

THE QUEEN'S BENCH
Winnipeg Centre
IN BANKRUPTCY AND INSOLVENCY

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

AND IN THE MATTER OF THE PROPOSAL OF
5274398 MANITOBA LTD.

AFFIDAVIT OF JONATHAN DOERKSEN
SWORN NOVEMBER 29, 2017
(Sale Approval, Vesting and Distribution Affidavit)

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File No. 1702631

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AFFIDAVIT OF JONATHAN DOERKSEN
SWORN NOVEMBER 29, 2017
(Sale Approval, Vesting and Distribution Affidavit)

I, Jonathan Doerksen, of The City of Winnipeg, in the Province of
Manitoba, businessman

MAKE OATH AND SAY THAT:

1. I am the President and a Director of 5274398 Manitoba Ltd. operating as Cross Country Manufacturing and as Cross Country Trailers ("**Cross Country**"), which is an insolvent person and the applicant, and as such have personal knowledge of the facts to which I depose, except where I have indicated that I have obtained facts from other sources, in which case I believe those facts to be true. Unless otherwise described herein, copies of documents attached and marked as exhibits hereto are true copies of the original documents. Where specimen or execution versions of

documents are attached as exhibits hereto, I believe that those documents have been fully signed by the parties thereto, delivered and in full force and effect.

2. I previously swore an affidavit (my "**First Extension Affidavit**") on September 5, 2017, and swore a further affidavit (my "**DIP Loan Supplemental Affidavit**") on September 6, 2017, both of which were filed in these proceedings.

3. I am making this affidavit in support of a motion for an Order:

- (a) approving and authorizing the sale (the "**Sale**") to 2598309 Ontario Limited (the "**Purchaser**") of assets (the "**Purchased Assets**") of Cross Country located in, and used in connection with, the trailer manufacturing business of Cross Country carried on in Blenheim, Ontario, pursuant to a certain Asset Purchase Agreement (the "**APA**") made between Cross Country and the Purchaser as of November 14, 2017;
- (b) vesting in the Purchaser title to the Purchased Assets, in accordance with the terms of the APA;
- (c) authorizing distribution of the proceeds (the "**Sale Proceeds**") of the Sale; and

- (d) extending the time within which Lazer Grant Inc., in its capacity as Proposal Trustee (the “**Proposal Trustee**”) must file a proposal in the within proceedings to January 19, 2018, to enable Cross Country to make a viable proposal to its unsecured creditors.

I. DIP LOAN FINANCING EXTENSIONS

4. My DIP Loan Supplemental Affidavit describes interim financing (the “**DIP Loans**”) provided to Cross Country by Business Development Bank of Canada (“**BDC**”) (expiring November 30, 2017) and Bank of Montreal (“**BMO**”) (expiring December 6, 2017). I am advised by G. Bruce Taylor, of MLT Aikins LLP, counsel to Cross Country, that counsel for both BDC and BMO have confirmed that the terms of such DIP Loans have been extended to December 29, 2017, to accommodate the closing of the Sale and distribution of Sale Proceeds. All other terms of the DIP Loans Agreements remain the same.

5. Subject to the Order of this Honourable Court, it is contemplated that the DIP Loans will be repaid in full from the Sale Proceeds, promptly upon completion of closing of the Sale.

II. APA

6. The shareholders and directors of Cross Country have approved the sale of Purchased Assets to the Purchaser pursuant to the terms of the APA. Attached and marked as **Exhibits “1” and “2”** respectively hereto are copies of the resolutions of the shareholders and directors accordingly.

7. The Purchaser is not a party related to Cross Country in any way.

8. The APA is substantially in the form circulated to potential bidders in the conduct of the court-approved sale process (the “**Sale Process**”), and so complies with the Sale Process requirements.

9. Certain key terms of the APA are as follows, using the definitions in the APA:

- (a) the Purchased Assets include substantially all of the assets of Cross Country necessary for the Purchaser to carry on Cross Country’s trailer manufacturing business at Blenheim, other than certain Excluded Assets, and, in particular, include the land and premises (the “**Blenheim Plant**”) of Cross Country at 1 Solvay Drive, Blenheim, Ontario described as PIN No. 00928-

- 0617 (LT) (the "**Blenheim Title**"). It is my understanding that the Purchaser intends to continue the trailer manufacturing business from the Blenheim Plant following closing of the Sale;
- (b) the Purchased Assets are sold on an "as is, where is" basis, subject to (i) the consent of BDC and BMO to the Sale on the terms of the APA, and (ii) the approval of and authorization for the Sale by this Honourable Court and the making by this Honourable Court of a Vesting Order, free and clear of all Liens other than Permitted Liens, and otherwise acceptable to the Purchaser, acting reasonably.
- (c) the Purchase Price is as described, calculated and allocated in section 4.1 and Schedule 11 of the APA, subject to adjustments as determined pursuant to Schedule 6 of the APA, and other usual closing adjustments. I believe that the Purchase Price is fair and reasonable in the circumstances, and, based on my experience in and understanding of the trailer manufacturing industry and the market for going concern operations, represents a price considerably higher than could be achieved in a receivership or bankruptcy;

- (d) the employment of employees of Cross Country at Blenheim is to be terminated in connection with the Sale closing, however, the APA provides for offers of employment to be made by the Purchaser to employees of Cross Country that the Purchaser chooses, on terms and conditions of employment substantially similar to and no less favourable, in the aggregate, to the terms of employment enjoyed with Cross Country. It is my understanding that the Purchaser intends to make offers of employment to all 76 Cross Country Blenheim Plant employees. Cross Country can and will pay all accrued wages and vacation pay, up to the Date of Closing, of Blenheim Plant employees, to be paid either in connection with the Closing or at usual wage payment intervals following the Closing;
- (e) the Sale is conditional upon the consents of BDC and BMO, and I am advised by G. Bruce Taylor that respective counsel for BDC and BMO have indicated that BDC and BMO consent to the Sale in accordance with the terms of the APA; and
- (f) subject to approval of this Honourable Court, the Closing Date for the Sale is December 6, 2017.

