

04270
Action No. 1001-04770

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF COVER-ALL HOLDING CORP., COVER-ALL BUILDING
SYSTEMS INC. AND THOSE ENTITIES LISTED IN SCHEDULE "A" HEREOF

BEFORE THE HONOURABLE
MR. JUSTICE LOVECCHIO

) AT THE CALGARY COURTS CENTRE
) IN THE CITY OF CALGARY, IN THE
) PROVINCE OF ALBERTA, ON
) WEDNESDAY THE 24TH DAY OF
) MARCH, 2010.

I hereby certify this to be a true copy of
the original Order
Dated this 24 day of March 2010
Comer
for Clerk of the Court

INITIAL ORDER

UPON the application of Cover-All Holding Corp., Cover-All Building Systems Inc. and those entities listed in Schedule "A" hereto (the "**Applicants**"), AND UPON having read the Petition, the Affidavit of Nathan Stobbe (the "**Stobbe Affidavit**"); and the Affidavit of Service of Susan M. Scarlett, filed; AND UPON reading the consent of Ernst & Young Inc. to Act as Monitor (the "**Monitor**") and upon noting that Canadian Imperial Bank of Commerce ("**CIBC**") and the other lenders under the Applicants' Senior Credit Agreement and Subordinate Credit Agreement (each as defined in the Stobbe Affidavit) (collectively, with CIBC, the "**Lenders**") the secured creditors who are likely to be affected by the charges granted herein have been provided notice of this application; AND UPON hearing counsel for the Applicants, the Monitor, the Lenders, no one else appearing although duly served as appears from the Affidavit of Service, filed, IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this Order is hereby abridged and this application is properly returnable today.

APPLICATION

2. The Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. The Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”) between, among others, the Applicants and one or more classes of their secured and/or unsecured creditors as they deem appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

4. The Applicants shall:
 - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
 - (b) subject to paragraph 12(a) or further Order of this Court, continue to carry on business in a manner consistent with the preservation of their businesses (the “**Business**”) and Property; and
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
5. The Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Stobbe Affidavit (the “**Cash Management System**”) and that any bank providing the Cash Management System (the “**Cash Management System Provider**”) shall not be under any obligation whatsoever to

inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as Cash Management System Provider, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. Notwithstanding anything in this Order, the Cash Management System Provider shall have, and shall be deemed to have, a priority charge (ranking after the Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge (both as defined below), but in priority to all other charges) for the Cash Management Expenses, where "**Cash Management Expenses**" means any obligations, chargebacks, returns, liabilities, costs, charges, fees or expenses incurred by the Cash Management System Provider under the Cash Management System.

6. To the extent permitted by law, the Applicants shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:
 - (a) except for termination pay, severance pay or damages for wrongful dismissal, vacation pay and bonuses and expenses (to the extent such bonuses and expenses do not constitute wages) accrued prior to the date of this Order, all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (b) the fees and disbursements of any Assistants retained or employed by the Applicants in connection with these proceedings or any U.S. bankruptcy

proceedings, at their standard rates and charges, all substantially in accordance with the Approved Cash Flows (defined below).

7. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order and in carrying out the provisions of this Order, provided the amount of such payments do not vary materially from the cash flow projections approved by the Lenders in writing as may be updated or amended from time to time with the written approval of the Lenders (the “**Approved Cash Flows**”), which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
8. Notwithstanding any other provision of this Order: (a) any single disbursement proposed to be made by the Applicants or any of them in excess of \$50,000 requires the prior written approval of the Lenders; and (b) the Applicants may not spend, utilize, pay, distribute or otherwise disburse any funds not contemplated as a payment or disbursement by the Approved Cash Flows (regardless of whether there are excess funds available), except to the extent that such payments do not vary materially from the Approved Cash Flows.
9. The Applicants shall remit, in accordance with legal requirements, or pay:
 - (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be

deducted from employees' wages, including, without limitation, amounts in respect of:

- (i) employment insurance,
- (ii) Canada Pension Plan; and
- (iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
 - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.
10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be

negotiated by the Applicants from time to time for the period commencing from and including the date of this Order (“**Rent**”), but shall not pay any rent in arrears.

