

Court File No.  
Court No. 35-2199056  
Estate No. 35-2199056

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

IN THE MATTER OF THE PROPOSAL OF  
BG FURNITURE LTD.  
OF THE TOWN OF WALKERTON  
IN THE PROVINCE OF ONTARIO

**MOTION RECORD  
(Motion Returnable December 22, 2016)**

**VOLUME 2 OF 2**

December 19, 2016

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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IN THE MATTER OF THE PROPOSAL OF  
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THIS IS EXHIBIT 0 REFERRED  
TO IN THE AFFIDAVIT OF  
ADAM HOFFMANN  
SWORN BEFORE ME ON THIS THE

17 DAY OF December 11

Scott Thibaudeau #00401  
A COMMISSIONER, ETC

Scott Stewart Thibaudeau, a Commissioner, etc.,  
Province of Ontario, for Mid Ontario Paralegal  
Service, and for work done within  
your permitted scope of practice  
as a licensed paralegal in Ontario.



## General Security Agreement

THIS AGREEMENT made as of the 1<sup>st</sup> day of April, 2015, between

BG Furniture Ltd., a corporation incorporated under the laws of Ontario (the "Debtor"),

and

Adam Michael Hofmann, Dirk Peter Nielsen and 2110785 ONTARIO INC (each of whom is a "Creditor")

**WHEREAS** the Debtor has assumed liabilities owing to 2110785 ONTARIO INC in the amount of \$500,000.00;

**AND WHEREAS** as of the date of this agreement the Debtor has borrowed the sum of \$44,760.00 from Adam Hofmann and may in the future borrow additional funds;

**AND WHEREAS** as of the date of this agreement the Debtor has borrowed the sum of \$29,840.00 from Dirk Nielsen and may in the future borrow additional funds;

**AND WHEREAS** the Debtor wishes to provide and the Creditors wish to receive a general and continuing collateral security against these present liabilities and any further sums that may be advanced by any of the Creditors to the Debtor.

THIS AGREEMENT WITNESSES that, in consideration of the sum of \$1 in lawful money of Canada now paid by the Creditors to the Debtor (the receipt and sufficiency of which are hereby acknowledged), the Debtor agrees with the Creditors as follows:

### 1. Interpretation

(1) In this agreement and in any amendments hereto, unless the context otherwise requires:

- (a) "Act" means the *Personal Property Security Act* (Ontario) as the same may from time to time hereafter be amended or any legislation that may be substituted therefore, as the same may from time to time be amended;
- (b) "Business Day" means a day (other than a Saturday or Sunday) on which chartered banks are open for business during normal banking hours.
- (c) "Collateral" means all personal property now owned or hereafter acquired by the Debtor including, without limitation, the property and assets of the Debtor referred to in paragraph 2(1) and all present and future personal property of the Debtor wherever located;

- (d) "Creditor" means any of Adam Hofmann, Dirk Nielsen and 2110785 ONTARIO INC. or all of them together;
- (e) "Event of Default" has the meaning ascribed thereto in paragraph 4(1);
- (f) "Obligations" means the aggregate of all indebtedness, obligations and liabilities of the Debtor to the Creditor, whether incurred prior to, at the time of, or subsequent to the execution hereof, including extensions and renewals, and including without limitation all obligations and liabilities of the Debtor to the Creditor under any present or future guarantee by the Debtor of the payment or performance or both of the debts, obligations or liabilities of any third party to the Creditor;
- (g) "Permitted Encumbrances" means any one or more of the following with respect to the property and assets of the Debtor:
  - (i) liens for taxes, assessments or governmental charges or levies not at the time due and delinquent or the validity of which are being contested in good faith by proper legal proceedings;
  - (ii) the lien of any judgment rendered or claim filed which is being contested in good faith by proper legal proceedings;
  - (iii) undetermined or inchoate liens and charges incidental to current operations which have not at such time been filed pursuant to law or which relate to obligations not yet due or delinquent;
  - (iv) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by the Debtor, or by any statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
  - (v) the encumbrance resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, surety or appeal bonds, costs of litigation when required by law and public and statutory obligations, liens or claims incidental to construction, mechanics', warehouseman's, builders', repairers', carriers' and other similar liens;
  - (vi) security given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operations of the Debtor, all in the ordinary course of its business;

- (vii) encumbrances, liens, charges and reservations and renewals thereof to secure the payment of the purchase price or the repayment of moneys borrowed to pay the purchase price of any property or properties hereafter or previously acquired by the Debtor [which have been approved in writing by the Creditor];
  - (viii) security given to the Creditor; and
  - (ix) any other encumbrances, liens, charges and mortgages approved in writing by the Creditor; and
- (h) "Security Interest" means collectively the mortgage, charge, pledge, assignment and transfer of, and the security interest in, the Collateral granted to the Creditor by the Debtor pursuant to paragraph 2(1).

(2) The terms "account", "equipment", "goods", "inventory", "personal property" and "proceeds" shall have the meanings ascribed thereto respectively by the Act, provided always that the term "goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the Act.

(3) If any provision herein is determined to be void, voidable or unenforceable, in whole or in part, such determination shall not affect or impair or be deemed to affect or impair the validity of any other provision hereof and all the provisions hereof are hereby declared to be separate, severable and distinct.

(4) Unless otherwise specified herein, all statements of or references to dollar amounts in this agreement shall mean lawful money of Canada.

(5) The insertion of headings in this agreement is for convenience of reference only and shall not affect the construction or interpretation of this agreement.