III. Treatment of Secured Creditors

Updated Search Report

10. Attached and marked as **Exhibit “3”** hereto is a Search Report (the **“Updated Search Report”**) prepared by Arlene Phillips, a paralegal at MLT Aikins LLP, summarizing registrations at *The Personal Property Registry* (Manitoba) (**“PPRM”**), the *Personal Property Registry* (Ontario) (**“PPRO”**), Ontario Land Titles Office #24 (**“OLTO”**) and Bank of Canada, relating to Cross Country and pertaining to the Purchased Assets, disclosed by search results obtained by Ms. Phillips. Ms. Phillips has reviewed the Updated Search Report with me and shown me the search results on which it is based, and the Updated Search Report appears to accurately summarize the said search results.

BDC and BMO Claims

11. Cross Country’s principal general secured lenders are BDC and BMO.

12. My First Extension Affidavit contains descriptions of the credit facilities provided to Cross Country by BDC and BMO.

13. As at November 11, 2017, the total principal balance outstanding in respect of the various term loan facilities provided by BDC prior to commencement of these proceedings, was \$4,423,434.75, together with certain small amounts of accrued interest. Over the course of these proceedings, Cross Country has been paying "interest-only" on such loans, and is generally current with interest payments.

14. BMO provides an unmarginated operating credit facility, with a loan limit of \$3,500,000.00. During the course of these proceedings, the operating credit has typically operated near its loan limit. So, at any given time, the balance outstanding from Cross Country to BMO is typically near the said loan limit.

15. My DIP Loan Supplemental Affidavit describes the DIP Loans made to Cross Country by BDC and BMO, both in the principal amount of \$250,000.00. The full principal amounts of the DIP Loans have been advanced to Cross Country, such that Cross Country is presently indebted to BDC and BMO in the amounts of \$250,000.00 each in respect of the DIP Loans. The DIP Loans bear interest in accordance with their respective terms, payable monthly. Cross Country has paid the fees associated with

the DIP Loans and is generally current in payment of interest accruing in respect of the DIP Loans.

16. Accordingly, as at the Closing Date, I expect that Cross Country will be indebted to BDC and BMO as follows:

- (a) as to BDC, for the principal sums of \$4,423,434.75 in respect of terms loans provided by BDC prior to the commencement of these proceedings, and \$250,000.00 in respect of BDC's DIP Loan, together with certain amounts of accrued interest; and
- (b) as to BMO, for an amount expected to be in the range of \$3,500,000.00 in respect of the operating credit facility, and the principal sum of \$250,000.00 in respect of BMO's DIP Loan, together with certain amounts of accrued interest.

17. The Updated Search Report describes various registrations in respect of personal property security made by BDC and BMO at the PPRM and PPRO, and Bank of Canada, and also describes:

- (a) real property mortgage (the "**BDC Blenheim Mortgage**") registration No. CK80204 (the "**BDC Blenheim Mortgage Registration**") in favour of BDC as against the Blenheim Title;; and

- (b) a real property mortgage (the “**BMO Blenheim Mortgage**”) registration No. CK134716 (the “**BMO Blenheim Mortgage Registration**”) in favour of BMO as against the Blenheim Title.

18. It is intended that, upon closing of the Sale, title to the Purchased Assets will vest in the Purchaser free and clear of:

- (a) the personal property security interests of both BDC and BMO therein, and
- (b) as to the Blenheim Plant, the BDC Blenheim Mortgage and the BMO Blenheim Mortgage.

19. The Updated Search Report also describes registrations as against the Blenheim Title in favour of other parties as follows:

- (a) Registration No. CK80203 registered on January 18, 2013 as a Transfer, which relates to the past transfer of the Blenheim Plant to Cross Country (the “**Transfer Registration**”);
- (b) Registration No. CK101893 registered on December 4, 2014 as a Notice of Lease by Solar Power Network 001 Inc. / SPN LP 2, which relates to a proposed lease arrangement which has not gone forward (the “**Solar Lease Registration**”);

- (c) Instrument No. 24R3292 registered on May 8, 1984 as a Plan Reference;
- (d) Instrument No. 403300 registered on June 1, 1984 as a certain Order;
- (e) Instrument No. 403910 registered on June 20, 1984 as a certain Order;
- (f) Instrument No. 408784 registered on November 2, 1984 as a By-Law;
- (g) Instrument No. LT1360 registered on January 4, 1994 as a Notice Agreement registered by The Corporation of the Town of Blenheim regarding a plan; and
- (h) Instrument No. LT4724 registered on December 2, 1994 as a Notice registered by Solvay Automotive Canada, Inc. in favour of The Corporation of the Town of Blenheim.

20. As to the registrations described in paragraph 19 above, it is intended that title to the Blenheim Plant will vest in the Purchaser free and clear of the Transfer Registration and the Solar Lease Registration. All other such

registrations as against title to the Blenheim Plant are Permitted Encumbrances as defined by the APA.

21. By email dated November 20, 2017 Solar Power Network has agreed that its Registration may be deleted. Attached and marked as **Exhibit “4”** is a copy of the said email.

