Ernst & Young Inc.
Ernst & Young Tower
1000, 440- 2nd Avenue SW
Calgary, AB T2P 5E9
Tel: (403) 206-5153
Fax:(403) 206-5075
www.ey.com

IN THE COURT OF QUEEN'S BENCH
JUDICIAL CENTRE OF CALGARY

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

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF COVER-ALL HOLDING CORP., COVER-ALL BUILDING SYSTEMS INC. AND ITS RELATED ENTITIES (collectively, "Cover-All" or the "Company")

PROPOSED MONITOR'S REPORT ON DEBTOR'S CASH FLOW STATEMENT

MARCH 24, 2010

In accordance with section 10(2) of the CCAA, the Company has prepared a consolidated[1] 8-week cash flow forecast for their receipts and disbursements for the period of March 22, 2010 to May 14, 2010 (the "Cash-Flow Statement"). In preparing the Cash-Flow Statement, management of the Company has used the Probable and Hypothetical Assumptions set out in Notes 1-12 to the Cash-Flow Statement.

A copy of the Cash-Flow Statement and a report containing the prescribed representations of the Company regarding the preparation of the Cash-Flow Statement are appended to the Affidavit of Nathan Stobbe sworn March 24, 2010 (the "Stobbe Affidavit") and are attached hereto as Appendix "A".

As shown in the Cash-Flow Statement, it is estimated that the Company will have total receipts of $1,835,834 and total disbursements of $3,370,000 for the period of March 22, 2010 to May 14, 2010. As reflected in the Cash-Flow Statement and as set out in the Stobbe Affidavit, the Company has sufficient funds to satisfy its projected uses of cash for the next eight weeks, however, the Company may require debtor-in-possession financing for the period following the first eight weeks of the CCAA proceedings.

We have reviewed the Cash-Flow Statement in our capacity as proposed monitor (the "Proposed Monitor") of the Company. The sole purpose of the Proposed Monitor's Report is to provide the Court with our findings with respect to our review of the Company's Cash-Flow Statement as to its reasonableness in accordance with section 23(1)(b) of the CCAA.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the management and employees of the Company. Since Hypothetical Assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash-Flow Statement. We have also reviewed the support provided by management of the Company for the Probable Assumptions, and the preparation, and the preparation and presentation of the Cash-Flow Statement.

---

[1] The Cash-Flow Statement includes the Canadian and United States operations of the Company.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

a) the Hypothetical Assumptions are not consistent with the purpose of the Cash-Flow Statement;

b) as at the date of this report, the Probable Assumptions developed by management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash-Flow Statement, given the Hypothetical Assumptions; or

c) the Cash-Flow Statement does not reflect the Probable and Hypothetical Assumptions.

Since the Cash-Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash-Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

The Cash-Flow Statement has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 24 day of March, 2010.

ERNST & YOUNG INC.
in its capacity as the proposed
Monitor of Cover-All
Per:

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Orest Konowalchuk, CA
Manager

APPENDIX A

APPENDIX A

COVER-ALL BUILDING SYSTEMS

March 24, 2010

Ernst & Young Inc.
Ernst & Young Tower
1000, 440 – 2nd Avenue SW
Calgary, Alberta T2P 5E9

Attention: Neil Narfason, CA,CIRP, CBV

Dear Sirs:

Re: **Proceedings under the Companies' Creditors Arrangement Act ("CCAA") Responsibilities/Obligations and Disclosure with Respect to Cash Flow Projections**

In connection with the application by Cover-All Holding Corp., Cover-All Building Systems Inc. and its related entities ("Cover-All") for the commencement of proceedings under the CCAA in respect of Cover-All, the management of Cover-All ("Management") has prepared the attached Cash-Flow Statement and the assumptions on which the Cash-Flow Statement is based.

Cover-All confirms that:

1. The Cash-Flow Statement and the underlying assumptions are the responsibility of Cover-All;
2. All material information relevant to the Cash-Flow Statement and to the underlying assumptions has been made available to Ernst & Young Inc., in its capacity as Monitor; and
3. Management has taken all actions that it considers necessary to ensure:

    a. That the individual assumptions underlying the Cash-Flow Statement are appropriate in the circumstances; and

    b. That the individual assumptions underlying the Cash-Flow Statement, taken as a whole, are appropriate in the circumstances.

Yours truly,

Todd Payne, CMA
Chief Financial Officer

www.coverall.net

Cover-All Building Systems Inc.
3815 Wanuskewin Road • Saskatoon, SK Canada S7P 1A4
Phone: 306.657.2888 • Fax: 306.664.7979 • Toll Free: 1.877.615.4776

Pictured: Cover-All Corporate eadquarters

APPENDIX A

Cover-All
Projected Cash-Flow Statement (1)
For the period of March 22, 2010 to May 14, 2010 (the "Reporting Period")
(in CDN Dollars)