(6) Any reference in this agreement to any person, firm or corporation in the singular shall, where the context permits, include a reference to more than one of such person, firm or corporation, and the use of any gender shall be applicable to all genders.

(7) This agreement is governed by and shall be construed in accordance with the Act and the other laws of the Province of Ontario and the parties hereby attorn to the non-exclusive jurisdiction of the courts of such province.

## **2. Creation and Attachment of Security Interest**

(1) As continuing collateral security for the due and timely payment and performance by the Debtor of the Obligations, the Debtor hereby mortgages, charges, pledges, assigns, transfers and sets over to the Creditor, and grants to the Creditor a

general and continuing security interest in the Collateral, which shall include but not be limited to:

- (a) all accounts, debts, amounts, claims and moneys which now are, or which may at any time hereafter become, due or owing to or owned by the Debtor, whether or not earned by performance; all securities, mortgages, bills, notes and other documents now held or owned, or which may be hereafter taken, held or owned, by or on behalf of the Debtor, in respect of such accounts, debts, amounts, claims and moneys or any part thereof; and all books, documents and papers recording, evidencing or relating to such accounts, debts, amounts, claims and moneys or any part thereof;
- (b) all present and future agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods;
- (c) all documents, including, without limitation, all books, invoices, letters, papers and other records, in any form evidencing or relating to the Collateral;
- (d) all writings now or hereafter owned by the Debtor, each of which writing purports to be issued by or addressed to a bailee and purports to cover such goods and chattels in the bailee's possession as are identified or fungible portions of an identified mass, whether such goods and chattels are inventory or equipment, and which writing is treated in the ordinary course of business as establishing that the person in possession of such writing is entitled to receive, hold and dispose of such writing and the goods and chattels it covers, and further, whether such writing is negotiable in form or otherwise, including bills of lading and warehouse receipts;
- (e) all equipment now owned or hereafter acquired by the Debtor, including, without limitation, all machinery, fixtures, plant, tools, furniture, chattels, vehicles of any kind or description including, without limitation, motor vehicles, parts, accessories installed in or affixed or attached to any of the foregoing, all drawings, specifications, plans and manuals relating thereto, and any other tangible personal property which is not inventory;
- (f) all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act*, R.S.C. 1985, c. B-4) of the Debtor, and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery and all letters of credit and advices of credit provided that such letters of credit and advices of credit state that they must be surrendered upon claiming payment thereunder;

- (g) subject to paragraph 2(5), all intangible property now owned or hereafter acquired by the Debtor and which is not accounts including, without limitation, all contractual rights, goodwill, licences, inventions, franchises, designer rights, processes and formulae, patents, trade marks, trade names, copyrights and other intellectual property of the Debtor and all other choses in action of the Debtor of every kind, whether due or owing at the present time or hereafter to become due or owing;
- (h) all goods or chattels now or hereafter forming the inventory of the Debtor including, without limitation, all goods, merchandise, raw materials, work in process, finished goods, goods held for sale or resale or lease or that have been leased or that are to be, or have been, furnished under a contract of service, and goods used in or procured for packing or packaging;
- (i) all money now or hereafter owned by the Debtor, whether or not such money is authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency;
- (j) all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; including, without limitation, an uncertificated security within the meaning of the <<blank>> and all substitutions therefor and dividends and income derived therefrom; and
- (k) subject to paragraph 2(4), all leases now owned or hereafter acquired by the Debtor as tenant (whether oral or written) or any agreement therefor.

(2) The Security Interest shall extend to all proceeds of the Collateral.

(3) The Creditor and the Debtor hereby acknowledge and agree that value has been given for the granting of the Security Interest, that the Debtor has rights in the Collateral (except future Collateral), and that the parties have agreed not to postpone the time for attachment of the Security Interest.

(4) The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but the Debtor agrees to stand possessed of such last day in trust for such person as the Creditor may direct and the Debtor shall assign and dispose thereof in accordance with such direction.

(5) To the extent that the Security Interest would constitute a breach or cause the acceleration of any agreement, contractual right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its

interest therein in trust for the Creditor, and shall grant a security interest in such agreement, contractual right, license or permit to the Creditor forthwith upon obtaining the appropriate consents to the creation of such security interest.

### **3. Restrictions on Disposal of Collateral**

(1) Except as herein provided, the Debtor shall not, without the prior written consent of the Creditor:

- (a) create, allow to be created or suffer to exist any assignment, pledge, hypothec, charge, lien or encumbrance upon the Collateral, other than Permitted Encumbrances;
- (b) sell, lease or otherwise dispose of the Collateral or any part thereof;
- (c) release, surrender or abandon possession of the Collateral or any part thereof; or
- (d) move or transfer the Collateral or any part thereof from its present location.

(2) The Security Interest hereby granted to the Creditor shall in no way hinder or prevent the Debtor at any time and from time to time, until an Event of Default shall have occurred and the security hereby constituted shall have become enforceable:

- (a) from collecting and, where necessary, enforcing the collection of all amounts due or to become due to the Debtor under any account; and
- (b) from selling, leasing, licensing, consigning or otherwise disposing of inventory or of any obsolete, worn out, damaged or otherwise unsuitable equipment forming part of the Collateral, in the ordinary course of the Debtor's business and for the purpose of carrying on the same.

