiration of its offer;

(v) A representation of the bidder and written evidence that the bidder has a commitment for financing or other evidence of the proposed purchaser's ability to consummate the proposed transaction, including executed copies of any financing agreements, commitments, guarantees of the payment obligations of the proposed purchaser, and which the Receiver believes to be sufficient to satisfy the bidder's obligations under its proposed agreement submitted by it as provided above;

(vi) The bid shall identify with particularity those contracts of the Corporation with respect to which the bidder seeks to receive an assignment, if any;

(vii) The bid shall not request or entitle the bidder to any transaction or break fee, expense reimbursement, termination or similar type of fee or payment and shall include an acknowledgement and representation of the bidder that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid, and that it did not rely upon any written or oral statement, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Purchased Assets, the financial performance of the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or the Stalking Horse Bid;

(viii) The bid shall not contain any due diligence, financing or regulatory contingencies of any kind, though the bid may be subject to the satisfaction of other specific conditions in all material respects at Closing;

(ix) The bid shall fully disclose the identity of each entity that will be bidding for the Purchased Assets or otherwise participating in connection with such bid, and the complete terms of any such participation;

(x) The bid shall state that the offering party consents to the jurisdiction of the Court;

(xi) The bid shall include evidence of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the submitted purchase agreement of the bidder;

(xii) The bid shall state that the offering party has not acted and will not act in collusion with any other person in connection with its bid; and

(xiii) The bid shall identify with particularity any liabilities being assumed.

A bid received from a Qualified Bidder that includes all of the Required Bid Terms and Materials and is received by the Bid Deadline is a "**Qualified Bid**". The Receiver reserves the right to determine the value of any Qualified Bid, and which Qualified Bid constitutes the best offer (the "**Lead Bid**"). Forthwith after the Bid Deadline, the Receiver, using its reasonable business judgment, shall determine which Qualified Bid shall be the Lead Bid for the purposes of the Auction. A copy of the Lead Bid will be provided to all Qualified Bidders prior to the Auction Date.

Notwithstanding the bid requirements detailed above, the Stalking Horse Bid shall be deemed a Qualified Bid.

Credit Bidding

No person shall be permitted to credit bid the indebtedness owed to them by the Corporation in connection with the making of a Qualified Bid or in the conduct of the Auction.

"As Is, Where Is, With All Faults"

The sale of the Purchased Assets shall be on an "as is, where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Receiver or its agents, representatives, partners or employees, or any of the other parties participating in the sales process pursuant to these Bid Procedures, except as may otherwise be provided in a definitive purchase agreement with the Receiver. By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or

guarantees, express, implied, statutory or otherwise, regarding the Purchased Assets, the financial performance of the Purchased Assets or the physical condition or location of the Purchased Assets, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or as set forth in a definitive purchase agreement with the Receiver.

Free of Any and All Liens

Except as otherwise provided in the Stalking Horse Bid or another Successful Bidder's purchase agreement, and subject to any permitted encumbrances therein, all of the Corporation's right, title and interest in and to the Purchased Assets shall be sold free and clear of all liens and encumbrances pursuant to the Approval and Vesting Order.

The Auction and Auction Procedures

If one or more Qualified Bids (other than that submitted by the Stalking Horse Bidder) have been received by the Receiver on or before the Bid Deadline, the Receiver shall conduct an auction (the "**Auction**") to determine the highest and/or best bid with respect to the Purchased Assets, with the Lead Bid as the starting bid for the Auction. The Auction shall be conducted at the offices of Torys LLP (the "**Auction Site**") at 11 a.m. (prevailing Eastern time) on January 24, 2014 (the "**Auction Date**"), or such other place and time as the Receiver shall notify all Qualified Bidders who have submitted Qualified Bids and expressed their intent to participate in the Auction as set forth above.

If no Qualified Bid is submitted by the Bid Deadline or all Qualified Bids that have been submitted have been withdrawn prior to the Bid Deadline or the Auction Date, then the Receiver shall cancel the Auction (in which case, the Stalking Horse Bid shall be the Successful Bid, and the Stalking Horse Bidder shall be the Successful Bidder).

Attendance at Auction: Only authorized representatives of Qualified Bidders (including the Stalking Horse Bidder) and their legal and financial advisors, and such other persons as expressly invited by the Receiver, may attend at the Auction.

Conduct of Auction: Except as otherwise provided herein, based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Receiver determines is relevant, the Receiver may conduct the Auction in any manner that it determines will achieve the maximum value for the Purchased Assets, provided that all Qualified Bidders that have timely submitted a Qualified Bid shall be entitled to be present during each round of bidding, the identity of each such Qualified Bidder shall be disclosed to all other Qualified Bidders, and all material terms of each Qualified Bid and each subsequent bid made by each such Qualified Bidder shall be disclosed to all other Qualified Bidders. The Receiver may set opening bid amounts in each round of bidding as the Receiver determines to be appropriate.

Overbid Amount; Minimum Bid Increment: There shall be an overbid amount that a Qualified Bidder must bid to exceed the Stalking Horse Bid ("**Overbid Amount**"), and that amount shall be at least $50,000 for all bids made by Qualified Bidders. At the Auction, the bidding shall begin with the Lead Bid as the opening bid and all subsequent bids shall not be less

than $25,000 in excess of the preceding bid (the "**Minimum Bid Increment**"), unless modified by the Receiver in subsequent rounds of bidding; provided however that the Minimum Bid Increment shall at no time be less than $10,000. In each round of bidding, the Receiver will take into account the fact that the Break Fee and Expense Reimbursement is not payable with respect to the Stalking Horse Bid but is payable with respect to any other Qualified Bidder's offer. During each round of bidding, all bids made must comply with the conditions for a Qualified Bid (save that the Bid Deadline shall not apply).

Receiver To Determine Highest and/or Best Bid: The Receiver shall determine, in its reasonable business judgment, which Qualified Bid is the Lead Bid and, at the Auction, which bid after each round of bidding is the then-prevailing highest and/or best bid. In making such determination, the Receiver may consider, without limitation: (i) the amount and nature of the consideration; (ii) the proposed assumption of liabilities, if any; (iii) the ability of the Qualified Bidder in question to close the proposed transaction; (iv) the number of employees to be employed by the Qualified Bidder pursuant to the proposed transaction; (v) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (vi) any purchase price adjustment; (vii) the net economic effect of any changes made to the Stalking Horse Bid; and (viii) such other considerations as the Receiver deems relevant in its reasonable business judgment. At the end of each round of bidding at the Auction, the Receiver shall announce the material terms of the then highest and/or best bid, and the basis for calculating the total consideration offered in such bid. The Receiver may, at any time, make one or more adjournments to the Auction. If at the end of any round of bidding a Qualified Bidder has elected not to submit a further bid meeting the criteria set out herein (including the Minimum Bid Increment), then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction or in any subsequent round and shall leave the Auction.

Successful Bid: Upon conclusion of the bidding, the Auction shall be closed and the Receiver shall immediately review the final bids made in the final round of bidding (if more than one such bid was made) in order to determine the highest and/or best bid (the "**Successful Bid**").

Highest versus Best Bids

In determining the Lead Bid, the highest and/or best bid during each round of the Auction, and the Successful Bid, the Receiver is not required to select the bid that is the highest bid and may, exercising its reasonable business judgment, select another bid on the basis that it is the best bid even though not the highest bid in value. Without limiting the foregoing, the Receiver may give such weight to cash versus non-cash consideration set out in any bid (including, without limitation, assumed liabilities and the continuation of employment of the Corporation's employees) as it determines, exercising its reasonable business judgment, is appropriate and reasonable.

Break Fee and Expense Reimbursement

To provide an incentive and to compensate the Stalking Horse Bidder for performing the substantial due diligence and incurring the expenses necessary in entering into the Stalking Horse Bid with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Receiver has agreed to pay the Stalking Horse Bidder, under the conditions

outlined herein and in the Stalking Horse Bid, the Break Fee in the amount of $150,000 and an Expense Reimbursement on account of its reasonable and documented fees and expenses, up to a maximum of $150,000. The Receiver will take into account the Break Fee and Expense Reimbursement in each round of bidding with respect to the Stalking Horse Bidder.

The Break Fee and Expense Reimbursement were material inducements for, and a condition of, the Stalking Horse Bidder's entry into the Stalking Horse Bid. The Break Fee and Expense Reimbursement, if payable in accordance with the Stalking Horse Bid, shall be paid in accordance with the Stalking Horse Bid and the Bidding Procedures Order.