22. The Updated Search Report also describes personal property registrations in favour of other parties as follows:

- (a) by Blue Chip Leasing Corporation, claiming a purchase money security interest in collateral described as a certain leased server and related equipment. The leased server and related equipment are not included in the Sale and, accordingly, interests of Blue Chip Leasing Corporation in the server and related equipment are not affected by the Sale;
- (b) by Royal Bank of Canada (“**RBC**”), claiming an interest in collateral described as a 2016 GMC Yukon motor vehicle and a 2015 GMC Sierra motor vehicle. The said motor vehicles are not included in the Sale and, accordingly, interests of RBC in the said vehicles are not affected by the Sale;

- (c) by Cooper Tire & Rubber Company ("**Cooper**"), claiming an interest in collateral described as Cooper tires, tubes and other rubber products supplied by Cooper to Cross Country. As described in my First Extension Affidavit, Cross Country no longer obtains supply from Cooper pursuant to the arrangements under which this registration was made and is not in possession of any products supplied by Cooper and there is no balance outstanding to Cooper. Accordingly, Cooper is not affected by the Sale;
- (d) by Continental Tire Canada Inc. ("**Continental**"), claiming an interest in collateral described as tires, tubes and other products and inventory supplied by Continental pursuant to a certain Dealer Purchaser Inventory Agreement. As described in my First Extension Affidavit, Cross Country no longer obtains supply from Continental pursuant to the said agreement and is not in possession of any products supplied by Continental. Accordingly, no collateral of Continental is included in the Sale and Continental is not affected by the Sale;
- (e) by K.G. Industries Ltd. ("**KG**"), by means of a registration made against the name "Cross Country Manufacturing Ltd.", claiming

an interest in collateral described as certain equipment. As described in my First Extension Affidavit, Cross Country was previously in possession of certain equipment of KG, for sale on a consignment basis. The balance of any such equipment was returned to KG prior to the commencement of these proceedings. Accordingly, there is no collateral of KG included in the Sale and KG is not affected by the Sale; and

- (f) by Hayworth Equipment Sales Inc. (“**Hayworth**”), claiming an interest in collateral described as three trailers, which is not included in the Search Report. As described in my First Extension Affidavit, the registration by Hayworth appears to have been made on or about August 20, 2017, after the commencement of these proceedings. Hayworth is a Cross Country dealer that, prior to the commencement of these proceedings, provided a deposit to Cross Country towards the production of three trailers. These trailers have not been manufactured and do not exist. I am advised by G. Bruce Taylor that counsel for Hayworth has confirmed Hayworth’s intention to discharge its said registration. In the result,

Hayworth is not a secured creditor and, in any event, is not affected by the Sale.

IV. TREATMENT OF "GOVERNMENT" CLAIMS

23. Cross Country believes it is indebted to Canada Revenue Agency ("CRA") for unremitted source deductions and other obligations, in the total amount of approximately \$362,666.51. CRA has not conducted a trust audit yet, to finalize the amount of its claim and to determine the amount of the "deemed trust" portion of its claim. In the meantime, Cross Country has estimated the deemed trust portion of CRA's claim to be the amount of approximately \$282,270.00.

24. I am advised by G. Bruce Taylor that CRA is entitled to a certain priority in respect of its deemed trust amount, and to certain treatment of its claims in a proposal. To accommodate those considerations, it is intended to have the Proposal Trustee hold back the sum of \$282,270.00 from the Sale Proceeds, to enable that amount to be paid to CRA upon approval of a proposal by Cross Country to its unsecured creditors, with a view to thereafter paying the balance of CRA's claim in accordance with the requirements of a proposal.

25. As described in my First Extension Affidavit, Cross Country is in arrears of payment of certain obligations to Workers' Compensation Board ("**WCB**") (Manitoba), in the amount of approximately \$50,150.77. I am advised by G. Bruce Taylor that, in certain circumstances, WCB may be entitled to statutory lien or other rights in respect of the assets of Cross Country, to "secure" payment, but that such lien or other rights extend only to property of Cross Country within Manitoba. Accordingly, since the Purchased Assets are not property of Cross Country "within" Manitoba, the lien or other rights of WCB do not attach to the Purchased Assets and WCB does not have an interest in the Sale Proceeds. I am advised by G. Bruce Taylor that counsel for WCB has indicated that WCB agrees with this analysis.

26. Cross Country is in arrears of payment of certain obligations to the Workers' Safety and Insurance Board (Ontario) ("**WSIB**"), in the amount of approximately \$56,541.10 in relation to obligations arising prior to the commencement of these proceedings. I am advised by G. Bruce Taylor that counsel for WSIB has indicated that WSIB will not oppose the relief sought in the within motion Cross Country is in arrears of payment of real property taxes in respect of the Blenheim Plant in the amount of

approximately \$125,000.00. It is intended that those taxes will be paid in connection with the closing of the Sale.

27. Cross Country is indebted to the Government of Manitoba (“**Manitoba**”) for unremitted provincial sales tax, the amount of which is in dispute. Manitoba has asserted a priority in respect of a “deemed trust” portion of its claim in the amount of \$20,207.55. Cross Country disputes Manitoba’s priority claim in the context of a proposal proceeding.