### **4. Events of Default**

(1) Default hereunder shall be deemed to occur in each of the following instances (each of which is herein called an "Event of Default"):

- (a) the Debtor defaults in payment or performance of any of the Obligations;
- (b) the Debtor defaults in making any payment hereby required or in performing or complying with any covenant, undertaking, condition or obligation contained herein [or in any other agreement between the Debtor and the Creditor];
- (c) any order is made or a resolution passed for the winding-up of the Debtor

or if a petition (voluntary or involuntary) is filed under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, against the Debtor or an authorized assignment for the benefit of creditors is made by it or if a receiver or agent is appointed by or on behalf of a secured creditor of the Debtor or pursuant to a court order or an application is made under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, or notice of intention to make a proposal is filed or a proposal is made by the Debtor to its creditors under the *Bankruptcy and Insolvency Act*;

- (d) an encumbrancer, whether permitted or otherwise, takes possession of any substantial part of the Collateral, or any process of a court, execution, distress, or analogous process becomes enforceable or is enforced against any substantial part of the Collateral and the Debtor is not instituting proceedings to vacate or lift such execution, distress or analogous process;
- (e) the Debtor ceases or threatens to cease to carry on its business, commits any act of bankruptcy, becomes insolvent, proposes a compromise or arrangement to its creditors or makes an unauthorized sale in bulk of its assets; or
- (f) the Debtor is liquidated, dissolved or its corporate charter expires or is revoked.

## 5. Remedies

(1) Upon the occurrence of an Event of Default, the Security Interest shall immediately become enforceable and the Creditor may, forthwith or at any time thereafter and without notice to the Debtor except as required by the Act or by this agreement:

- (a) commence legal action to enforce payment or performance of any or all of the Obligations;
- (b) make payments to parties having prior charges or encumbrances on properties on which either the Debtor or the Creditor may hold charges or encumbrances;
- (c) enter onto any premises where the Collateral may be located;
- (d) take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and its servants therefrom;
- (e) appoint any person to be an agent or any person to be a receiver, manager or receiver and manager (herein called a "Receiver") of the Collateral and to remove any Receiver so appointed and to appoint

another if the Creditor so desires; it being agreed that any Receiver so appointed shall have all of the powers of the Creditor hereunder, and in addition, shall have the power to carry on the business of the Debtor; it being further agreed that any such Receiver shall be deemed to be the agent of the Debtor for the purpose of establishing liability for the acts or omissions of the Receiver and the Creditor shall not be liable for such acts or omissions and, without restricting the generality of the foregoing, the Debtor hereby irrevocably authorizes the Creditor to give instructions to the Receiver relating to the performance of the Receiver's duties;

- (f) notify the account debtors or obligors under any accounts of the assignment of such accounts to the Creditor and direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor thereunder directly to the Creditor and give valid and binding receipts and discharges therefor and in respect thereof and, upon such notification and at the expense of the Debtor, enforce collection of any accounts, and adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Debtor might have done;
- (g) enjoy and exercise all of the rights and remedies of a secured party under the Act;
- (h) file such proofs of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or involuntary) relating to the Debtor;
- (i) preserve, protect and maintain the Collateral and make such replacements thereof and additions thereto as the Creditor shall deem advisable;
- (j) sell, lease or dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment on credit; provided that:
  - (i) neither the Creditor nor any Receiver will be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable,
  - (ii) the Creditor or any Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold,



and

(iii) the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Creditor or any Receiver in cash; and

(k) dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;

provided, however, that the Creditor shall act in a commercially reasonable manner in exercising its rights under this agreement.

(2) The remedies provided in paragraph 5(1) are cumulative and in addition to all other remedies existing at law or in equity or by statute.

(3) The Debtor agrees to indemnify and reimburse the Creditor for all costs and expenses of the Creditor, its agents, advisors and consultants (including without limitation legal fees and disbursements on a solicitor-and-his-own-client basis) incurred with respect to the exercise by the Creditor of any of its rights, remedies and powers under this agreement (including without limitation costs and expenses related to the custody, preservation and realization of the Collateral, the remuneration of the Receiver, and all costs and expenses incurred by the Receiver in performing its functions under its appointment), or with respect to dealing with other creditors of the Debtor in connection with the establishment, confirmation, amendment or preservation of the priority of the Security Interest, and such costs and expenses shall be added to and shall form part of the Obligations.

## 6. General

(1) No delay or omission to exercise any right or remedy accruing to the Creditor upon any breach or default by the Debtor hereunder shall impair any such right or remedy by the Creditor nor be construed as a waiver of any such breach or default or of any similar breach or default thereafter occurring, nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default. All waivers hereunder must be in writing and signed by the waiving party.

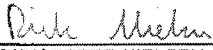
(2) The Debtor hereby acknowledges receipt of an executed copy of the foregoing general security agreement.

(3) Each creditor hereby acknowledges that they stand in equal priority and in the absence of any written agreement to the contrary any payments by the debtor in accordance with this agreement shall be made to each creditor on a pro rata basis in accordance with amounts owing to each creditor at the time such payment is made.

(4) There are no representations, agreements, warranties, conditions, covenants or terms, express or implied, collateral or otherwise, affecting this agreement or the Security Interest or the Debtor's obligations and liabilities hereunder other than as expressed herein.

(5) This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.


**BG FURNITURE LTD.**

Per:   
Name: DIRK PETER NIELSEN  
Title: DIRECTOR  
I have authority to bind the corporation

  
Name: ADAM MICHAEL HOFMANN

  
Name: DIRK PETER NIELSEN

**2110785 ONTARIO INC.**

Per:   
Name: ADAM MICHAEL HOFMANN  
Title: DIRECTOR  
I have authority to bind the corporation.