11. Except as specifically permitted in this Order, the Applicants are hereby directed, until further Order of this Court on notice to the Lenders and the other parties on the service list in these proceedings:
 - (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order, except as authorized by this Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property except as authorized by this Order; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. The Applicants shall, subject to the consent of the Lenders and the Monitor with respect to the rights provided in subparagraph (c) of this paragraph, have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any of their businesses or operations and to dispose of redundant or non-material assets not exceeding \$25,000 in any one transaction or \$100,000 in the aggregate (or in excess of these amounts, by Order of this Court);
 - (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Applicants, as applicable, and such employee, or failing such agreement, to deal with the consequences thereof in the Plan; and

- (c) pursue all avenues of refinancing and offers for material parts of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a), above),

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. The Applicants, as applicable, shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, as applicable, or by further Order of this Court upon application by the Applicants, as applicable, on at least two (2) days’ notice to such landlord and any such secured creditors. If the Applicants, as applicable, disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the disclaimer of the lease shall be without prejudice to the Applicants’ claim to the fixtures in dispute.
14. If a lease is disclaimed by the Applicants, or any of them, in accordance with Section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants, as applicable, and the Monitor 24 hours’ prior written notice; and
 - (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any

claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. Until and including April 23, 2010, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court (each, a “**Proceeding**”) shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, the written consent of the applicable Applicants and the Monitor, or as otherwise authorized herein, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
 - (a) empower the Applicants, or any of them, to carry on any business which the Applicants are not lawfully entitled to carry on;

- (b) exempt the Applicants, or any of them, from compliance with statutory or regulatory provisions relating to health, safety or the environment;
 - (c) prevent the filing of any registration to preserve or perfect a security interest; or
 - (d) prevent the registration of a claim for lien.
17. Nothing in this Order shall prevent any party from taking an action against the Applicants, or any of them, where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

18. During the Stay Period, no person shall accelerate, suspend, 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 Applicants, or any of them, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Applicants, or any of them, 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 Business or one or more of the Applicants

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants, or any of them, or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after the date of this Order.

NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT

20. Notwithstanding anything else contained in this Order, no creditor of the Applicants shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. The Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicants, after the date hereof, to make payments of the nature permitted by subparagraphs 6(a), 9(a), 9(b) and 9(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.
23. The directors and officers of the Applicants, or of any of them, shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 35 and 37 herein.
24. Notwithstanding any language in any applicable insurance policy to the contrary:
- (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge; and
 - (b) the directors and officers of the Applicants, or of any of them, shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.
26. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
 - (c) assist the Applicants, to the extent required by the Applicants, in their dissemination to the Lenders and/or their financial advisor and counsel, of financial and other information as agreed to between the Applicants and the Lenders which may be used in these proceedings;
 - (d) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the Lenders, which information shall be reviewed with the Monitor and delivered to the Lenders and their counsel or financial advisor on a periodic basis, but not less than weekly;

- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) advise the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the books, records and management, employees and advisors of the Applicants and to the Business and the Property to the extent required to adequately assess the Applicants' Business and financial affairs and perform its duties arising under this Order;
- (h) advise and assist the Applicants with respect to any sales and marketing process to sell the Property and the Business or any part thereof, and administer and conduct any such marketing and sale process;
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan;
- (k) assist the Applicants in the provision of weekly variance reports to the Lenders and/or their financial advisor and counsel with respect to the Approved Cash Flows; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

27. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by

fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, 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 or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

28. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
29. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
30. Notwithstanding any other provision of this Order, the Applicants, as part of the costs of these proceedings, shall pay the reasonable fees and disbursements incurred in respect of these proceedings, in each case at their standard rates and charges, of:
 - (a) the Monitor and counsel to the Monitor (including, without limitation, Canadian and U.S. counsel);

- (b) counsel to the Applicants (including, without limitation, Canadian and U.S. counsel) ; and
- (c) counsel to the Lenders (including, without limitation, Canadian and U.S. counsel) and, as applicable, financial advisors and appraisers to the Lenders

and the Monitor, counsel to the Monitor, counsel to the Applicants, and counsel and financial advisors and appraisers to the Lenders are hereby directed to render accounts to the Applicants on a weekly basis and the Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the Applicants and counsel and financial advisors and appraisers to the Lenders on a weekly basis.

- 31. The Monitor and its legal counsel shall pass their accounts from time to time.
- 32. As security for the professional fees and disbursements incurred both before and after the granting of this Order in respect of these proceedings:
 - (a) the Monitor, counsel to the Monitor and the Applicants' counsel, shall be entitled to the benefits of and are hereby granted a charge (the "**Applicants' Advisors Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000; and
 - (b) counsel and financial advisors and appraisers to the Lenders shall be entitled to the benefits of and are hereby granted a charge (the "**Lenders' Advisors Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$200,000.

The Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge shall have the priority set out in paragraphs 35 and 37 hereof.

