

Action No. 1001-05915

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

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED;

AND IN THE MATTER OF THE *JUDICATURE ACT*,
R.S.A. 2000, c. J-2, AS AMENDED;

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

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE
as administrative agent

Applicant

-and-

COVER-ALL HOLDING CORP., COVER-ALL BUILDING SYSTEMS INC. AND THOSE
ENTITIES LISTED IN SCHEDULE "A" HEREOF

Respondents

NOTICE OF MOTION

**(For a Receivership Order under section 243(1) of the *Bankruptcy and Insolvency Act*
And section 13(2) of the *Judicature Act*)**

TAKE NOTICE that an application will be made on behalf of Canadian Imperial Bank of Commerce ("CIBC"), as administrative agent for itself and The Bank of Nova Scotia under a Senior Credit Agreement, dated 23 October 2007, (the "Senior Credit Agreement") and as administrative agent for itself and Roynat Capital Inc. under a Subordinate Credit Agreement, dated 23 October 2007 (the "Subordinate Credit Agreement"), (collectively, the "Lenders") before the Honourable Mr. Justice S.J. LoVecchio, at the Calgary Court Centre, in the City of Calgary, in the Province of Alberta, on Friday the 23rd day of April, 2010, at 9:00 a.m. in the forenoon, or so soon thereafter as Counsel may be heard, for an Order:

- (a) if necessary, abridging the time for service of this application, and directing that this application is properly returnable on 23 April 2010 and directing that further service of notice of this application is hereby dispensed with;
- (b) if necessary, lifting the stay of proceedings imposed by Order of The Honourable Mr. Justice S.J. LoVecchio, dated 24 March 2010, (the "CCAA Initial Order") in Docket No. 1001-04270 (the "CCAA Proceedings") for the purpose of commencing the application for the appointment by the Court of PricewaterhouseCoopers Inc. ("PwC") as receiver of the Debtors;
- (c) appointing PwC as Receiver, without security, of all of the assets, undertakings and properties of the Debtors, including all proceeds thereof (the "Property");
- (d) approving an expedited sale process (the "Sale Process") in respect of the Property; and
- (e) such further and other relief as counsel may advise and this Honourable Court may permit.

AND FURTHER TAKE NOTICE that the grounds upon which this application is to be made are as follows:

The Cover-All Group and the Lenders

- (a) The Debtors are in the business of designing and building pre-engineered membrane building systems for non-residential use. Cover-All Building Systems Inc. has its head office in Calgary, Alberta and directly or indirectly controls each of the other Debtors;
- (b) CIBC, as administrative agent for the Lenders, is the Debtors' largest secured creditor and holds the first and second priority security interest over all of the Debtors' assets pursuant to the Senior Credit Agreement and the Subordinate Credit Agreement. Substantial amounts remain outstanding under both the Senior Credit Agreement and the Subordinate Credit Agreement;

Default Under the Credit Agreements

- (c) The Debtors encountered financial difficulty in 2008 as a result of the global recession. These difficulties were exacerbated by the identification of potential engineering issues with one model of the Debtors' product, which necessitated a temporary halt in production while internal and external safety reviews of all of the Debtors' pre-engineered building models were conducted;
- (d) As a result of their financial difficulties, the Debtors were unable to meet certain financial covenants under the Senior Credit Agreement, resulting in an event of default under that agreement. The Debtors were given a formal notice of default from CIBC on 16 March 2010;
- (e) On 24 March 2010 the Debtors were granted protection from their creditors by the CCAA Initial Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA"), in the CCAA Proceedings;

The Proposed Receivership

- (f) The Lenders have come to the conclusion that the most efficient way to move forward would be through a receivership proceeding, so that an orderly sale of all of the assets of the Debtors can be pursued. Accordingly, the Lenders seek the appointment of PwC as Receiver over the Property for the purpose of, *inter alia*, carrying out an expedited sale process for those assets;
- (g) PwC has been engaged as financial advisor to CIBC throughout the CCAA proceedings, and has worked closely with the CCAA Monitor, Ernst & Young Inc. PwC is therefore intimately familiar with the business and assets of the Debtors and is well positioned to serve as Receiver and to pursue a sale process for an orderly sale of those assets;
- (h) PwC has signed a consent to act as Receiver of the Debtors in these proceedings, and is a licensed trustee;

Proposed Sale Process

- (i) To ensure a fair and efficient sale of the assets of the Debtors, with a view to maximizing the value available for distribution to all creditors, approval of the proposed Sale Process protocol is being sought at this time;

AND FURTHER TAKE NOTICE that in support of the application reference will be made to:

- (a) the Affidavit of Jack McMurray, sworn 20 April 2010;
- (b) the Affidavit of Gregory Prince, sworn 20 April 2010, containing as an exhibit the report of PwC as the proposed Receiver;
- (c) Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;
- (d) Section 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2;
- (e) Rule 548 of the *Alberta Rules of Court*, Alta. Reg. 390/1968; and
- (f) such further and other materials and authorities as counsel may advise and this Honourable Court may permit.

DATED at the City of Calgary, in the Province of Alberta, this 20 day of April, 2010.

BORDEN LADNER GERVAIS LLP

Per: _____

Josef G.A. Krüger, Q.C.
Counsel for Canadian Imperial Bank of
Commerce

TO: THE CLERK OF THE COURT
AND TO: THE SERVICE LIST ATTACHED

SCHEDULE "A"
DEBTORS

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 Management, LLC

Eastern Cover-All, Inc.

NorthStar Cover-All, LLC

NorthStar Cover-All, Inc.

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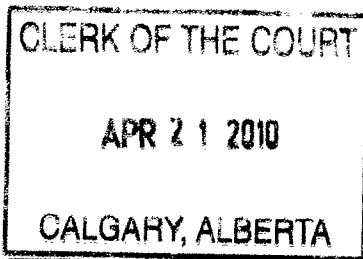
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