THIS IS EXHIBIT P REFERRED  
TO IN THE AFFIDAVIT OF  
Geo Adam Hoffman  
SWORN BEFORE ME ON THIS DATE

19 DAY OF December 2016

Scott Thibaudeau 12004008  
A COMMISSIONER, ETC

Scott Stewart Thibaudeau, a Commissioner, etc.,  
Province of Ontario, for Mid Ontario Paralegal  
Service, and for work done within  
your permitted scope of practice  
as a licensed paralegal in Ontario.  
P.S. 2016-12-19

# AGREEMENT

~ between ~

**BG FURNITURE LTD**  
Operations located at 75 Ridout Street  
WALKERTON, ONTARIO

~ and ~

**UNITED STEELWORKERS**  
**U.S.W. LOCAL 1-500**

**December 8, 2016 to June 30, 2019**

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This Agreement made and entered into as of the \_\_\_\_\_

Between:

***BG Furniture Ltd, Operations located  
at 75 Ridout Street Walkerton,  
Ontario***

(hereinafter designated as “the Company”)

and

***United Steelworkers  
U.S.W. Local 1-500***

(hereinafter designated as “the Union”)

***Preamble:***

The general purpose of this agreement is to secure for the Company, the Union, and the Employees, the full benefits of orderly collective bargaining and to the fullest extent possible, the safety and physical welfare of the Employees, economy of operation, and quality and quantity of output. It is to co-operate fully, individually and collectively, for the advancement of the said conditions.

***Article 1 – Recognition and Scope***

- 1.01 The Company recognizes the Union as the sole collective bargaining agency for all employees (save and except, Team Leaders, persons above the position of Team Leader, office professionals, students) with respect to rates of pay, hours of work and all other working conditions.
- 1.02 This agreement shall apply to all employees of the Company save and except, Team Leaders, persons above the position of Team Leader, office professionals, and students.
- 1.03 A person excluded from the bargaining unit as referred to in Section 1.01 may perform operations in the plant, provided, that the act of performing said operations in itself, does not reduce the hours of work or pay of any employee in the bargaining unit.

***Article 2 – Union Security and Check-off***

- 2.01 All employees of the Company covered by this agreement upon successful completion of their probationary period will become and remain members of the Union in good standing as condition of employment.
- 2.02 The Company will deduct Union Dues and Initiation Fees from the pay of all employees in the bargaining unit after completion of the probationary period as defined in section 6.06. Union dues will be paid weekly via EFT at the same time as wages are paid to employees.

### *Article 3 – Reservation to Management*

- 3.01 The Union recognizes the following rights of the Company to; hire, discipline, discharge for cause, promote, demote, transfer any employee, to manage its business in all respects in accordance with its obligations to direct its working force, to make and alter from time to time rules and regulations, same not to be inconsistent with the provisions of this Agreement, however, that the Company agrees that any exercise of these rights and powers shall be subject to the provisions of the Grievance Procedure.
- 3.02 Nothing in the above paragraph is deemed to limit the right of the Company to hire additional staff and/or not replace employees that leave.
- 3.03 The union will cooperate with the Company in participating in government-sponsored incentives and programs provided no seniority employee is affected in a negative way. This includes any and all employee assistance programs such as Work-Share.

### *Article 4 – Union Stewards Committee*

- 4.01 The Union may appoint, and the Company shall recognize, a committee not in excess of three (3) as a negotiating committee, one of whom shall be a chairperson of the committee. A fourth (4) member may be added if and when the bargaining unit reaches eighty (80) or more members.
- 4.02 If it is understood and agreed that committee person with the approval of their Team Leader or Manager shall be permitted during their working hours to leave their regular duties, for a reasonable length of time to present grievances and to discuss issues with management, subject to a maximum absence from their duties of six (6) hours in any one calendar month. The chairperson will be allowed fourteen (14) hours in a calendar month. Additional time requested will be unpaid.
- 4.03 Each member of the Negotiating Committee must have at least twelve (12) months seniority with the Company in order to be eligible for election to the Committee.
- 4.04 The Negotiating Committee will be paid for time spent on contract negotiations. The total hours paid will not exceed forty (40) hours and will only be paid for time during normal working hours.

### *Article 5 – Grievance Procedure*

- 5.01 Any employee shall contact the Plant Manager, or designated representative; regarding a situation they feel needs to be resolved. Should the matter not be adjusted to the employee's satisfaction then they may present a formal concern in the following manner;

**Step One:** If the employee concern has not been resolved, then the Committee member, in conjunction with the employee, presents the concern in writing, including all relevant details that occurred previously, to the Vice President or President within, and not after, 5 working days of the incident giving rise to the concern. If such details are absent the grievance will not proceed further. The Company is to respond within 5 working days of receipt. If the concern is not resolved to the employee's satisfaction then the concern can be elevated to a formal grievance.

**Step Two:** If reply is not satisfactory, Committee-person may present grievance in writing to the Vice President or President within, and not after, five (5) working days of receipt of answer. Such grievance shall be discussed at a meeting mutually arranged between Management and members of the Union Committee within 10 working days of receipt of the grievance. Such grievance shall provide specifics on why the company decision in Step Two fails to meet the contract and/or legislation.

**Step Three:** If the decision of Management is not satisfactory the Union may serve written notice on Management within seven (7) working days of Management's decision, the Company and the Union will choose an Arbitrator or choose to invite a Mediator. If the Company and the Union cannot agree within five (5) days on an Arbitrator the Minister of Labour of the Province of Ontario shall select one, and the decision of the Arbitrator shall be final and binding on both parties.