UNAFFECTED CREDITORS

33. Notwithstanding any other provision of this Order, including, without limitation the stay of proceedings granted hereunder:

- (a) the Lenders shall be treated as unaffected in the Plan or any proposal filed by the Applicants or any of them under the *Bankruptcy and Insolvency Act* (Canada);
- (b) upon at least two (2) business days notice to the Applicants and the Monitor, the Lenders may exercise any and all of their rights and remedies available to them against the Applicants or any of them and the Property under, in connection with or pursuant to the Senior Credit Agreement or the Subordinate Credit Agreement, and the security granted thereunder and with respect thereto;
- (c) the foregoing rights and remedies of the Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or any of them, or the Property; and
- (d) the Applicants shall not seek a continuation of the stay of proceedings without the prior consent of the Lenders and, in that case, on terms and conditions satisfactory to the Lenders.

DIP FINANCING

34. The Applicants shall not enter into or seek approval of any debtor in possession financing arrangements except with the prior approval of the Lenders and on terms and conditions reasonably satisfactory to the Lenders.

VALIDITY AND PRIORITY OF CHARGES

35. The priorities of the Directors' Charge, the Applicants' Advisors' Administration Charge and the Lenders' Advisors Administration Charge, as among them, shall be as follows:

First – Applicants’ Advisors’ Administration Charge (to the maximum amount of \$500,000) and Lenders’ Advisors Administration Charge (to the maximum amount of \$200,000), on a *pari passu* basis as between them; and;

Second – Directors’ Charge (to the maximum amount of \$500,000).

36. The filing, registration or perfection of the Directors’ Charge, the Applicants’ Advisors Administration Charge and the Lenders’ Advisors Administration Charge (collectively, the “**Charges**”) shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
37. Each of the Directors’ Charge, the Applicants’ Advisors Administration Charge and the Lenders’ Advisors Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, notwithstanding the order of perfection or attachment, except for any validly perfected security interest in favour of a “secured creditor” as defined in the CCAA not provided with notice of this Order or any Encumbrance existing on the date hereof in respect of any of source deductions from wages, employer health tax, workers compensation, federal or provincial sales taxes and vacation pay, in favour of any Person which is a “secured creditor” as defined in the CCAA not provided notice of this Order.
38. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors’ Charge, the Applicants’ Advisors Administration Charge or the Lenders’ Advisors Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors’ Charge, Applicants’ Advisors Administration Charge and the Lenders’ Advisors Administration Charge, or further Order of this Court.

39. The Directors' Charge, the Applicants' Advisors Administration Charge and the Lenders' Advisors Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, or any of them, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which they are a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

- (iii) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

ALLOCATION

- 40. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an Order to allocate the Applicants' Advisors Administration Charge, the Lenders' Advisors Administration Charge and the Directors' Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

- 41. The Monitor shall (i) without delay, publish in the Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.
- 42. The Applicants and the Monitor shall be at liberty to serve this Order, any other materials and Orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicants' creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor may

post a copy of any or all such materials on its website at “www.ey.com/ca/cover-all”, which shall be established for informational purposes.

GENERAL

43. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
44. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, or any of them, the Business or the Property.
45. 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 Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such Orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or to any of the Applicants in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
46. Any of the Applicants or the Monitor is 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, including in any U.S. Bankruptcy Court in respect of proceedings commenced under Chapter 15 of the U.S. Bankruptcy Code in respect of recognition proceedings commenced therein, and any of the Applicants or the Monitor is authorized and empowered to act as a “foreign representative” of the Applicants or of any of them for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

47. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the Order sought or upon such other notice, if any, as this Court may order.
48. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

"S.J. Lovachio"

J.C.Q.B.A.

Entered this 24 day
of March, 20 10
Clerk of the Court

K. MCAUSLAND



SCHEDULE "A"
APPLICANTS

Cover-All Holding Corp.

Cover-All Building Systems Inc.

Cover-All U.S. Holding Corp.

Summit Structures, LLC

Quick Structures, LLC

Cover-All Holdings U.S., LLC

Summit Structures U.S., LLC

Summit Project Management, LLC

Eastern Cover-All, Inc.

NorthStar Cover-All, LLC

NorthStar Cover-All, Inc.

04270
04770
No: 1001-

IN THE COURT OF QUEEN'S BENCH OF
ALBERTA JUDICIAL DISTRICT OF CALGARY

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

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF COVER-
ALL HOLDING CORP.,
COVER-ALL BUILDING SYSTEMS INC. AND
THOSE ENTITIES LISTED IN SCHEDULE "A"
HEREOF

INITIAL ORDER

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