V. SUMMARY OF AFFECTED CREDITORS AND REGISTRATIONS

28. In summary, Cross Country is seeking an Order from this Honourable Court:

- (a) vesting title to the Blenheim Plant free of the following registrations:
 - (i) the BDC Blenheim Mortgage Registration No. CK80204;
 - (ii) the BMO Blenheim Mortgage Registration No. CK134716;
 - (iii) the Transfer Registration No. CK80203; and
 - (iv) the Solar Lease Registration No. CK101893;

such that all other registrations on the Blenheim Title will remain on the title to be issued to the Purchaser, as Permitted Encumbrances;

- (b) vesting title to the Purchased Assets generally, free and clear of all claims and encumbrances, which principally appears to affect the interests of BDC, BMO, CRA, WCB, WSIB and Manitoba.

VI. OTHER PAYMENT OBLIGATIONS FROM THE SALE PROCEEDS

30. As described in my First Extension Agreement and in the Affidavit of Samantha Dunn sworn September 6, 2017 and filed in these proceedings, Cross Country engaged PricewaterhouseCoopers LLP (the “**Financial Advisor**”) as Financial Advisor to conduct the court-approved sale process for the Purchased Assets. The terms of the Financial Advisor’s engagement (the “**FA Engagement Letter**”) were approved by this Honourable Court in its Order made September 11, 2017 in these proceedings (“**First Extension Order**”).

31. Over the course of the engagement of the Financial Advisor, Cross Country has made certain payments to the Financial Advisor towards its fees, however, there is a balance of approximately \$124,000.00 to be paid

to the Financial Advisor upon the closing of the Sale from the Sale Proceeds, all in accordance with the approved FA Engagement Letter.

32. The negotiation and closing of the Sale involves significant legal services to Cross Country, provided by MLT Aikins LLP and Chaitons LLP. It is intended that the Proposal Trustee will pay to MLT Aikins LLP an amount of up to \$50,000.00 from the Sale Proceeds, towards payment of its and Chaitons LLP's closing costs.

33. The First Extension Order made provision for an Administration Charge in the amount of \$150,000.00, to secure payment of fees, taxes and disbursements incurred by the Financial Advisor, the Proposal Trustee, its counsel and counsel to Cross Country in connection with these proceedings, including any proposal process or bankruptcy that may ensue. It is intended that the fees, disbursements and taxes of the Financial Advisor will be paid in full as described in paragraph 31 hereof, and that the services of the Financial Advisor will thereafter not be required. On that basis, it is intended that an amount of \$100,000.00 will then be held from the Sale Proceeds by the Proposal Trustee for the remaining purposes of the Administration Charge.

VII. TREATMENT OF THE BALANCE OF THE SALE PROCEEDS

34. It is intended that the balance of the Sale Proceeds will be paid to BDC and BMO in amounts and in accordance with arrangements to be agreed among BDC, BMO and Cross Country, or otherwise in accordance with the priority of the respective claims of BDC and BMO thereto, generally for the permanent reduction of debts of Cross Country to BDC and BMO and, in respect of the deposit of a certain amount to reduce the BMO operating credit below an agreed operating credit limit, to make available from that operating credit a certain amount of working capital to support Cross Country's go-forward operations from its remaining production facility at Morden, Manitoba. At the time of swearing this Affidavit, arrangements with BDC and BMO as to amounts to be paid to them, permanent debt reduction amounts and go-forward lending terms, have not been finalized, however, I believe that such arrangements will be confirmed prior to the hearing of the within motion and presented to this Honourable Court.

VII. SUMMARY OF REQUESTED DISTRIBUTIONS

35. In summary, Cross Country is seeking an Order from this Honourable Court authorizing and approving the following distribution of the Sale Proceeds;

- (a) payment of real property taxes in respect of the Blenheim Plant in connection with the closing of the Sale, in the approximate amount of \$125,000.00
- (b) holdback by the Proposal Trustee of the sum of \$282,270.00 to be paid to CRA upon approval of a proposal by Cross Country, or otherwise distributed in accordance with the priority of claims thereto;
- (c) payment of the sum of approximately \$124,000.00 to the Financial Advisor, for payment of the balance of fees, disbursements and taxes in accordance with the terms of the approved FA Engagement Letter;
- (d) holdback of the sum of \$100,000.00 for the purposes of the Administration Charge;
- (e) payment of the sum of \$250,000.00 to BDC to repay the BDC DIP Loan, together with accrued and outstanding interest and other obligations in respect thereof;

- (f) payment of the sum of \$250,000.00 to BMO to repay the BMO DIP Loan, together with accrued and outstanding interest and other obligations in respect thereof;
- (g) payment of the sum of up to \$50,000.00 to MLT Aikins LLP towards payment of the closing costs of MLT Aikins LLP and Chaitons LLP in relation to the Sale;
- (h) payment of the balance of the Sale Proceeds to BDC and BMO in amounts and in accordance with arrangements to be agreed among BDC, BMO and Cross Country to be specified at the hearing of the within motion, or otherwise in accordance with the priority of the respective claims of BDC and BMO thereto.

IX. EXTENSION OF TIME WITHIN WHICH TO MAKE A PROPOSAL

36. Cross Country intends to make a proposal to its unsecured creditors and carry on the business of the manufacture and sale of trailers from its Morden, Manitoba plant.

37. Cross Country has a plant shutdown each year and, in connection therewith, pays out all accrued vacation pay to its employees. There are presently no unpaid wage obligations to Cross Country's Morden

employees. I believe that Cross Country will be able to, and will, make payment of all wage and accrued or accruing vacation pay obligations to its Morden employees in accordance with its usual bi-weekly wage payments and annual vacation pay arrangements going forward.