- 5.02 The preceding procedures in this section shall apply to all grievances regardless of type. The time limits in this Article are mandatory and binding on both parties unless the company and the union agree to otherwise.
- 5.03 Arbitration should be used only where an outside cost effective mediation is not possible. The Union and Company will share equally the costs of Arbitration and/or Mediation.
- 5.04 A discharged employee may present a grievance in writing through the Plant Committee to Management within twenty-four (24) hours after discharge and Management shall review the grievance with the Plant Committee and render a decision within twenty-four (24) hours after such review. If the decision of the Management is not satisfactory, the grievance may be appealed to the Arbitrator as herein provided.
- 5.05 If an employee is found to have been unfairly discharged they shall be reinstated to their job with full seniority rights and shall be reimbursed for lost time or receive appropriate remuneration through severance. Calculation of wages will be the difference between earnings from other sources ie. WSIB, EI, other.

#### *Article 6 – Seniority*

- 6.01 The Company agrees to recognize the principles of seniority, that is, the granting of preferences to employees in layoffs, and recall after layoffs in accordance with the employee's continuous length of employment.
- 6.02 Prior to a lay-off, the Management and the Union Committee shall meet and seek other solutions to a layoff. In the event of a lay-off, probationary employees, Part Time Help employees and students shall be the first to be laid off and thereafter layoffs shall take place according to seniority.
- 6.03 An employee laid off because of curtailment of production shall be re-hired according to the order in which they were laid off. i.e. the last employee laid off shall be the first employee re-hired provided the employee agrees to the position available and is capable of safely performing the work. Upon restoration of a full work force the employee shall be returned to their normal job.
- 6.04 The Company will post Seniority Lists within thirty (30) days of the signing of this agreement and every July and January thereafter on the Bulletin Board and two (2) copies will be given to the Union.
- 6.05 Seniority shall be plant-wide, based on length of service with the Company.
- 6.06 An employee shall be on probation and shall not be added to the seniority list until they have worked for a total of four hundred hours (400) from their starting date. A senior union representative, Chair or Vice Chair person will be introduced to the new employee within the first five working days.
- 6.07 Seniority rights shall be lost if an employee:
- a) voluntarily terminates employment
  - b) is discharged and such discharge is not reversed through the Grievance Procedure.
  - c) is laid off for twelve (12) consecutive months.
  - d) fails to return to work within seven (7) days, without just cause, after being recalled to work.
  - e) is off due to illness for twenty-four (24) consecutive months.

- 6.08 An employee who is recalled after lay-off shall be notified of such recall by written notice from the Company, such notice to be given at least 5 working days prior to the date on which they are to commence work. Refusal to accept available and suitable work may result in termination.
- 6.09 Any employee terminating their employment with the Company shall give the Plant Manager, or designated representative, two (2) weeks written notice of their decision.
- 6.10 In the event an employee with seniority accepts a promotion within the company to a position outside the bargaining unit they shall continue to accrue seniority for a period not to exceed twelve (12) consecutive months from the date of such promotion.
- 6.11 Should any such employee choose to remain outside the bargaining unit in excess of the twelve (12) month period, they shall relinquish all seniority rights, contained in this agreement and their name shall be removed from the seniority list. In any case where an employee whose name has been so removed from the seniority list desires to again work in an occupation covered by this agreement he shall be regarded as a new employee.
- 6.12 It is agreed that in recognition of the opportunity to accumulate seniority in the bargaining unit while in an excluded position, all such employees will pay the regular union dues in cash on a bi-weekly basis. Failure to adhere strictly to this procedure will be deemed to mean that the employee concerned has automatically excluded themselves from the bargaining unit and their name shall be removed from the seniority list forthwith.
- 6.13 Notwithstanding their seniority status, Union Committee members and lead-hands shall be continued at work as long as work in their department is available, provided the respective Union Committee members and lead-hands are able and willing to do the work being done.

#### ***Article 7 – Job Postings and Transfers***

- 7.01 Jobs and Job Classifications are defined in Schedule A. Job Tasks can be grouped together at a workstation or a set of workstations within each Department. To ensure both employee and company success an employee may not be permanently assigned to a specific job task or workstation. This is designed to promote cross training, skill enhancement, and meeting operation needs.
- 7.02 The Company has the right to transfer an employee as the need arises. An employee, who has relevant knowledge skills and abilities, can be reassigned to perform any work within the plant, on a temporary basis. If the position is at a lower rate of pay, the employee will be paid the same rate of pay as their existing classification.
- 7.03 Job Postings: When a vacancy exists within a department, the job will be posted for 3 days. Staffing levels and vacancies will be determined by the company based on operating requirements.
- 7.04 The results of all appointments and postings will be posted on the Bulletin Board within 10 days of the closing. This shall serve as notification to all employees and their union representatives of the posting outcome.

#### ***Article 8 – On Call Employees***

- 8.01 The Company has the right to hire students, on a temporary basis up to 6 months, to provide educational and training opportunities. Employees with seniority recall rights currently on layoff shall be recalled before any students may be hired. Students do not become members of the bargaining unit and shall not be afforded any seniority rights nor shall they be governed by this Collective Agreement. The purpose of hiring students shall not be to for the purpose of replacement full time unionized employees.