Sale Approval Motion Hearing

The Sale Approval Motion shall, subject to court availability, be made returnable on or before January 29, 2014, at 10:00 a.m. (prevailing Eastern Time) in the Court. A hearing to recognize the Approval and Vesting Order in the United States pursuant to Chapter 15 of the U.S. Bankruptcy Code, shall, if so required by the Successful Bidder, and subject to court availability, be made returnable on or before January 31, 2014, at 10:00 a.m. (prevailing Eastern Time) in the United States Bankruptcy Court for the District of Delaware. The Receiver, in the exercise of its business judgement, reserves its right to the extent consistent with the Stalking Horse Bid to change the date of the hearing of Sale Approval Motion and/or the U.S. recognition hearing in order to achieve the maximum value for the Assets.

At the hearing of the Sale Approval Motion, the Receiver shall, among other things, seek approval from the Court to consummate the Successful Bid.

Acceptance of Qualified Bids

The sale of the Purchased Assets to any Successful Bidder by the Receiver is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Sale Approval Motion. The Receiver's presentation of the Successful Bid to the Court for approval does not obligate the Receiver to close the transaction contemplated by such Successful Bid unless and until the Court approves the Successful Bid. The Receiver will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing on the Sale Approval Motion.

Miscellaneous

The Auction and these Bidding Procedures are solely for the benefit of the Receiver and nothing contained in the Bidding Procedures Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any bidder or Qualified Bidder, and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Bidding Procedures Order. The bid protections incorporated in these Bidding Procedures are solely for the benefit of the Stalking Horse Bidder.

Except as provided in the Bidding Procedures Order and Bidding Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Bidding Procedures Order, the Stalking Horse Process and the Bidding Procedure.

Schedule 1.1(c)

Permitted Encumbrances

None.

Schedule 2.1(a)

Equipment

Owned By	Mold ID	Location Name	Description
Arxx Building Products Inc.	1143	Fourmark, ON	8" WEB EXPOSED XX
Arxx Building Products Inc.	1139	Fourmark, ON	6" EXPOSED WEB XX
Arxx Building Products Inc	1165	Fourmark, ON	6"-8" CORNER TAB PRIME
Arxx Building Products Inc	1166	Fourmark, ON	4" WEB EXPOSED PRIME
Arxx Building Products Inc	1167	Fourmark, ON	6" WEB 1 SIDE PRIME
Arxx Building Products Inc	1168	Fourmark, ON	6" WEB 1 SIDE PRIME
Arxx Building Products Inc	1170	Fourmark, ON	6" WEB 2 SIDE PRIME
Arxx Building Products Inc	1171	Fourmark, ON	6" WEB EXPOSED PRIME
Arxx Building Products Inc	1172	Fourmark, ON	6" WEB EXPOSED XX PRIME
Arxx Building Products Inc	1173	Fourmark, ON	8" WEB 1 SIDE PRIME
Arxx Building Products Inc	1175	Fourmark, ON	8" WEB 2 SIDE PRIME
Arxx Building Products Inc	1176	Fourmark, ON	8" WEB EXPOSED PRIME
Arxx Building Products Inc	1177	Fourmark, ON	8" WEB EXPOSED XX PRIME
Arxx Building Products Inc	1178	Fourmark, ON	10" WEB 1 SIDE PRIME
Arxx Building Products Inc	1179	Fourmark, ON	10" WEB 1 SIDE PRIME
Arxx Building Products Inc	1192	Fourmark, ON	6" WEB EXPOSED SUPER X PRIME
Arxx Building Products Inc	1193	Fourmark, ON	6" WEB EXPOSED SUPER X PRIME
Arxx Building Products Inc	1194	Fourmark, ON	8" WEB EXPOSED SUPER X PRIME
Arxx Building Products Inc	1195	Fourmark, ON	8" WEB EXPOSED SUPER X PRIME
Arxx Building Products Inc	1140	Drader Manufacturing Industries Ltd, AB	6" EXPOSED WEB
Arxx Building Products Inc	1141	Drader Manufacturing Industries Ltd, AB	6" WEB 1 SIDE
Arxx Building Products Inc	1142	Drader Manufacturing Industries Ltd, AB	8" WEB EXPOSED
Arxx Building Products Inc	1144	Drader Manufacturing Industries Ltd, AB	10" ARROW
Arxx Building Products Inc	1146	Drader Manufacturing Industries Ltd, AB	6"-8" CORNER STRAP
Arxx Building Products Inc	1111	Terrassee-Vaudreuil Tool Shop, QC	6" CORNER PRIME
Arxx Building Products Inc.	1112	Terrassee-Vaudreuil Tool Shop, QC	6" CORNER PRIME
Arxx Building Products Inc	1113	Terrassee-Vaudreuil Tool Shop, QC	6" STRAIGHT PRIME
Arxx Building Products Inc	1115	Terrassee-Vaudreuil Tool Shop, QC	8" CORNER PRIME
Arxx Building Products Inc	1116	Terrassee-Vaudreuil Tool Shop, QC	8" STRAIGHT PRIME
Arxx Building Products Inc	1117	Terrassee-Vaudreuil Tool Shop, QC	8" STRAIGHT PRIME
Arxx Building Products Inc	1008	Terrassee-Vaudreuil, QC	6" END CAP
Arxx Building Products Inc	1009	Terrassee-Vaudreuil, QC	6" HEIGHT ADJUSTER
Arxx Building Products Inc	1013	Terrassee-Vaudreuil, QC	10" STRAIGHT PRIME
Arxx Building Products Inc	1057	Terrassee-Vaudreuil, QC	8" STRAIGHT PRIME
Arxx Building Products Inc	1121	Terrassee-Vaudreuil, QC	6" CORNER PRIME
Arxx Building Products Inc	1122	Terrassee-Vaudreuil, QC	6" CORNER PRIME
Arxx Building Products Inc	1124	Terrassee-Vaudreuil, QC	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1015	AK Foam Fusion LLC, AK	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1016	AK Foam Fusion LLC, AK	6" CORNER PRIME
Arxx Building Products USA Inc	1017	AK Foam Fusion LLC, AK	8" CORNER PRIME
Arxx Building Products USA Inc	1018	AK Foam Fusion LLC, AK	8" STRAIGHT PRIME
Arxx Building Products USA Inc	1091	AK Foam Fusion LLC, AK	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1064	Benchmark, SD	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1066	Benchmark, SD	8" STRAIGHT PRIME
Arxx Building Products USA Inc	1093	Benchmark, SD	8" CORNER PRIME NEW FURTAB