Week ending	Notes	Week 1 March 26, 2010	Week 2 April 2, 2010	Week 3 April 9, 2010	Week 4 April 16, 2010	Week 5 April 23, 2010	Week 6 April 30, 2010	Week 7 May 7, 2010	Week 8 May 14, 2010	Total
RECEIPTS										
Cash receipts from sales	2	237,864	221,780	207,572	195,022	172,270	152,172	134,418	118,736	1,439,834
Professional fee retainers	7	396,000	-	-	-	-	-	-	-	396,000
Total receipts		633,864	221,780	207,572	195,022	172,270	152,172	134,418	118,736	1,835,834
DISBURSEMENTS										
Manufacturing overhead costs	3	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	296,000
Project management cost	4	80,000	80,000	80,000	-	-	-	-	-	240,000
Overhead costs	5	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	64,000
Selling, general & administrative cost ("SG&A")	6	388,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	1,074,000
Legal fees	7	396,000	-	195,000	-	-	-	100,000	-	691,000
Engineering fees	8	50,000	50,000	-	-	-	-	-	-	100,000
Monitor fees	9	125,000	-	-	-	-	-	200,000	-	325,000
Lender advisors' fees	10	-	200,000	-	200,000	-	-	-	-	400,000
Intercompany transfer to UK operations	11	100,000	-	-	-	-	-	-	-	100,000
Contingency	12	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	80,000
Total disbursements		1,194,000	483,000	428,000	353,000	153,000	153,000	453,000	153,000	3,370,000
NET CHANGE IN CASH		(560,136)	(261,220)	(220,428)	(157,978)	19,270	(828)	(318,582)	(34,264)	(1,534,166)
OPENING CASH		1,596,662	1,036,526	775,306	554,878	396,901	416,170	415,342	96,760	1,596,662
Net change in cash		(560,136)	(261,220)	(220,428)	(157,978)	19,270	(828)	(318,582)	(34,264)	(1,534,166)
ENDING CASH		1,036,526	775,306	554,878	396,901	416,170	415,342	96,760	62,496	62,496

APPENDIX A

Cover-All
Projected Cash-Flow Statement (1)
For the period of March 22, 2010 to May 14, 2010 (the "Reporting Period")
(in CDN Dollars)

Notes and Assumptions:

1 Management of Cover-All Building Systems Inc., Cover-All Holding Corp. and its related entities ("Cover-All") has prepared this Projected Cash-flow Statement based on the probable and hypothetical assumptions detailed in Notes 2-12. Consequently, actual results will likely vary from the financial performance projected and such variations may be material. It is assumed that all costs incurred during the CCAA filing are forecast to be paid cash on demand ("COD"), as the forecast assumes that suppliers will no longer extend credit to Cover-All. The CND/US exchange rate is assumed to be par.

2 Management intends to cease all shipments during the Reporting Period, until the independent engineering review for each of its product lines are completed. After each product line specifications have been determined to meet the required building code standards, the product lines will be re-launched. Management believes that the engineering review will be completed within 8 weeks; therefore, the cash flow projection assumes no new sales during the Reporting Period. Management believes it is difficult to determine the extent to which receivable collection will be affected due to the filing of the CCAA Initial Order and Chapter 15 of the US Bankruptcy Code. Cover-All's total account receivables as at March 15, 2010 was approximately $7.8 million; however, management believes that given the above uncertainty, approximately $2 million of accounts receivables will only be collectible. Historically, Cover-All has been able to collect its receivables within 50 days (on average); however, given the uncertainty as presented above, management has assumed that collection of its receivables may take 60 days (on average).

3 Manufacturing overhead costs of approximately $296,000 relate to steel, fabric, plant supervisor wages, utilities, and insurance related costs over the Reporting Period.

4 Project management costs are anticipated to be 68% of project management revenue based on historical results.

5 Overhead cost is approximately $8,000 per week during the Reporting Period and relate to various costs within the engineering and operations group of Cover-All and other general overhead costs.

6 SG&A costs mainly relate to the salaries and wages of its head office employees, various office lease costs, utilities and other miscellaneous costs. Cover-All has forecasted a significant reduction in its current staffing levels that is reflected in Week 2.

7 Professional fee retainers were provided by Cover-All to its Canadian and US legal advisors in connection with the filing of the Initial Order and Chapter 15 materials, respectively. As at March 22, 2010, Cover-All had approximately $396,000 of unused retainer amounts remaining with its respective legal counsel. It is forecast that approximately $295,000 of additional legal fees will be incurred over the Reporting Period (over and above the $396,000 of retainers) for total legal fees of approximately $691,000. The Projected Cash Flow Forecast demonstrates the draw down of these retainers over the Reporting Period.

8 Engineering costs of approximately $100,000 are expected to be incurred in completing the independent engineering reports required on all of Cover-All's product lines.

9 Monitor costs relate to estimated fees for the Monitor and its legal counsel during the Reporting Period.

10 Lender advisor fees relate to estimated fees of the lender's advisors over the Report Period.

11 Intercompany transfer of approximately $100,000 to Cover-All's UK operations relate to funds required to cover certain SG&A costs over the Reporting Period.

12 Contingency costs are forecast at $10,000 per month to cover unforeseen costs that may arise during the Reporting Period that were not previously captured in the Projected Cash Flow Forecast.

No: 1001- 04270

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

PROPOSED MONITOR'S REPORT ON DEBTOR'S CASH FLOW STATEMENT

OSLER, HOSKIN & HARCOURT LLP

Barristers and Solicitors
100 King Street West
1 First Canadian Place
Suite 6100, P.O. Box 50
Toronto, Ontario M5X 1B8
Tel. (416) 362-2111
Fax (416) 862-6666

Tracy C. Sandler
Carole Hunter