- 8.02 On Call Casual Employees - These employees have limited rights and benefits under our agreement. They are limited to the following and no more:
- a) Starting Wages - management reserves the right to determine starting wages based on experience, skill level, and market requirements, no less than the legislated minimum wage. Any wage increases will be based on experience, skill level, and performance, providing the wages do not exceed Operator Level of Schedule A.
  - b) Union Dues – to be deducted and paid after working forty (40) hours in any one month,
  - c) Seniority - On Call Casual employees will not have seniority rights.
  - d) Group Benefits - Part Time Help employees will not qualify for group health benefits.
  - e) Statutory Holidays will be paid in accordance with the Employment Standards Act.
- 8.03 On Call Casual Employees – Restrictions
- a) On Call Employees are to be used mainly for the purpose of covering for absences due to vacation, sickness, bereavement, WSIB and approved leave of absences. In situations where On Call Employees are used for peak demand periods, it will be done so with consultation with the union.
  - b) On Call Casual employees will not be offered any working hours for any period during which any full time employee is on layoff, unless the work being performed by the On Call Casual employee, cannot be performed by the laid off employee.
  - c) On Call Casual employees will be paid 12% premium above their hourly wage to cover, vacation, statutory days and benefits.
  - d) On Call Employees, if offered a full time position, their hours worked shall count towards the probation period. First consideration shall be given to the full time hiring of a candidate from the Casual Help pool of employees based on seniority and skills/ability relevant to the job position.

*Article 9 – Leave of Absence*

- 9.01 Leave of absences will be granted by the Company in accordance with existing legislation and on a case-by-case basis. The Union will be notified of all leaves granted.
- 9.02 With written notice within 5 working days, the Company will allow members of the Union, not exceeding two union committee members, reasonable leave of absence without pay to attend Union Conventions and Conferences. Granting of leaves will be based on operating requirements.
- 9.03 An employee with seniority standing will be granted unpaid leave of absence without benefits for full time employment with the Union for a period not to exceed one (1) year. This leave of absence will be extended by the Company at the expiration of one (1) year, and provided further, that application for such leave extension will be made thirty (30) days prior to the termination of such leave of absence. The union will pay for the costs of insurance while the employee is on leave.
- 9.04 Any employee who has received a leave of absence and accepts other employment during such leave of absence without the consent of the Company shall be subject to discharge.

**Article 10 – Hours of Work**

- 10.01 The normal work week shall be 40 hours per week. These hours shall not be construed as a guarantee of hours per week. Shift schedules are defined in Schedule B.
- 10.02 Overtime shall be paid at time & one-half for work performed in excess of forty (40) hours per week. For purposes of this calculation, hours will include approved vacation time, statutory holidays, excused absences, and bereavement time.
- 10.03 Except in cases of emergency, the Company will give minimum one (1) day advance notice in the event that over-time work is requested.
- 10.04 Employees who regularly perform a particular job will be given first choice for overtime.
- 10.05 There are two (2) observed paid rest periods of ten (10) minutes in duration each over a one-shift period.
- 10.06 The Company will where possible give employees twenty-four (24) hours notice of lay-offs, except in the case of power shortage, fire, flood, weather event, road closure, or something beyond the control of the Company. Under such conditions, the company is not obliged to pay wages unless the employee has been asked to work.
- 10.07 When work is interrupted because of power failure, employees' time will be calculated to the nearest 15-minute mark following such failure. It is understood that where work is not interrupted by a power failure, employees may continue to work at the Plant Manager's or designates discretion.

**Article 11 – Vacations**

- 11.01 For purposes of calculating vacation entitlement, 'annual earnings' is defined as all earnings of an employee including regular wages, overtime wages, and any other monies paid to an employee and normally included in taxable income with the exception of W.S.I.B and sick benefits. Commencing June 1, 2013, vacation entitlement does not form part of annual earnings.
- 11.02 The vacation year is considered to begin June 1<sup>st</sup> and end May 31<sup>st</sup>, and June 1<sup>st</sup> shall be considered as vacation year date entitlement.
- 11.03 Employees are entitled to vacations based on the number of years of service as listed below. Employees taking vacation time are entitled to be paid 8 hours per day at an hourly vacation rate calculated as a percentage of their annual earnings for the preceding vacation year divided by the vacation time entitlement as in defined below. The percentage entitlement is based on the number of year's service as follows:

<b>Years of Service</b>	<b>Vacation</b>	<b>Pay</b>
One (1) year or more	2 weeks	4 %
Five (5) years or more	3 weeks	6 %
Thirteen (13) years or more	4 weeks	8 %
Twenty Four (24) years or more	5 weeks	10 %

- 11.04 If a plant shutdown is required then it shall be the required number of weeks immediately preceding the August Civic Holiday. The Company may stagger this shutdown period on a department-by-department basis, according to operational needs. The shutdown schedule will be announced by May 1st. Any subsequent changes will be on a voluntarily basis only.

- 11.05 An employee may request the Company, for a cash payment in lieu of vacation time off. Granting of such requests will be at the discretion of the Company. Such payment would be calculated as a normal entitlement under paragraph 11.03 for that related time. This payment will be paid over the following three pay periods.
- 11.06 The Company agrees to maintain the normal payroll function of direct deposit, for wages and/or vacation allowances owing, during the shutdown period as defined in 11.04.
- 11.07 With the exception of the plant shutdown, no more than ten percent (10%) of the employees (to the nearest whole number, (ie 1.4 is rounded to 1 and 1.5 is rounded to 2) in the plant shall be granted vacation unless previously agreed to by Management. If two or more employees request the same vacation time, preference will be given to the employee with greater seniority.
- 11.08 Employees entitled to three weeks or more vacation;
- Shall be given same between June 1st and May 31st with all annual vacations to be taken not later than May 31st of each vacation year.
  - Must, upon reasonable notice to and approval by the Company, have used at least 80% of their total vacation time by May 1st of the current calendar/vacation year.
  - Shall notify the Company 30 days prior to the new vacation term, their preference and specific dates that they wish to use for their vacation.
  - May defer part of their vacation time to the following vacation year upon application in writing to the Company within 60 days, or more, prior to the end of the current vacation year.
  - Failure to follow the procedures outlined in parts (a) to (d) may result in the employee's vacation requests being denied and scheduled according to operational requirements.