Owned By	Mold ID	Location Name	Description
Arxx Building Products USA Inc	1094	Benchmark, SD	8" STRAIGHT PRIME
Arxx Building Products USA Inc	1096	Colorado Spring, CO	6" ADJUSTIBLE CORNER
Arxx Building Products USA Inc	1098	Colorado Spring, CO	6" BRICKLEDGE PRIME
Arxx Building Products USA Inc	1099	Colorado Spring, CO	6" TAPERTOP PRIME
Arxx Building Products USA Inc	1101	Colorado Spring, CO	8" END CAP PRIME
Arxx Building Products USA Inc	1002	Diversified Plastics, Missouri	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1065	Diversified Plastics, Missouri	8" CORNER PRIME
Arxx Building Products USA Inc	1169	Diversified Plastics, Missouri	6" WEB 12"HIGH PRIME
Arxx Building Products USA Inc	1174	Diversified Plastics, Missouri	8" WEB 12" HIGH PRIME
Arxx Building Products USA Inc	1063	Diversified, MS	6" CORNER PRIME
Arxx Building Products USA Inc	1075	Diversified, MS	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1019	Edmonton, AB	6" CORNER PRIME new furtab
Arxx Building Products USA Inc	1020	Edmonton, AB	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1000	Erie, PA	6" CORNER 12" HIGH PRIME
Arxx Building Products USA Inc	1001	Erie, PA	6" STRAIGHT 12" HIGH PRIME
Arxx Building Products USA Inc	1003	Erie, PA	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1012	Erie, PA	10" CORNER PRIME
Arxx Building Products USA Inc	1049	Erie, PA	6" 45 DEG CORNER PRIME
Arxx Building Products USA Inc	1050	Erie, PA	6" CORNER PRIME
Arxx Building Products USA Inc	1051	Erie, PA	6" CORNER PRIME
Arxx Building Products USA Inc	1052	Erie, PA	6" BRICKLEDGE PRIME
Arxx Building Products USA Inc	1053	Erie, PA	6" TAPERTOP PRIME
Arxx Building Products USA Inc	1054	Erie, PA	8" 45 CORNER PRIME
Arxx Building Products USA Inc	1055	Erie, PA	8" CORNER PRIME
Arxx Building Products USA Inc	1056	Erie, PA	8" BRICKLEDGE PRIME
Arxx Building Products USA Inc	1102	Erie, PA	8" CORNER 12" HIGH PRIME
Arxx Building Products USA Inc	1103	Erie, PA	8" STRAIGHT 12" HIGH PRIME
Arxx Building Products USA Inc	1137	Erie, PA	4" CORNER PRIME
Arxx Building Products USA Inc	1138	Erie, PA	4" STRAIGHT PRIME
Arxx Building Products USA Inc	1087	Pardeeville, WI	6" CORNER PRIME
Arxx Building Products USA Inc	1088	Pardeeville, WI	6" CORNER PRIME
Arxx Building Products USA Inc	1089	Pardeeville, WI	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1092	Pardeeville, WI	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1021	Post Falls, ID	6" CORNER PRIME
Arxx Building Products USA Inc	1022	Post Falls, ID	6" STRAIGHT PRIME
Arxx Building Products USA Inc	1023	Post Falls, ID	8" CORNER PRIME
Arxx Building Products USA Inc	1024	Post Falls, ID	8" STRAIGHT PRIME
Arxx Building Products USA Inc	1118	Post Falls, ID	4" CORNER PRIME NEW
Arxx Building Products USA Inc	1119	Post Falls, ID	4" STRAIGHT PRIME NEW
Eco Block Holdings, LLC	1106	Colorado Spring, CO	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1107	Colorado Spring, CO	6" CORNER EDGE
Eco Block Holdings, LLC	1108	Colorado Spring, CO	8" CORNER EDGE
Eco Block Holdings, LLC	1109	Colorado Spring, CO	STRAIGHT PANEL 24" HIGH
Eco Block Holdings, LLC	1110	Colorado Spring, CO	8" CORNER EDGE 24" HIGH
Eco Block Holdings, LLC	1067	Diversified, MS	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1010	Erie, PA	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1011	Erie, PA	6" CORNER EDGE
Eco Block Holdings, LLC	1014	Erie, PA	8" CORNER EDGE
Eco Block Holdings, LLC	1148	Fourmark, ON	4" CONNECTOR EDGE
Eco Block Holdings, LLC	1149	Fourmark, ON	5" CONNECTOR EDGE
Eco Block Holdings, LLC	1150	Fourmark, ON	6" CONNECTOR EDGE
Eco Block Holdings, LLC	1151	Fourmark, ON	8" CONNECTOR EDGE
Eco Block Holdings, LLC	1152	Fourmark, ON	SPLICE CONNECTOR EDGE
Eco Block Holdings, LLC	1153	Fourmark, ON	TIE ANCHOR EDGE
Eco Block Holdings, LLC	1154	Fourmark, ON	10" CONNECTOR EDGE

Owned By	Mold ID	Location Name	Description
Eco Block Holdings, LLC	1180	Fourmark, ON	16" BRICKLEDGE WEB EDGE
Eco Block Holdings, LLC	1181	Fourmark, ON	16" WEB EDGE
Eco Block Holdings, LLC	1182	Fourmark, ON	16" FURTAB EDGE - 90 DEG
Eco Block Holdings, LLC	1183	Fourmark, ON	16" FURTAB WEB 45 DEG EDGE
Eco Block Holdings, LLC	1184	Fourmark, ON	24" WEB EDGE
Eco Block Holdings, LLC	1185	Fourmark, ON	CLIP reFIT EDGE
Eco Block Holdings, LLC	1186	Fourmark, ON	SHIM reFIT EDGE
Eco Block Holdings, LLC	1187	Fourmark, ON	24" FURTAB WEB 90 DEG EDGE
Eco Block Holdings, LLC	1188	Fourmark, ON	16" WEB EDGE
Eco Block Holdings, LLC	1062	Jefferson, GA	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1076	Jefferson, GA	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1145	Millennium Service Provider Inc., ON	90 DEG PANEL CONNECTOR EDGE
Eco Block Holdings, LLC	1155	Millennium Service Provider Inc., ON	45 DEG PANEL CONNECTOR EDGE
Eco Block Holdings, LLC	1157	Millennium Service Provider Inc., ON	45 DEG PANEL CONNECTOR 24" EDGE
Eco Block Holdings, LLC	1158	Millennium Service Provider Inc., ON	90 DEG PANEL CONNECTOR EDGE
Eco Block Holdings, LLC	1095	Pardeeville, WI	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1025	Post Falls, ID	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1026	Post Falls, ID	6" CORNER EDGE
Eco Block Holdings, LLC	1027	Post Falls, ID	8" CORNER EDGE
Eco Block Holdings, LLC	1028	Terrassee-Vaudreuil Tool Shop, QC	STRAIGHT PANEL 24" HIGH
Eco Block Holdings, LLC	1029	Terrassee-Vaudreuil Tool Shop, QC	6" CORNER EDGE 24" HIGH
Eco Block Holdings, LLC	1030	Terrassee-Vaudreuil Tool Shop, QC	8" CORNER EDGE 24" HIGH
Eco Block Holdings, LLC	1031	Terrassee-Vaudreuil Tool Shop, QC	8" CORNER EDGE 24" HIGH
Eco Block Holdings, LLC	1068	Terrassee-Vaudreuil Tool Shop, QC	8" CORNER EDGE
Eco Block Holdings, LLC	1077	Terrassee-Vaudreuil Tool Shop, QC	6" CORNER EDGE
Eco Block Holdings, LLC	1127	Terrassee-Vaudreuil, QC	BRICKLEDGE PANEL EDGE
Eco Block Holdings, LLC	1128	Terrassee-Vaudreuil, QC	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1129	Terrassee-Vaudreuil, QC	STRAIGHT PANEL EDGE
Eco Block Holdings, LLC	1130	Terrassee-Vaudreuil, QC	4" CORNER EDGE
Eco Block Holdings, LLC	1131	Terrassee-Vaudreuil, QC	6" 45 DEG CORNER EDGE
Eco Block Holdings, LLC	1132	Terrassee-Vaudreuil, QC	6" CORNER EDGE
Eco Block Holdings, LLC	1133	Terrassee-Vaudreuil, QC	8" CORNER EDGE
Eco Block Holdings, LLC	1134	Terrassee-Vaudreuil, QC	STRAIGHT PANEL 24" HIGH
Eco Block Holdings, LLC	1135	Terrassee-Vaudreuil, QC	8" CORNER EDGE 24" HIGH
Eco Block Holdings, LLC	1136	Terrassee-Vaudreuil, QC	TAPERTOP EDGE
APS Holdings, LLC	1005	Erie, PA	6" CORNER STEEL 12" HIGH
APS Holdings, LLC	1048	Erie, PA	6"-8" 45 DEG CORNER STEEL 12" HIGH
APS Holdings, LLC	1044	Erie, PA	6" STRAIGHT STEEL 24" HIGH
APS Holdings, LLC	1045	Erie, PA	6" CORNER 24" HIGH STEEL
APS Holdings, LLC	1046	Erie, PA	8" STRAIGHT STEEL 24" HIGH
APS Holdings, LLC	1047	Erie, PA	8" CORNER STEEL 24" HIGH
APS Holdings, LLC	1078	Jefferson, GA	6" STRAIGHT STEEL 24" HIGH
APS Holdings, LLC	1080	Jefferson, GA	8" STRAIGHT STEEL 24" HIGH
APS Holdings, LLC	1081	Jefferson, GA	8" CORNER STEEL 24" HIGH
APS Holdings, LLC	1084	Jefferson, GA	6" CORNER STEEL 24" HIGH
APS Holdings, LLC	1085	Jefferson, GA	8" STRAIGHT STEEL 24" HIGH
APS Holdings, LLC	1039	Jerome, ID	6" STRAIGHT STEEL 24" HIGH
APS Holdings, LLC	1040	Jerome, ID	6"-8" 45 DEG CORNER 24" HIGH STEEL
APS Holdings, LLC	1041	Jerome, ID	6" CORNER STEEL 24" HIGH
APS Holdings, LLC	1042	Jerome, ID	8" STRAIGHT STEEL 24" HIGH
APS Holdings, LLC	1043	Jerome, ID	8" CORNER STEEL 24" HIGH
APS Holdings, LLC	1191	Progress Wire, OH	6"-8" STEEL WEB FLATWALL
APS Holdings, LLC	1079	Terrassee-Vaudreuil Tool Shop, QC	6" CORNER 24" HIGH STEEL
APS Holdings, LLC	1082	Terrassee-Vaudreuil Tool Shop, QC	6" STRAIGHT STEEL 24" HIGH
APS Holdings, LLC	1083	Terrassee-Vaudreuil Tool Shop, QC	6"-8" 45 DEG CORNER STEEL 24" HIGH