38. Assuming that:

- (a) the Sale is authorized and approved by this Honourable Court and closes in accordance with its terms;
- (b) satisfactory arrangements can be concluded with BDC and BMO as to levels of debt reduction and ongoing loan terms; and
- (c) the other distributions of Sale Proceeds as described herein are made;

then I believe that Cross Country can make a viable proposal to its unsecured creditors, the terms of which can be finalized within a reasonable period following closing of the Sale and within the extension period being requested by this motion.

39. A continued stay of proceedings is essential for the continued operations of Cross Country's business in Morden and for the purpose of

enabling the opportunity to maximize outcomes for Cross Country's lenders, employees, suppliers, and other stakeholders.

40. Granting the relief requested will enable Cross Country to complete the Closing of the Sale; complete the distribution of Sale Proceeds to, among other things, reduce ongoing debt levels with BDC and BMO; carry on its remaining business in the ordinary course; and preserve the opportunity to make a viable proposal to unsecured creditors.

41. Cross Country is acting and has acted in good faith and with due diligence in respect to these proceedings, this motion and the matters described herein.

42. The business and financial affairs of Cross Country will be managed during the extension of the proceedings by its directors and officers, with monitoring by the Proposal Trustee in accordance with its statutory obligations.

43. Cross Country presently has the support of BDC and BMO in bringing this motion, as to the matters of the approval and authorization of the APA, the making of the requisite vesting order and the extension of the time

within which a proposal must be made. Matters respecting the distribution of the Sale Proceeds remain to be further addressed with BDC and BMO.

X. CONCLUSION

44. I believe the extension and relief requested by Cross Country is appropriate, necessary and in the best interests of Cross Country and its stakeholders. I believe that the extension requested will not materially prejudice the position of the existing creditors when compared to the consequences if the stay is not granted. To the extent that prejudice may be perceived by or in relation to any particular creditor, I believe that the prospective benefit of the BIA process to Cross Country's stakeholders generally outweighs consideration of such prejudice.

SWORN BEFORE ME at)
the City of Winnipeg, in)
the Province of Manitoba,)
this 29th day of November, 2017)
)



A Notary Public in and for the
The Province of Manitoba



JONATHAN DOERKSEN

This is Exhibit " 1 " referred to in the
Affidavit of JONATHAN DOCKRSEW

SWORN before me this 29th day

RESOLUTION OF THE SHAREHOLDERS

of November, A.D. 2017

OF

5274398 MANITOBA LTD.

G. Bennett
A Notary Public
in and for the Province of Manitoba

(the "Corporation")

WHEREAS the Corporation has entered into an Asset Purchase Agreement between the Corporation and 2598309 Ontario Limited d/b/a Gin-Cor Trailer Holdings (the "**Purchaser**") dated as of the 14th day of November, 2017 (the "**Purchase Agreement**"), providing for the sale of certain assets in regard to its Blenheim, Ontario operations, all as defined in the Purchase Agreement as the "**Purchased Assets**";

AND WHEREAS pursuant to the terms of the Purchase Agreement the Corporation will be required to execute, deliver and perform, as applicable, certain obligations under, certain ancillary agreements, documents and instruments in connection with the sale of the Purchased Assets (collectively, the "**Ancillary Agreements**") and together with the Purchase Agreement, the "**Agreements**");

AND WHEREAS the shareholders of the Corporation have deemed it expedient and in the best interests of the Corporation to enter into and carry out the Agreements;

NOW THEREFORE BE IT RESOLVED THAT:


1. the Corporation is authorized to enter into, execute and deliver, and perform all of its obligations under the Agreements;
2. the execution and delivery by the Corporation of the Agreements and all parts of the Agreements is hereby approved and authorized;
3. any officer or director of the Corporation is hereby further authorized and directed at any time and from time to time to do all acts and things and to execute and deliver or cause to be executed and delivered, whether under the corporate seal or otherwise, all such other agreements, assignments, transfers, instruments, documents, share certificates and the like as in his or her opinion are necessary or desirable to complete the entering into of the Agreements and to carry out the Corporation's obligations under the Agreements and to carry out the intent of this resolution, all such acts or things so done and all such agreements, assignments, transfers, instruments, documents, share certificates and the like so executed and delivered to be conclusively deemed to be authorized hereby;
4. all acts and things done and all documents executed by any officer or director of the Corporation to date in connection with the Agreements, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
5. this resolution may be executed in counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same document. Delivery of an executed counterpart of these resolutions by electronic means, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (".pdf") or tagged image file format (".tif") shall be equally effective as delivery of an original executed counterpart of these resolutions; and

6. this resolution is effective the 29th day of NOVEMBER, 2017.

The foregoing resolution is hereby signed by all shareholders of the Corporation entitled to vote thereon.

DATED this 29th day of NOVEMBER, 2017.

Doug Doerksen (as holder of 24 Class A
common and 57,310 Class C preference shares)



Jonathan Doerksen (as holder of 61 Class A
common and 114,620 Class C preference shares)

Tim Klassen (as holder of 15 Class A common
and 22,042 Class C preference shares)

6. this resolution is effective the ____ day of _____, 2017.

The foregoing resolution is hereby signed by all shareholders of the Corporation entitled to vote thereon.

DATED this 29 day of November, 2017.



Doug Doerksen (as holder of 24 Class A
common and 57,310 Class C preference shares)

Jonathan Doerksen (as holder of 61 Class A
common and 114,620 Class C preference shares)

Tim Klassen (as holder of 15 Class A common
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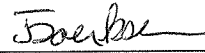
Jonathan Doerksen (as holder of 61 Class A
common and 114,620 Class C preference shares)


Tim Klassen (as holder of 15 Class A common
and 22,042 Class C preference shares)

CERTIFICATE

The undersigned hereby certifies that the attached is a true and correct copy of a resolution of the shareholders of 5274398 Manitoba Ltd. (the "**Corporation**") duly and lawfully passed by the shareholders of the Corporation on the 29th day of NOVEMBER, 2017 which resolution is still in full force and effect as of the date hereof.