**Article 12 – Statutory Holidays**

- 12.01 The following statutory holidays shall be paid at the employee's regular rate of pay if not worked and if worked, employees shall receive two and one-half (2 ½) times their regular rate of pay. The Union and the Company agree to use a Floater Day in lieu of the Ontario Family Day.

Holiday	Day Observed				
	2016	2017	2018	2019	2020
New Year's Day		Jan 2	Jan 1	Dec 31	Jan 1
Family Day		Feb 20	Feb 19	Feb 18	Feb 17
Good Friday		Apr 14	Mar 30	April 19	April 10
Victoria Day		May 22	May 21	May 20	May 18
Canada Day	July 1	June 30	June 29	July 1	July 1
Civic Holiday	Aug 1	Aug 7	Aug 6	Aug 5	Aug 3
Labour Day	Sept 5	Sept 4	Sep 3	Sep 2	Sep 7
Thanksgiving	Oct 10	Oct 9	Oct 8	Oct 14	Oct 12
Christmas Eve	Dec 23	Dec 22	Dec 24	Dec 25	Dec 25
Christmas Day	Dec 26	Dec 25	Dec 25	Dec 26	Dec 26
Boxing Day	Dec 27	Dec 26	Dec 26	Dec 27	Dec 27

- 12.02 Any employee shall receive one (1) full day's pay, to a maximum of eight (8) hours, for a statutory holiday as referenced in section 12.01, provided the probation period has been completed, as per section 6.06.

- 12.03 The employee shall not receive pay if any of the following conditions are met:
- a) If on the day on which the statutory holiday is observed, the employee is serving penalty for misconduct.
  - b) If the employee is away from work due to personal illness or due to an accident occurring at the workplace and his combined absences before and after the day on which the statutory holiday is observed exceeds thirty (30) days.
  - c) For employees with less than one (1) year service, laid off for a period of fourteen (14) days immediately prior to the day on which the statutory holiday was observed.
  - d) For employees with more than one (1) year service, laid off for a period of thirty (30) days immediately prior to the day on which the statutory holiday was observed.
  - e) If on the work days immediately before or after the statutory holiday observance, the employee is one (1) hour or more late on either of such days, they shall lose in statutory holiday pay, a number of hours equivalent to the duration of their lateness.
  - f) If the employee is absent without permission or just cause the afternoon or morning of the working day before or after the statutory holiday, the person shall receive no holiday pay.
- 12.04 If the employee is absent due to sickness, the day before or the day after, a valid Doctor's certificate is necessary in order to qualify for the statutory holiday pay. The company will not refund the employee for the Doctor's certificate.

#### *Article 13 – No Strike or Lock-Out*

- 13.01 The Union agrees that it shall not call or authorize, and that no officer or agent of the Union will council or procure, support or encourage an unlawful strike or organized slow-down.
- 13.02 The Company agrees not to lock out its employees during the life of this agreement.

#### *Article 14 – General*

- 14.01 The union, all employees, and the company jointly affirm that every employee in the company shall be entitled to a respectful and safe workplace. A respectful workplace is one where employees are treated with respect and dignity and are valued and supported by the organization, managers, co-workers, and union representatives. The environment must be free of behaviors such as discrimination, harassment, disruptive workplace conflict, disrespectful behavior, and violence in the workplace. Although disrespectful behavior, disruptive workplace conflict and harassment can be defined, in practice they overlap. The following definitions, although not inclusive, have been designed to accommodate the different type of concerns that may arise:
- a) Disrespectful behaviour is improper behaviour that is unwelcome and inappropriate in the workplace such as rude comments, swearing, and spreading unfounded rumours that damage a person's reputation.
  - b) A disruptive workplace conflict is an ongoing dispute or communication breakdown between two or more individuals that impacts their ability to work productively and cooperatively in the workplace.
  - c) Harassment is engaging in a course of vexatious comments or conduct that is known or ought to be reasonably known to be unwelcome.
  - d) The parties agree that there shall be no discrimination or harassment as defined by the Ontario Human Rights Code.
  - e) Workplace violence is a threat that may include but is not limited to any act, gesture or statement that may be interpreted as threatening or potentially violent. A violent act is one that cause or may cause physical harm to persons or damage to property.