Owned By	Mold ID	Location Name	Description
APS Holdings, LLC	1086	Terrassee-Vaudreuil Tool Shop, QC	8" CORNER STEEL 24" HIGH
APS Holdings, LLC	1203	Jerome, ID	POLYPRO 12" BRICKLEDGE
APS Holdings, LLC	1160	Millennium Service Provider Inc., ON	FURSTRIP POLYPRO 12" STEEL
APS Holdings, LLC	1159	Millennium Service Provider Inc., ON	FURSTRIP POLYPRO 24" STEEL
APS Holdings, LLC	1161	Millennium Service Provider Inc., ON	4" CONNECTOR POLYPRO STEEL
APS Holdings, LLC	1162	Millennium Service Provider Inc., ON	6" CONNECTOR POLYPRO STEEL
APS Holdings, LLC	1163	Millennium Service Provider Inc., ON	6" CONNECTOR EXT. POLYPRO STEEL
APS Holdings, LLC	1164	Millennium Service Provider Inc., ON	8" CONNECTOR POLYPRO STEEL
APS Holdings, LLC	1059	Erie, PA	6" CORNER STEEL WAFFLE
APS Holdings, LLC	1060	Erie, PA	8" STRAIGHT STEEL WAFFLE
APS Holdings, LLC	1061	Erie, PA	8" CORNER STEEL WAFFLE
APS Holdings, LLC	1071	Erie, PA	6" STRAIGHT STEEL WAFFLE
APS Holdings, LLC	1033	Jerome, ID	10" STRAIGHT STEEL
APS Holdings, LLC	1034	Jerome, ID	10" CORNER STEEL
APS Holdings, LLC	1035	Jerome, ID	6" STRAIGHT STEEL WAFFLE
APS Holdings, LLC	1036	Jerome, ID	6"-8" 45 DEG CORNER STEEL WAFFLE
APS Holdings, LLC	1037	Jerome, ID	8" STRAIGHT STEEL WAFFLE
APS Holdings, LLC	1038	Jerome, ID	8" CORNER STEEL WAFFLE
APS Holdings, LLC	1189	Progress Wire, OH	6" STEEL WEB WAFFLE
APS Holdings, LLC	1190	Progress Wire, OH	8" STEE WEB WAFFLE
APS Holdings, LLC	1058	Terrassee-Vaudreuil Tool Shop, QC	6" STRAIGHT STEEL WAFFLE
APS Holdings, LLC	1069	Terrassee-Vaudreuil Tool Shop, QC	6" STRAIGHT STEEL WAFFLE
APS Holdings, LLC	1070	Terrassee-Vaudreuil Tool Shop, QC	6"-8" 45 DEG CORNER STEEL WAFFLE
APS Holdings, LLC	1072	Terrassee-Vaudreuil Tool Shop, QC	6" CORNER STEEL WAFFLE
APS Holdings, LLC	1073	Terrassee-Vaudreuil Tool Shop, QC	8" STRAIGHT STEEL WAFFLE
APS Holdings, LLC	1074	Terrassee-Vaudreuil Tool Shop, QC	8" CORNER STEEL WAFFLE

Schedule 2.1(b)

Intellectual Property

See attached.

ARXX BUILDING PRODUCTS INC.

TRADEMARKS

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
CA	TMA496,055	A GRADE ABOVE	"Building components, namely prefabricated units for constructing permanent concrete form walls, connecting webs for concrete form walls; strapping for concrete form walls; high density foam building insulation, door and window frames and fittings therefor" "Consulting services in wall and building construction"	06/16/98	06/16/13 – not renewed
CA	TMA446,731	AAB	"Building components; namely, prefabricated units for constructing permanent concrete form walls, connecting webs for concrete form walls" "Consulting services in wall and building construction"	08/25/95	08/25/10 - not renewed Expunged 04/07/11
CA	TMA568,314	ARXX	"Building materials, namely prefabricated units for constructing permanent concrete walls and form walls, connecting webs for concrete walls and form walls, strapping for concrete walls and form walls, foam	10/01/02	10/01/17

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			building insulation, door and window frames and fittings therefor" "Consulting services in wall and building construction; training services in wall and building construction; training builders in the use of insulated concrete wall form systems and their application to specific construction projects"		
CA	TMA568,219	arxx	"Building materials, namely, prefabricated units for constructing permanent concrete walls and form walls, connecting webs for concrete walls and form walls, strapping for concrete walls and form walls, foam building insulation, door and window frames and fittings therefor" "Consulting services in wall and building construction; training services in wall and building construction; training builders in the use of insulated concrete wall form systems and their application to specific construction	09/30/02	09/30/17

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			projects"		
CA	TMA520,491	THE MAXX	"Building components, namely prefabricated units for constructing permanent concrete form walls, connecting webs for concrete form walls; strapping for concrete form walls; high density foam building insulation, door and window frames and fittings therefor" "Consulting services in wall and building construction"	12/14/99	12/14/14
CZ	247112	ARXX	"Building materials, especially prefabricated components and wholes for durable (permanent) concrete wall building and shaped walls, joining ribs (components) for concrete walls and non-metallic shaped walls, joining stirrups, strapping for concrete walls and shaped walls, prefabricated components and wholes including foam building insulations for building of durable (permanent) concrete walls and shaped walls, door and window frames"	09/24/02	Lapsed per Arxx's instructions.

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			"Providing training and instructions in walls and buildings buildup, training of builders about using systems of concrete wall isolation and their use for specific building projects" "Consultant services while walls and buildings construction"		
CZ	247111	arxx	"Building materials, especially prefabricated components and wholes for durable (permanent) concrete wall building and shaped walls, joining ribs (components) for concrete walls and non-metallic shaped walls, joining stirrups, strapping for concrete walls and shaped walls, prefabricated components and wholes including foam building insulations for building of durable (permanent) concrete walls and shaped walls, door and window frames" "Providing training and instructions in walls and buildings buildup, training of builders about using systems of concrete wall isolation and	09/30/02	Lapsed per Arxx's instructions.

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			their use for specific building projects" "Consultant services while walls and buildings construction"		
EU	2108827	ARXX	"Building materials, namely prefabricated units for constructing permanent concrete walls and form walls, connecting webs for concrete walls and form walls, strapping for concrete walls and form walls, foam building insulation, door and window frames and fittings therefor" "Consulting services in wall and building construction" "Training services in wall and building construction; training builders in the use of insulated concrete wall form systems and their application to specific construction projects"	10/31/02	02/28/11 Lapsed per Arxx's instructions.
EU	2108843	arxx	"Building materials, namely prefabricated units for constructing permanent concrete walls and form walls, connecting webs for concrete walls and form walls, strapping for concrete walls and form walls, foam	07/04/03	Lapsed per Arxx's instructions.

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			building insulation, door and window frames and fittings therefor (as far as comprised in class 19" "Consulting services in wall and building construction" "Training services in wall and building construction; training builders in the use of insulated concrete wall form systems and their application to specific construction projects"		
RU	227915	ARXX	"Metal building materials, namely prefabricated units for constructing permanent concrete walls and form walls, connecting webs for concrete walls and form walls, strapping for concrete walls and form walls, door and window frames and fittings thereof" "Building materials (non-metallic), namely prefabricated units for constructing permanent concrete walls and form walls, connecting webs for concrete walls and form walls, strapping for concrete walls and form walls, foam building insulation,	11/14/02	Lapsed per Arxx's instructions.

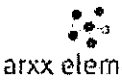
Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			door and window frames and fittings thereof" "Consulting services in wall and building construction" "Training services in wall and building construction; training builders in the use of insulated concrete wall form systems and their application to specific construction projects"		
RU	225810	arxx	"Metal building materials, namely prefabricated units for constructing permanent concrete walls and form walls, connecting webs for concrete walls and form walls, strapping for concrete walls and form walls, door and window frames and fittings thereof" "Building materials (non-metallic), namely prefabricated units for constructing permanent concrete walls and form walls, connecting webs for concrete walls and form walls, strapping for concrete walls and form walls, foam building insulation, door and window frames and fittings	10/28/02	02/28/11 Lapsed per Arxx's instructions.