Dated as of the 29th day of NOVEMBER, 2017.



Name: Jonathan Doerksen
Title: President

RESOLUTION OF THE DIRECTORS

OF

5274398 MANITOBA LTD.

(the "Corporation")

This is Exhibit 2 referred to in the Affidavit of Jonathan Doerksen SWORN before me on the 29th day of November, A.D. 2017. Co. Buehler A Notary Public in and for the Province of Manitoba

WHEREAS the Corporation has entered into an Asset Purchase Agreement between the Corporation and 2598309 Ontario Limited d/b/a Gin-Cor Trailer Holdings (the "Purchaser") dated as of the 14th day of November, 2017 (the "Purchase Agreement"), providing for the sale of certain assets in regard to its Blenheim, Ontario operations, all as defined in the Purchase Agreement as the "Purchased Assets";

AND WHEREAS pursuant to the terms of the Purchase Agreement the Corporation will be required to execute, deliver and perform, as applicable, certain obligations under, certain ancillary agreements, documents and instruments in connection with the sale of the Purchased Assets (collectively, the "Ancillary Agreements" and together with the Purchase Agreement, the "Agreements");

AND WHEREAS the directors of the Corporation have deemed it expedient and in the best interests of the Corporation to enter into and carry out the Agreements;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. the Corporation is authorized to enter into, execute and deliver, and perform all of its obligations under the Agreements;
2. the execution and delivery by the Corporation of the Agreements and all parts of the Agreements is hereby approved and authorized;
3. any officer or director of the Corporation is hereby further authorized and directed at any time and from time to time to do all acts and things and to execute and deliver or cause to be executed and delivered, whether under the corporate seal or otherwise, all such other agreements, assignments, transfers, instruments, documents, share certificates and the like as in his or her opinion are necessary or desirable to complete the entering into of the Agreements and to carry out the Corporation's obligations under the Agreements and to carry out the intent of this resolution, all such acts or things so done and all such agreements, assignments, transfers, instruments, documents, share certificates and the like so executed and delivered to be conclusively deemed to be authorized hereby;
4. all acts and things done and all documents executed by any officer or director of the Corporation to date in connection with the Agreements, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
5. this resolution may be executed in counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same document. Delivery of an executed counterpart of these resolutions by electronic means, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (".pdf") or tagged image file format (".tif") shall be equally effective as delivery of an original executed counterpart of these resolutions; and

6. this resolution is effective the 29th day of NOVEMBER, 2017.

The foregoing resolution is hereby signed by all directors of the Corporation entitled to vote thereon at a meeting of the directors.

DATED this 29th day of NOVEMBER, 2017.

Doug Doerksen

Doerksen

Jonathan Doerksen

Tim Klassen

6. this resolution is effective the ____ day of _____, 2017.

The foregoing resolution is hereby signed by all directors of the Corporation entitled to vote thereon at a meeting of the directors.

DATED this 29 day of November, 2017.

Doug Doerksen

Jonathan Doerksen

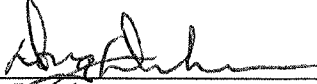


Tim Klassen

6. this resolution is effective the ____ day of _____, 2017.

The foregoing resolution is hereby signed by all directors of the Corporation entitled to vote thereon at a meeting of the directors.

DATED this 29 day of November, 2017.



Doug Doerksen

Jonathan Doerksen

Tim Klassen

CERTIFICATE

The undersigned hereby certifies that the attached is a true and correct copy of a resolution of the directors of 5274398 Manitoba Ltd. (the "**Corporation**") duly and lawfully passed by the directors of the Corporation on the 27th day of NOVEMBER, 2017 which resolution is still in full force and effect as of the date hereof.

Dated as of the 27th day of NOVEMBER, 2017.



Name: Jonathan Doerksen
Title: President

MLT AIKINS

This is Exhibit " 3 " referred to in the
Affidavit of Jenssen Doeppen
SWORN before me this 25th day
of November, A.D. 20 17
G. Burt Jay
A Notary Public
in and for the Province of Manitoba

PUBLIC OFFICE SEARCH REPORT

DATE:	November 28, 2017
MATTER NO.:	1702631

In connection with the search results listed below, we have relied upon the accuracy and completeness of the information maintained and provided by the offices noted below.

NAMES SEARCHED
5274398 MANITOBA LTD.
CROSS COUNTRY MANUFACTURING
CROSS COUNTRY TRAILERS
NORTH COUNTRY MANUFACTURING

SEARCHES AGAINST 5274398 MANITOBA LTD.		
Search Office	Effective Date	Search Result
MANITOBA:		
Personal Property Registry	November 20, 2017	9 registrations as set out in Schedule A attached
Bank Act	November 28, 2017	Registration No.: 01259915 Bank: Bank of Montreal Date: January 4, 2011 Expires: December 31, 2017
ONTARIO:		
Personal Property Registry	November 19, 2017	5 registrations as set out in Schedule A attached
Bank Act	November 28, 2017	Clear