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			thereof" "Consulting services in wall and building construction" "Training services in wall and building construction; training builders in the use of insulated concrete wall form systems and their application to specific construction projects"		
US	2,583,429	ARXX	"Training services, namely, training builders in the use of insulated concrete wall form systems and their application to specific construction projects"	06/18/02	06/18/22
US	2,583,430	ARXX	"Consulting services in wall and building construction"	06/18/02	06/18/22
US	2,650,175	ARXX	"Building components, namely plastic webs for use in prefabricated units comprised of polystyrene panels connected by plastic webs for forming and constructing concrete walls; and building components, namely prefabricated units comprised of polystyrene panels connected by plastic webs for forming and constructing concrete	11/12/02	11/12/22

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			walls"		
US	2,568,368	arxx	"Consulting services in wall and building construction"	05/07/02	05/07/22
US	2,572,135	arxx	"Training services, namely, training builders in the use of insulated concrete wall form systems and their application to specific construction projects"	05/21/02	05/21/22
US	2,650,267	arxx	"Building components, namely plastic webs for use in prefabricated units comprised of polystyrene panels connected by plastic webs for forming and constructing concrete walls; and building components, namely prefabricated units comprised of polystyrene panels connected by plastic webs for forming and constructing concrete walls"	11/12/02	11/12/22
US	2,330,065	THE MAXX	"Non-metal building materials, namely, prefabricated units for constructing permanent concrete form walls, connecting webs for concrete form walls, strapping for	03/14/00	Cancelled/expired 10/15/10

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			concrete form walls, door and window frames and fittings therefor, and high density foam building insulation sold in connection therewith" "Consulting services in wall and building construction"		
US	3,819,067	ARXX	"Alignment systems to be used with insulated concrete walls, namely, metal beams, metal scaffolding bracket and metal alignment brace." "Wall system consisting of molded expanded polystyrene (EPS) insulation panels that are connected by cross ties for use in wall systems; sealing and insulating materials to control moisture for below grade walls." "Non-metal windows, non-metal doors, and concrete flooring to be used with insulated concrete walls; plastic buck for framing a window and/or door opening in an insulated concrete form; building construction materials, namely,	07/13/10	07/13/16

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			fiber tape and fiber mesh that become a permanent part of the building envelope." "Accessories to be used with insulated concrete walls, namely, non-metal hooks, non-metal claws; non-metal fasteners being bolts, nails, rivets, and screws for foundation wrap." "Consulting services in wall and building construction." "Training services in wall and building construction, training builders in the use of insulated concrete wall form systems and their application to specific construction projects."		
CA	1421412	ARXX ELEMENTS	Wares: (1) Building materials; (2) Publications, namely, publications in the field of wall and building construction; electronic publications, namely, publications in the field of wall and building construction. Services: (1) Training services in	12/11/2008	Abandoned July 16, 2010

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			wall and building construction, training builders in the use of insulated concrete wall form systems and their application to specific construction projects; (2) Consulting services in wall and building construction.		
CA	1421413	ARXX ELEMENTS & Design  	Same as ARXX ELEMENTS (immediately above)	12/11/2008	Abandoned July 16, 2010
CA	1419708 TMA767,424	ARXX Design ARXX	Wares: (1) Building materials; namely, insulation-based wall assembly (2) Publications, namely, publications in the field of wall and building construction; electronic publications, namely, publications in the field of wall and building construction. Services: (1) Training services in wall and building construction, training builders in the use of insulated concrete wall form systems and their application to specific construction projects; (2) Consulting services in wall and building	11/26/2008 Registered on May 19, 2010	05/19/25

Country	Reg./App No.	Mark	Identification of Goods and Services	Reg./Filing Date	Exp. Date
			construction.		
CA	1500536 TMA817,639	ARXX Refit & Design	Thermal Insulation	10/21/2010 Registered on 02/15/2012	02/15/2027

ARXX BUILDING PRODUCTS INC.

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Country	Reg. No.	Claimant	Title	Reg. Date
US	TX0004751225	AAB Building Systems, Inc.	Blue Maxx--stronger, safer, superior : a product of AAB Building Systems, Inc.	10/20/98

APS HOLDINGS, LLC

PATENTS

Serial No.	Patent No. Publication No.	Filing Date	Issue Date Publication Date	Title
United States				
11/618,980	7,827,752	01/02/2007	11/9/2010	Insulating Concrete Form
10/656,359	7,415,804	09/04/2003	8/26/2008	Insulated Concrete Form and Welded Wire Form Tie
07/183,730	4,879,855 (expired)	04/20/1988	11/14/1989	Attachment and Reinforcement Member for Molded Construction Forms
PCT				
PCT/US07/60042	WO 2008/136819	01/03/2007	11/13/2008	Insulated Concrete Form
PCT/US03/27980	WO 2004/022881	09/05/2003	03/18/2004	Insulated Concrete Form and Welded Wire Form Tie
India				
530/KOLNP/2005 (Abandoned)	227334	03/30/2005	1/6/2009	Insulated Concrete Form and Welded Wire Form Tie
Ukraine				
A 2005 02277 (Abandoned)	87,967	03/14/2005	9/10/2009	Insulated Concrete Form and Welded Wire Form Tie
Russian Federation				
2005 108562 (To be abandoned)	2,338,847	04/05/2005	11/20/2008	Insulated Concrete Form and Welded Wire Form Tie
Australia				

Serial No.	Patent No. Publication No.	Filing Date	Issue Date Publication Date	Title
2003 265971 (Abandoned)	2003 265971	03/17/2005	5/7/2009	Insulated Concrete Form and Welded Wire Form Tie
New Zealand				
538974	538974	03/21/2005	12/11/2008	Insulated Concrete Form and Welded Wire Form Tie
Canada				
2498002	2498002	09/05/2003	12/21/2010	Insulated Concrete Form and Welded Wire Form Tie
601,899	1,310,201 (expired)	06/0617989	11/17/1992	Attachment and Reinforcement Member for Molded Construction Forms
2,635,776		01/03/2007	07/11/2007	Insulating Concrete Form
China				
03824529.9 (Abandoned)	1688816 (A)	04/22/2005	10/26/2005	Insulated Concrete Form and Welded Wire Form Tie
European Patent Office				
03794656.3	EP 1540116	04/01/2005	06-16-2005	Insulated Concrete Form and Welded Wire Form Tie
07873295.5	2010734	08/08/2008	10/26/2011 Validated in Great Britain and France	Insulating Concrete Form
Japan				
2004 534707 (abandoned)	2005538280 (T)	03/07/2005	12/15/2005	Insulated Concrete Form and Welded Wire Form Tie

Serial No.	Patent No. Publication No.	Filing Date	Issue Date Publication Date	Title
Mexico				
PA/A/2005/002579	268513	03/04/2005	7/21/2009	Insulated Concrete Form and Welded Wire Form Tie
United Arab Emirates				
689/2008 (To be abandoned)		07/13/2008		Insulating Concrete Form

APS HOLDINGS, LLC

TRADEMARKS

COUNTRY	REG. NO.	MARK	IDENTIFICATION OF GOODS AND SERVICES	REG. DATE	EXP. DATE
WIPO/GB	M876058	POLYSTEEL	"Insulated concrete forms"	01/06/2006	01/06/16
WIPO/GB	M876059	POLYSTEEL WE'RE BUILDING A BETTER WORLD (with design)	"Insulated concrete forms"	01/06/2006	01/06/16
US	3,021,980	POLYPRO	"Insulating concrete forms"	11/29/2005	11/29/15
WIPO/GB	M876057	POLYPRO	"Insulated concrete forms"	01/06/2006	01/06/16

ECB HOLDINGS, LLC

PATENTS

TITLE	FILING DATE	SERIAL NO./ PUBLICATION NO.	PATENT NO/ ISSUE DATE
Concrete Form System	07/24/97	08/899,960	5,887,401 3/30/1999
Insulated Concrete Form (Method of Making Tilt-Up)	01/16/98	09/008,437	6,170,220 1/9/2001
Concrete Form System and Method (Connector Link)	10/25/99	09/426,572	6,314,697 11/13/2001
Concrete Form System and Method (Corner Web Member)	10/25/99	09/427,373	6,318,040 11/20/2001
Concrete Form System and Method (Ledge Assembly)	10/25/99	09/427,374	6,336,301 1/8/2002
Insulated Concrete Form (System & Tilt-Up Structure)	09/01/00	09/654,024	6,363,683 4/2/2002
Tilt-Up Wall (Wet Set Method and Structure with Anchors)	03/29/01	09/821,299	6,481,178 11/19/2002
Concrete Structures Formed Using Texas-T and a Flexible Linking Member	05/03/01	09/848,398	6,609,340 8/26/2003
Latching Design for Web Members and Connectors Used in a Concrete Structure	05/03/01	09/848,595	6,438,918 8/27/2002
Concrete Structure Formed Using Plywood Sheet and EPS Side Panel	05/03/01	09/848,736	6,526,713 3/4/2003