SEARCHES AGAINST CROSS COUNTRY MANUFACTURING		
Search Office	Effective Date	Search Result
MANITOBA:		
Personal Property Registry	November 20, 2017	4 registrations as set out in Schedule A attached
Bank Act	November 28, 2017	Clear
ONTARIO:		
Personal Property Registry	November 19, 2017	3 registrations as set out in Schedule A attached
Bank Act	November 28, 2017	Clear

SEARCHES AGAINST CROSS COUNTRY TRAILERS		
Search Office	Effective Date	Search Result
MANITOBA:		
Personal Property Registry	November 20, 2017	Clear
Bank Act	November 28, 2017	Clear
ONTARIO:		
Personal Property Registry	November 19, 2017	Clear
Bank Act	November 28, 2017	Clear

SEARCHES AGAINST NORTH COUNTRY MANUFACTURING		
Search Office	Effective Date	Search Result
MANITOBA:		
Personal Property Registry	November 23, 2017	Clear
Bank Act	November 28, 2017	Clear
ONTARIO:		
Personal Property Registry	November 22, 2017	Clear
Bank Act	November 28, 2017	Clear

LANDS SEARCHED

1 SOLVAY DRIVE, BLENHEIM, ONTARIO

Parcel Register No. 00928-0617

Information on the records of the Ontario Land Registry Office #24 as of November 27, 2017

Registered Owner: 5274398 Manitoba Ltd.

Legal Description: PART OF LOT 12, CONCESSION 1, EAST COMMUNICATION ROAD, GEOGRAPHIC TOWNSHIP OF HARWICH, DESIGNATED AS PART 1, 24R3292 EXCEPT PART 1, 24R9801; SUBJECT TO INTEREST, IF ANY, IN 513921; TOGETHER WITH AN EASEMENT OVER PART LOT 12, CON. 1, ECR, HARWICH DESIGNATED AS PART 2, 24R3292 AS IN 492487; MUNICIPALITY CHATHAM-KENT

Active Instruments:	Instrument Type	Registration No.	Registration Date	From/By
	Plan Reference	24R3292	1984/05/08	
Order	403300	1984/06/01		
Order	403910	1984/06/20		
Bylaw	408784	1984/11/02		
Notice Agreement	LT1360	1994/01/04		The Corporation of the Town of Blenheim
Notice	LT4724	1994/12/02		Solvay Automotive Canada, Inc. to The Corporation of the Town of Blenheim
Transfer	CK80203	2013/01/18		Inergy Automotive Systems (Canada), Inc. to 5274398 Manitoba Ltd.
Charge	CK80204	2013/01/18		Business Development Bank of Canada
Notice of Lease	CK101893	2014/12/04		Solar Power Network 001 Inc.
Charge	CK134716	2017/08/04		Bank of Montreal

SCHEDULE "A"
PPR REGISTRATIONS

In the Manitoba Personal Property Registry:

Registration No.	Debtor(s)	Secured Party	Collateral Description
201715086102	5274398 MANITOBA LTD. CROSS COUNTRY MANUFACTURING	HAYWORTH EQUIPMENT SALES INC.	PMSI Serial numbered items (1 outboard motor and 2 trailers) described in the search results.
201603545007	5274398 MANITOBA LTD CROSS COUNTRY MANUFACTURING	BLUE CHIP LEASING CORPORATION	PMSI 1 - DELL POWEREDGE R530 SERVER DELL-PER530 AND ALL SERVER AND COMPUTER EQUIPMENT OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 43406 (59486) BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF.
201411566701	5274398 MANITOBA LTD. DOERKSEN, JONATHAN DOUGLAS	Royal Bank Of Canada	2015 Motor Vehicle, GMC Sierra 2500HD, S/N 1GT12ZE82FF138906
201300355604	5274398 MANITOBA LTD DOERKSEN, DOUGLAS	RBC Royal Bank Of Canada	2011 Motor Vehicle, GMC Sierra 1500, S/N 3GTP2VE31BG148164
201203040402	5274398 MANITOBA LTD.	COOPER TIRE & RUBBER COMPANY	ALL INVENTORY OF COOPER TIRES AND TUBES NOW HELD OR HEREAFTER ACQUIRED AND ALL INVENTORY OF TIRES, TUBES, TIRE TREAD RUBBER, TIRE RUBBER MATERIALS OR ANY OTHER KINDRED PRODUCTS, WHETHER OR NOT MANUFACTURED BY COOPER, IF DELIVERED, SOLD OR DISTRIBUTED TO CUSTOMER BY OR THROUGH COOPER OR ANY OF ITS

			<p>WHOLLY-OWNED SUBSIDIARIES, NOW HELD OR HEREAFTER ACQUIRED (HEREINAFTER COLLECTIVELY CALLED "INVENTORY") AND ALL PROCEEDS, REPLACEMENTS AND RENEWALS THEREOF, ACCRETIONS, INCREASES AND ADDITIONS THERETO, OF THE INVENTORY AS MORE SPECIFICALLY DESCRIBED IN THE SEARCH RESULTS.</p> <p>ALL ACCOUNTS RECEIVABLE AND CONTRACT RIGHTS NOW IN EXISTENCE OR HEREAFTER CREATED AS A RESULT OF SALE OR OTHER DISPOSITION OF ALL OR ANY PORTION OF SUCH INVENTORY AND ALL RELATED BOOKS AND RECORDS.</p>
201004916501	<p>5274398 Manitoba Ltd.</p> <p>Cross Country Manufacturing</p>	Continental Tire Canada Inc.	<p>PMSI</p> <p>A continuing security interest in all tires, tubes and other products and inventory (the "Products") supplied or to be supplied by the Secured Part to the Debtor pursuant to a Dealer Inventory Purchase Agreement between the Debtor and the Secured Party dated March 29, 2010, and all accessions thereto, any product or mass in which the Products are commingled and all proceeds thereof.</p>
200618709700	<p>5274398 MANITOBA LTD.</p> <p>CROSS COUNTRY MANUFACTURING</p>	Business Development Bank of Canada	<p>PMSI</p> <p>The security interest is taken in all of the debtor's present and after-acquired personal property.</p> <p>All of the right, title and interest of the Debtor in and with respect to all Existing Leases, Future Leases, Rents and any and all guarantees of any obligations of any of the Lessees; and all rights, privilege, benefit and power of the Debtor to be derived therefrom; as more specifically described in the search results.</p> <p>Specific Equipment described in the search results.</p> <p>Serial numbered items (12 motor vehicles and 3 trailers) described in the search results.</p>
200618381004	5274398 MANITOBA LTD.	BANK OF MONTREAL	ALL ITS PRESENT AND FUTURE EQUIPMENT, INVENTORY, DEBTS, RECEIVABLES, INTANGIBLES, PROCEEDS AND UNDERTAKING AS MORE SPECIFICALLY DESCRIBED IN

			THE SEARCH RESULTS.
200618380903	5274398 MANITOBA LTD.	BANK OF MONTREAL	ALL DEBTS AND SECURITIES AND ALL PROCEEDS AND OTHER RIGHTS AND BENEFITS IN RESPECT THEREOF. ALL BOOKS AND ACCOUNTS, LETTERS, INVOICES, PAPERS AND DOCUMENTS IN ANY WAY EVIDENCING OR RELATING TO ALL OR ANY OF THE DEBTS AND SECURITIES AND RIGHTS. ALL AS MORE SPECIFICALLY DESCRIBED IN THE SEARCH RESULTS.

In the Ontario Personal Property Registry:

Registration Details	Debtor(s)	Secured Party	Collateral Classification / Description
File No. 678179871 Initial Registration No. 20120507 1450 1530 9225	5274398 MANITOBA LTD.	BANK OF MONTREAL/ BANQUE DE MONTREAL	Inventory/Equipment/Accounts/ Other/Motor Vehicle Included ONTARIO PERSONAL PROPERTY SECURITY AGREEMENT
File No. 683983251 Initial Registration No. 20130108 1500 1769 1075	5274398 MANITOBA LTD.	BUSINESS DEVELOPMENT BANK OF CANADA	Inventory/Equipment/Accounts/ Other/Motor Vehicle Included
File No. 714335859 Initial Registration No. 20160226 1703 1902 4934	5274398 MANITOBA LTD CROSS COUNTRY MANUFACTURING	BLUE CHIP LEASING CORPORATION	Equipment/Other
File No. 719198235 Initial Registration No. 20160802 1941 1531 9700	5274398 MANITOBA LTD.	ROYAL BANK OF CANADA	Other/Motor Vehicle Included 2016 GMC YUKON, S/N 1GKS2CKJ6GR394771
File No. 726305301 Initial Registration No. 20170405 1250 1901 2064	CROSS COUNTRY MANUFACTURING LTD.	K.G. INDUSTRIES LTD.	Inventory Described in the search results.
File No. 731028195 Initial Registration No. 20170818 1521 1793 9717	CROSS COUNTRY MANUFACTURING 5274398 MANITOBA LTD.	HAYWORTH EQUIPMENT SALES INC.	Equipment/Motor Vehicle Included Serial numbered items (3) described in the search results.

Samantha Dunn

From: Jordana Mazzei <jordana@solarpowernetwork.ca>
Sent: November 20, 2017 10:08 AM
To: Maria Penner
Cc: Doug Deeks; JJ Burnell
Subject: RE: Solar Power Network Lease registration CK101893 on PIN 00928-0617, 1 Solvay Drive, Blenheim, Ontario [AMT-Active.FID1582239]

Hi Maria,

Apologies for the delay. We confirm that the registration can be deleted on this property.

Thank you,

jordana mazzei | Manager Partner Relations | O. 416 479 0333 ext. 224 | F. 855 328 8261 | www.solarpowernetwork.ca

42 Wellington St E. 4th floor | Toronto, Ontario | M5E 1C7



This is Exhibit "4" referred to in the
Affidavit of JONATHAN DOORSEN
SWORN before me this 25th day
of NOVEMBER, A.D. 20 17
G. Beere
A Notary Public
in and for the Province of Manitoba

From: Maria Penner [<mailto:MPenner@mltaikins.com>]
Sent: Friday, November 10, 2017 11:17 AM
To: Doug Deeks <doug@solarpowernetwork.ca>
Cc: Jordana Mazzei <jordana@solarpowernetwork.ca>
Subject: Solar Power Network Lease registration CK101893 on PIN 00928-0617, 1 Solvay Drive, Blenheim, Ontario [AMT-Active.FID1582239]

Good morning Doug,

My name is Maria Penner, and I received your contact information today from your front desk. I am inquiring about the lease registration as referenced above on our client's title. We understand that the underlying lease was cancelled/terminated, and accordingly, the registration No. CK101893 should be deleted against the property.

Can you please give me a call back to discuss at 204-957-4625, or pass this email to the correct person?

Your assistance in this matter is greatly appreciated.

Kind regards,

Maria

Maria Penner
Lawyer
P: +1 (204) 957-4625 | E: mpenner@mltaikins.com
F: (204) 957-4434

MLT Aikins LLP
30th Floor - 360 Main Street
Winnipeg, Manitoba R3C 4G1
mltaikins.com

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