ECB HOLDINGS, LLC

TRADEMARKS

COUNTRY	REG. NO.	MARK	IDENTIFICATION OF GOODS AND SERVICES	FILING DATE	ISSUE DATE	EXP. DATE
US	2,452,783	ECO-Block	"Non-metal insulating concrete forms for use in the construction industry."	12/09/99	05/22/01	05/22/21
CA	531,359	ECO-Block	"Insulating concrete forms for use in the construction industry"	07/09/98	08/17/00	08/17/15
Australia	981,020	ECO-Block	"Building materials (non-metallic); non-metallic insulating concrete forms for use in the construction industry"	12/05/03	11/1/04	12/05/13
NZ	700,660	ECO-Block	"Building materials (non-metallic); non-metallic insulating concrete forms for use in the construction industry"	09/01/03	02/10/05	09/01/13
Kuwait	59,529	ECO-Block	"Non-metal insulating concrete forms for use in the construction industry"	09/24/05	08/16/06	09/23/15
Bahrain	45,664	ECO-Block	"Non-metal insulating concrete forms for use in the construction industry"	10/04/05	05/05/08	10/04/15

ARXX CORPORATION

PATENTS

Country	Application Number	Patent Number	Title
US	12/790,267	8,205,406	Wall Clip and Shim Adapted for Insulating Concrete Walls and Similar Materials
US	13/474,520	8,443,556	Wall Clip and Shim Adapted for Insulating Concrete Walls and Similar Materials
CA	2,732,490		Wall Clip and Shim Adapted for Insulating Concrete Walls and Similar Materials
EP	11167779.5		Wall Clip and Shim Adapted for Insulating Concrete Walls and Similar Materials

Schedule 2.1(c)

Assumed Contracts

None.

Schedule 2.1(d)

Inventory

INVENTORY PART NUMBERS	DESCRIPTIONS
BL06-E-STD PRIME	6" Standard Form
BL08-E-STD PRIME	8" Standard Form
BL06-E-90 PRIME	6" 90° Corner Form
BL08-E-90 PRIME	8" 90° Corner Form
WE06-E-WEBXX	6" Exposed Web XX
WE06-E-WEB	6" Exposed Web
WE08-E-WEB	8" Exposed Web
WE08-E-WEBXX	8" Exposed Web XX

Schedule 2.7

Accounts Receivable Valuation Methodology

The Estimated Accounts Receivable Value and the Accounts Receivable Value are each to be calculated based on aging as at the Closing Date, on the following basis, in each case as converted to U.S. Dollars:

	Accounts Receivable aged 0 – 44 days	Accounts Receivable aged 45 – 60 days	Accounts Receivable aged Over 60 days	Account Receivable from installed Commercial industrial Projects
To be valued at and Purchaser to pay:	Book value less 5%	Book value less 10%	Nil	Nil

INTELLECTUAL PROPERTY

ARXX BUILDING PRODUCTS INC.

PATENTS

Country	Application Number	Patent Number	Title
CA	2,159,318	2,159,318	Concrete Form Walls
CA	2,193,630	2,193,630	Web Member for Concrete Form Walls
CA	2,244,537	2,244,537	Buck for Use With Insulated Concrete Forms
CA	2,256,261	2,256,261	One-Sided Insulated Formwork
CA	2,360,710	2,360,710	Temporary Bracing System for Insulated Wall Form and Method
CA	2,367,016	2,367,016	Bridging Member for Concrete Form Walls
CA	2,389,313	2,389,313	Building Component for Concrete Form Walls Incorporating a Supporting Shelf
CA	2,631,947	2,631,947	One-Sided Insulated Formwork
CA	2,704,828	2,704,828	Bridging Member for Concrete Form Walls
US	08/041,412	5,390,459	Concrete Form Walls
US	08/262,505	5,657,600	Web Member for Concrete Form Walls
US RE	09/374,598	RE 41,994	Web Member for Concrete Form Walls
US	08/772,090	5,809,727	Web Member for Concrete Form Walls
US	09/127,792	6,530,185	Buck for Use with Insulated Concrete Forms
US	09/213,176	6,250,024	Temporary Bracing for Insulated Concrete Form Walls and Method
US	09/218,616	6,314,694	One-Sided Insulated Formwork
US	09/984,668	7,114,296	Temporary Bracing System for Insulated Wall Form and Method
US	10/266,635	7,032,357	Bridging Member for Concrete Form Walls
US	11/295465	7,284,351	Bridging Member for Concrete Form Walls
US	11/856,593	7,654,052	Bridging Member for Concrete Form Walls
US	61/390,882	Expired Provisional	Hinged Corner Form for an Insulating Concrete Form

			System
US	13/267,514	Pending	Hinged Corner Form for an Insulating Concrete Form System
CA	2,754,966	Pending	Hinged Corner Form for an Insulating Concrete Form System

TAB 3

Court File No. CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 27th
	)	
JUSTICE _____	)	DAY OF DECEMBER, 2013

B E T W E E N:

COMERICA BANK

Applicant

- and –

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC

Respondents

APPLICATION UNDER SECTION 243 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

STALKING HORSE SALES PROCESS ORDER

THIS MOTION, made by Duff & Phelps Canada Restructuring Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (collectively, the "**Corporation**"), for an order approving a stalking horse asset purchase agreement and related sales process was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the first report of the Receiver dated December 19, 2013 (the "**First Report**") and the exhibits thereto, filed, the Motion Record and Notice of Motion dated December 20, 2013, filed, the Appointment Order dated December 9, 2013 (the "**Appointment Order**"), and the Factum of the Receiver (the "**Factum**"), filed, and on hearing the submissions of counsel for each of the Receiver, Comerica Bank and Airlite Plastics Co., no one else appearing although duly served as appears from the affidavit of service of Elizabeth Nigro sworn on December 20, 2013:

SERVICE

1. **THIS COURT ORDERS AND DECLARES** that the time for service of the Receiver's Notice of Motion, the Motion Record, the First Report and the Factum is hereby abridged and the manner thereof validated so that this Motion is properly returnable today and hereby dispenses with any further or other service thereof.

MARKETING AND STALKING HORSE PROCESS

2. **THIS COURT ORDERS AND DECLARES** that the Receiver is hereby authorized and directed to enter into an agreement to sell all or substantially all of the assets, property and undertaking of the Corporation (the "**Purchased Assets**") to Airlite Plastics Co. (the "**Stalking Horse Bidder**"), substantially in the form of the agreement attached as Appendix B to the First Report (the "**Stalking Horse Bid**"), and such agreement, subject to the terms of this Order, is hereby approved and accepted for the purpose of conducting the Stalking Horse Process in accordance with the Bidding Procedures (as each of those terms is defined below), including, without limitation, the payment of the break fee and expense reimbursement (as more particularly set out in the Stalking Horse Bid) (the "**Break Fee and Expense Reimbursement**"); provided, for greater certainty, that nothing herein approves the sale of the Purchased Assets on the terms set out in the Stalking Horse Bid, and that the validity of any sale of the Purchased Assets will be determined on a subsequent motion to be held in accordance with the Bidding Procedures.

3. **THIS COURT ORDERS AND DECLARES** that the bidding procedures described in the First Report and attached hereto as Schedule "A" (the "**Bidding Procedures**") and the sale

process and auction described therein (collectively, the "**Stalking Horse Process**") be and are hereby approved and the Receiver is hereby authorized and directed to conduct the Stalking Horse Process, and to execute such documents and take such steps as may be necessary or incidental to the Bidding Procedures and the Stalking Horse Process.

4. **THIS COURT ORDERS AND DECLARES** that, in the event that the Receiver concludes a sale of all or any of the Purchased Assets to a Successful Bidder other than the Stalking Horse Bidder, the Receiver be and is hereby authorized and directed to pay the Break Fee and Expense Reimbursement to the Stalking Horse Bidder in accordance with the terms and conditions of the Stalking Horse Bid.

5. **THIS COURT ORDERS** that in connection with the Stalking Horse Process and pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Receiver may disclose personal information of identifiable individuals to prospective bidders for the Purchased Assets and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete a sale of such assets. Each prospective bidder to whom any 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 said assets and related business, and if it does not complete a purchase thereof, shall return all such information to the Receiver or, in the alternative, shall destroy all such information and certify such destruction to the Receiver. The purchaser of the Purchased Assets shall be entitled to continue to use the personal information provided to it, and related to the Purchased Assets, in a manner that is in all material respects identical to the prior use of such information by the Corporation, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

GENERAL

6. **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, including the conduct of the Stalking Horse Process.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere 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.

Schedule A

Bidding Procedures

Set forth below are the bidding procedures (the "**Bidding Procedures**") to be employed with respect to the sale (the "**Sale**") of the assets, property and undertakings (the "**Purchased Assets**") of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (the "**Corporation**") by Duff & Phelps Canada Restructuring Inc., in its capacity as the Court-appointed receiver of the Corporation (the "**Receiver**").

On December 27, 2013, the Court issued an order (the "**Bidding Procedures Order**") approving and accepting for the purpose of conducting a "stalking horse" sales process (the "**Stalking Horse Process**") in accordance with these Bidding Procedures that certain asset purchase agreement dated December 19, 2013 (the "**Stalking Horse Bid**") between the Receiver and Airlite Plastics Co. (the "**Stalking Horse Bidder**"), including, without limitation, the payment of a break fee and expense Reimbursement (the "**Break Fee and Expense Reimbursement**") by the Receiver to the Stalking Horse Bidder in accordance with the provisions of the Stalking Horse Bid, and approving these Bidding Procedures.[1] All amounts specified herein are in U.S. dollars.

Subject to Court availability, within three (3) business days following the Auction (defined below), the Receiver shall bring a motion (the "**Sale Approval Motion**") seeking the granting of an order by the Court authorizing and approving the Sale of the Purchased Assets to the Qualified Bidder making the Successful Bid (each as defined below) (the "**Succesful Bidder**") (such order, as approved, the "**Approval and Vesting Order**").

Assets to Be Sold

The Receiver is offering for sale all of the Corporation's right, title and interest in and to all of the Purchased Assets and encourages bids for all or substantially all of the Purchased Assets, in whole but not in part.

The Bidding Process

The Receiver shall: (i) determine whether any person is a Qualified Bidder (as defined below); (ii) coordinate the efforts of Qualified Bidders in conducting their due diligence investigations; (iii) receive offers from Qualified Bidders; and (iv) negotiate any offers made to purchase the Purchased Assets (collectively, the "**Bidding Process**"). The Receiver shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of the Bidding Process, *provided, however*, that the adoption of any rule that materially deviates from these Bidding Procedures shall require the consent of the Stalking Horse Bidder herein.

[1] The Stalking Horse Asset Purchase Agreement is attached as Appendix "B" to the Receiver's First Report.

Participation Requirements

A "**Qualified Bidder**" is a potential bidder that the Receiver determines is likely (based on financial information submitted by the bidder, the availability of financing, experience and other considerations deemed relevant by the Receiver) to be able to consummate a sale if selected as the Successful Bidder. For greater certainty, the Stalking Horse Bidder is, and shall be deemed to be, a Qualified Bidder.

Due Diligence

Any person that wishes to participate in the Bidding Process must: (a) execute and deliver to the Receiver a confidentiality agreement in form and substance acceptable to the Receiver, which confidentiality agreement shall: (i) be in substantially the same form as the confidentiality agreement entered into between the Corporation and the Stalking Horse Bidder; and (ii) expressly permit the assignment of such confidentiality agreement by the Receiver to the Successful Bidder; and (b) be a Qualified Bidder. The Receiver shall not be obligated to furnish information of any kind whatsoever to any Person that the Receiver determines not to be a Qualified Bidder. The Receiver will afford any Qualified Bidder the time and opportunity to conduct reasonable due diligence, subject to the time frames contemplated by these Bidding Procedures. The Receiver will designate a representative to coordinate all reasonable requests for additional information and due diligence access from such Qualified Bidders.

Bid Deadline

A Qualified Bidder that desires to make a bid shall deliver written copies of its bid and the Required Bid Materials (defined below) to each of:

(i) the Receiver, Duff & Phelps Canada Restructuring Inc., 333 Bay Street, 14th Floor, Toronto, Ontario, M5H 2R2, Attn. David Sieradzki; and

(ii) counsel to the Receiver, Torys LLP, 79 Wellington St. W., 30th Floor, Box 270, TD South Tower, Toronto, ON M5K 1N2, Attn.: David Bish,

so that such bid is received by each of the foregoing by not later than 5:00 p.m. (prevailing Eastern time) on January 22, 2014 (the "**Bid Deadline**"). In the event that a bid is determined to be a Qualified Bid (as defined below), the Receiver shall deliver a written copy of any such Qualified Bid and the Required Bid Terms and Materials to the Stalking Horse Bidder's counsel.

Bid Requirements

All bids (other than the Stalking Horse Bid) must include, unless such requirement is waived by the Receiver, the following (collectively, the "**Required Bid Terms and Materials**"):

(i) A base cash purchase price equal to or greater than $3,150,000 (the "**Minimum Bid Amount**"),[2] plus additional consideration that is equal to or greater than the

[2] This is the sum of the Stalking Horse Bid's base cash purchase price, the Break Fee and Expense Reimbursement, and the Overbid Amount (as defined below).

value of the Assumed Liabilities and the Working Capital Amount (as each of those terms is defined in the Stalking Horse Bid);

(ii) A provision stating that the bidder's offer is irrevocably open for acceptance until the first business day after the Purchased Assets have been sold pursuant to the closing of the sale approved by the Court;

(iii) An executed copy of a proposed purchase agreement and a redline of the bidder's proposed purchase agreement reflecting variations from the Stalking Horse Bid (the "**Marked Agreement**"). All Qualified Bids must provide: (a) a commitment to close within one (1) business day after satisfaction of all conditions and a covenant to use all reasonable commercial efforts to satisfy all conditions; and (b) the identity of and contact information for the bidder and full disclosure of any affiliates and any debt or equity financing sources involved in such bid;

(iv) A cash deposit in the amount of not less than $300,000 in the form of a wire transfer, certified cheque or such other form acceptable to the Receiver (the "**Bid Deposit**"), which shall be placed by the Receiver in a non-interest bearing escrow account (the "**Escrow Account**"). Funds shall be disbursed from the Escrow Account only as follows: (i) if the Qualified Bidder is the Successful Bidder at the Auction, its Bid Deposit will be applied to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Qualified Bidder is not the Successful Bidder at the Auction, then its Bid Deposit shall be returned to it forthwith following the expiration of its offer;

(v) A representation of the bidder and written evidence that the bidder has a commitment for financing or other evidence of the proposed purchaser's ability to consummate the proposed transaction, including executed copies of any financing agreements, commitments, guarantees of the payment obligations of the proposed purchaser, and which the Receiver believes to be sufficient to satisfy the bidder's obligations under its proposed agreement submitted by it as provided above;

(vi) The bid shall identify with particularity those contracts of the Corporation with respect to which the bidder seeks to receive an assignment, if any;

(vii) The bid shall not request or entitle the bidder to any transaction or break fee, expense reimbursement, termination or similar type of fee or payment and shall include an acknowledgement and representation of the bidder that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid, and that it did not rely upon any written or oral statement, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Purchased Assets, the financial performance of the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or the Stalking Horse Bid;

(viii) The bid shall not contain any due diligence, financing or regulatory contingencies of any kind, though the bid may be subject to the satisfaction of other specific conditions in all material respects at Closing;

(ix) The bid shall fully disclose the identity of each entity that will be bidding for the Purchased Assets or otherwise participating in connection with such bid, and the complete terms of any such participation;

(x) The bid shall state that the offering party consents to the jurisdiction of the Court;

(xi) The bid shall include evidence of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the submitted purchase agreement of the bidder;

(xii) The bid shall state that the offering party has not acted and will not act in collusion with any other person in connection with its bid; and

(xiii) The bid shall identify with particularity any liabilities being assumed.

A bid received from a Qualified Bidder that includes all of the Required Bid Terms and Materials and is received by the Bid Deadline is a "**Qualified Bid**". The Receiver reserves the right to determine the value of any Qualified Bid, and which Qualified Bid constitutes the best offer (the "**Lead Bid**"). Forthwith after the Bid Deadline, the Receiver, using its reasonable business judgment, shall determine which Qualified Bid shall be the Lead Bid for the purposes of the Auction. A copy of the Lead Bid will be provided to all Qualified Bidders prior to the Auction Date.

Notwithstanding the bid requirements detailed above, the Stalking Horse Bid shall be deemed a Qualified Bid.

Credit Bidding

No person shall be permitted to credit bid the indebtedness owed to them by the Corporation in connection with the making of a Qualified Bid or in the conduct of the Auction.

"As Is, Where Is, With All Faults"

The sale of the Purchased Assets shall be on an "as is, where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Receiver or its agents, representatives, partners or employees, or any of the other parties participating in the sales process pursuant to these Bid Procedures, except as may otherwise be provided in a definitive purchase agreement with the Receiver. By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or

guarantees, express, implied, statutory or otherwise, regarding the Purchased Assets, the financial performance of the Purchased Assets or the physical condition or location of the Purchased Assets, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or as set forth in a definitive purchase agreement with the Receiver.

Free of Any and All Liens

Except as otherwise provided in the Stalking Horse Bid or another Successful Bidder's purchase agreement, and subject to any permitted encumbrances therein, all of the Corporation's right, title and interest in and to the Purchased Assets shall be sold free and clear of all liens and encumbrances pursuant to the Approval and Vesting Order.

The Auction and Auction Procedures

If one or more Qualified Bids (other than that submitted by the Stalking Horse Bidder) have been received by the Receiver on or before the Bid Deadline, the Receiver shall conduct an auction (the "**Auction**") to determine the highest and/or best bid with respect to the Purchased Assets, with the Lead Bid as the starting bid for the Auction. The Auction shall be conducted at the offices of Torys LLP (the "**Auction Site**") at 11 a.m. (prevailing Eastern time) on January 24, 2014 (the "**Auction Date**"), or such other place and time as the Receiver shall notify all Qualified Bidders who have submitted Qualified Bids and expressed their intent to participate in the Auction as set forth above.

If no Qualified Bid is submitted by the Bid Deadline or all Qualified Bids that have been submitted have been withdrawn prior to the Bid Deadline or the Auction Date, then the Receiver shall cancel the Auction (in which case, the Stalking Horse Bid shall be the Successful Bid, and the Stalking Horse Bidder shall be the Successful Bidder).

Attendance at Auction: Only authorized representatives of Qualified Bidders (including the Stalking Horse Bidder) and their legal and financial advisors, and such other persons as expressly invited by the Receiver, may attend at the Auction.

Conduct of Auction: Except as otherwise provided herein, based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Receiver determines is relevant, the Receiver may conduct the Auction in any manner that it determines will achieve the maximum value for the Purchased Assets, provided that all Qualified Bidders that have timely submitted a Qualified Bid shall be entitled to be present during each round of bidding, the identity of each such Qualified Bidder shall be disclosed to all other Qualified Bidders, and all material terms of each Qualified Bid and each subsequent bid made by each such Qualified Bidder shall be disclosed to all other Qualified Bidders. The Receiver may set opening bid amounts in each round of bidding as the Receiver determines to be appropriate.

Overbid Amount; Minimum Bid Increment: There shall be an overbid amount that a Qualified Bidder must bid to exceed the Stalking Horse Bid ("**Overbid Amount**"), and that amount shall be at least $50,000 for all bids made by Qualified Bidders. At the Auction, the bidding shall begin with the Lead Bid as the opening bid and all subsequent bids shall not be less

than $25,000 in excess of the preceding bid (the "**Minimum Bid Increment**"), unless modified by the Receiver in subsequent rounds of bidding; provided however that the Minimum Bid Increment shall at no time be less than $10,000. In each round of bidding, the Receiver will take into account the fact that the Break Fee and Expense Reimbursement is not payable with respect to the Stalking Horse Bid but is payable with respect to any other Qualified Bidder's offer. During each round of bidding, all bids made must comply with the conditions for a Qualified Bid (save that the Bid Deadline shall not apply).

Receiver To Determine Highest and/or Best Bid: The Receiver shall determine, in its reasonable business judgment, which Qualified Bid is the Lead Bid and, at the Auction, which bid after each round of bidding is the then-prevailing highest and/or best bid. In making such determination, the Receiver may consider, without limitation: (i) the amount and nature of the consideration; (ii) the proposed assumption of liabilities, if any; (iii) the ability of the Qualified Bidder in question to close the proposed transaction; (iv) the number of employees to be employed by the Qualified Bidder pursuant to the proposed transaction; (v) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (vi) any purchase price adjustment; (vii) the net economic effect of any changes made to the Stalking Horse Bid; and (viii) such other considerations as the Receiver deems relevant in its reasonable business judgment. At the end of each round of bidding at the Auction, the Receiver shall announce the material terms of the then highest and/or best bid, and the basis for calculating the total consideration offered in such bid. The Receiver may, at any time, make one or more adjournments to the Auction. If at the end of any round of bidding a Qualified Bidder has elected not to submit a further bid meeting the criteria set out herein (including the Minimum Bid Increment), then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction or in any subsequent round and shall leave the Auction.

Successful Bid: Upon conclusion of the bidding, the Auction shall be closed and the Receiver shall immediately review the final bids made in the final round of bidding (if more than one such bid was made) in order to determine the highest and/or best bid (the "**Successful Bid**").

Highest versus Best Bids

In determining the Lead Bid, the highest and/or best bid during each round of the Auction, and the Successful Bid, the Receiver is not required to select the bid that is the highest bid and may, exercising its reasonable business judgment, select another bid on the basis that it is the best bid even though not the highest bid in value. Without limiting the foregoing, the Receiver may give such weight to cash versus non-cash consideration set out in any bid (including, without limitation, assumed liabilities and the continuation of employment of the Corporation's employees) as it determines, exercising its reasonable business judgment, is appropriate and reasonable.

Break Fee and Expense Reimbursement

To provide an incentive and to compensate the Stalking Horse Bidder for performing the substantial due diligence and incurring the expenses necessary in entering into the Stalking Horse Bid with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Receiver has agreed to pay the Stalking Horse Bidder, under the conditions

outlined herein and in the Stalking Horse Bid, the Break Fee in the amount of $150,000 and an Expense Reimbursement on account of its reasonable and documented fees and expenses, up to a maximum of $150,000. The Receiver will take into account the Break Fee and Expense Reimbursement in each round of bidding with respect to the Stalking Horse Bidder.

The Break Fee and Expense Reimbursement were material inducements for, and a condition of, the Stalking Horse Bidder's entry into the Stalking Horse Bid. The Break Fee and Expense Reimbursement, if payable in accordance with the Stalking Horse Bid, shall be paid in accordance with the Stalking Horse Bid and the Bidding Procedures Order.

Sale Approval Motion Hearing

The Sale Approval Motion shall, subject to court availability, be made returnable on or before January 29, 2014, at 10:00 a.m. (prevailing Eastern Time) in the Court. A hearing to recognize the Approval and Vesting Order in the United States pursuant to Chapter 15 of the U.S. Bankruptcy Code, shall, if so required by the Successful Bidder, and subject to court availability, be made returnable on or before January 31, 2014, at 10:00 a.m. (prevailing Eastern Time) in the United States Bankruptcy Court for the District of Delaware. The Receiver, in the exercise of its business judgement, reserves its right to the extent consistent with the Stalking Horse Bid to change the date of the hearing of Sale Approval Motion and/or the U.S. recognition hearing in order to achieve the maximum value for the Assets.

At the hearing of the Sale Approval Motion, the Receiver shall, among other things, seek approval from the Court to consummate the Successful Bid.

Acceptance of Qualified Bids

The sale of the Purchased Assets to any Successful Bidder by the Receiver is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Sale Approval Motion. The Receiver's presentation of the Successful Bid to the Court for approval does not obligate the Receiver to close the transaction contemplated by such Successful Bid unless and until the Court approves the Successful Bid. The Receiver will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing on the Sale Approval Motion.

Miscellaneous

The Auction and these Bidding Procedures are solely for the benefit of the Receiver and nothing contained in the Bidding Procedures Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any bidder or Qualified Bidder, and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Bidding Procedures Order. The bid protections incorporated in these Bidding Procedures are solely for the benefit of the Stalking Horse Bidder.

Except as provided in the Bidding Procedures Order and Bidding Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Bidding Procedures Order, the Stalking Horse Process and the Bidding Procedure..

COMERICA BANK	and	ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, ECO-BLOCK INTERNATIONAL, LLC	Court File No. CV-13-10353-00CL
APPLICANT		RESPONDENTS	

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

STALKING HORSE SALES PROCESS ORDER

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ONTARIO
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MOTION RECORD

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