- 14.02 The Union shall have the right of assistance of a Union Representative in regard to any matter coming up before a meeting of Management and Union. Union Representatives shall not enter premises of the Company without first securing permission of the Vice President or President.
- 14.03 A Bulletin Board will be provided by the Company for use by the Union for calling meetings, etc. Bulletins depicting issues important to the Union shall not be scrutinized or discriminated against by the Company or it's employees, and shall not be removed or tampered with.
- 14.04 The Company must make all reasonable provisions for the Safety and Health of its employees, and the Joint Health and Safety Committee shall have the right to make recommendations to the Management respecting the Safety and Health of the employees. The Union agrees it will co-operate with the Company in the maintenance of these services.
- 14.05 The Company and the Union jointly affirm that reasonable accommodation is the mutual responsibility of not only the Company and employees but of Management and the Union.
- 14.06 Management shall make provisions for the Safety and Health of employees during the hours of their employment in accordance with current legislation. The Company shall make available and pay for the prescribed personal safety equipment and reserves the right to insist in accordance with the Health & Safety Act.
- 14.07 The Company agrees to reimburse employees a maximum of two hundred (\$200.00) per year for Safety Shoes. This amount is per employee and will be paid to each employee purchasing safety shoes for their own use at work. No receipt will be required and payment will be made to employees on their birth date, each year. Employees are required to wear footwear appropriate to their work and seasonal conditions at all times, including when they are entering and leaving the property.
- 14.08 A maximum of One Hundred and Fifty Dollars (\$150.00) every three (3) years for prescription safety glasses expense reimbursement per employee will be paid to each employee purchasing prescription safety glasses for their own use at work. Employees are required to submit an original purchase receipt to support the reimbursement.
- 14.09 Employees are responsible for giving the Company written notice of any change in their contact information, including the employee's address and telephone number, as soon as is reasonably possible. Any failure of the Company to contact an employee under the requirements of any article of this agreement is limited where the employee has not provided correct contact information.
- 14.10 The parties agree that the Company may at it's discretion request from an employee returning to work after having been away from work repeatedly or for a lengthy period due to illness or injury, written confirmation of the illness or injury and that the employee is capable of safely returning to their assigned duties. Such confirmation will be from the appropriate recognized medical professional and will be paid for by the Company. The Company may at its discretion choose the medical professional and will supply appropriate job task information.

### *Article 15 – Group Insurance*

- 15.01 Group Disability - the insurance company will pay a weekly indemnity in the amount of \$375.00 commencing from the first day of an accident or from the fourth day of an illness. The first two (2) weeks of the disability will be covered by the Group Insurance plan, as paid by the insurance company. The next fifteen (15) weeks will be paid by Employment Insurance (E.I.), which will then be followed by twenty-four (24) weeks of payments under the Group Insurance plan as paid by the insurance company, if the employee is still disabled. The Company will assume 80 percent of the group disability plan premiums.
- 15.02 Group Life & AD&D – the group insurance plan provides for \$10,000 life insurance coverage as standard and \$10,000 accidental death & dismemberment coverage. The company will assume 80 percent of group life & AD&D premiums.
- 15.03 Major Medical Coverage including prescription drugs. There is a deductible clause with \$10.00 for single coverage and \$20.00 for family coverage, with a 90% co-insurance clause.
- Effective January 1, 2017 the annual maximum claim coverage is \$3,000.
- 15.04 The Company shall have the right to select the carrier of its choice in respect of any of the above benefits provided that in the event that any carrier is changed an equivalent level of benefits will be maintained. All decisions to pay claims reside with the insurance company. Decisions regarding Reasonable and Customary provisions reside with the insurance company adjudicating the claim. As of February 1, 2012, RWAM Group 15680-1-B is the benefits package. Schedule C describes further details on the plan.

### *Article 16 – Wages*

- 16.01 Attached to and forming part of this agreement is Schedule A, entitled “Job Classifications and Rates.”
- 16.02 The Company reserves the right to set standards in production.
- 16.03 There shall be equal pay for substantially the same quality and quantity of work performed regardless of the sex or age of the employee performing it.
- 16.04 All new employees shall have a minimum starting rate not less than the legislated minimum wage. The company agrees that it will regularly review the rates of all employees in order that the maximum rate for the employees job classification will be reached by 18 months service.
- 16.05 The Union recognizes Management’s right to determine the number and assignment of Lead Hand and Master level positions. The Job Posting procedures listed in Article 7.06 shall be used for Operator and Leadhand positions.
- 16.06 Shift premiums of \$0.35 per hour worked applies to Evening Shift as defined in Schedule B.
- 16.07 Wage deferrals with interest accumulated between year 2015 and 2016, shall be carried forward from BG Furniture Ltd., to the new company at value of 100% of the amount owing as of October 10, 2016. Repayment of the deferred wages will be carried out starting, February 1, 2017 or when the asset purchase has been completed by BG Furniture Ltd to NewCo and equally over the following 30 months, until such time as the deferred wages have been repaid. Any employee leaving the company before or after November 14, 2016, shall be paid their deferred wages, over a 12-month period, starting, February 1, 2017 or when the asset purchase has been completed by BG Furniture Ltd to NewCo. The accumulated deferred wages will not incur interest starting October 1, 2016.

***Article 17 – Bereavement Leave & Bereavement Pay***

- 17.01 All employees are entitled to up to three (3) paid days bereavement leave. This is to be used to attend funeral services and if applicable to settle the deceased affairs:
- A spouse (a ‘spouse’ includes both married and unmarried couples, of the same sex or the opposite sex);
  - A parent, step-parent, foster parent, child, step-child, foster child, grandparent, step-grandparent, grandchild or step-grandchild of the employee or employee’s spouse;
  - The spouse of an employee’s child;
  - A brother, step-brother, sister, step sister of the employee or employee’s spouse;
  - A brother in-law, sister in-law of the employee;
  - A relative of the employee who is dependent on the employee for care or assistance.
- 17.02 The Company agrees to pay such employee at their regular straight time rate only for those regular working hours that they would have worked had they not been on bereavement leave as defined in the foregoing paragraph. Employees will be required:
- a) To provide some form of documentation verifying the event (obituary, funeral service notice, etc);
  - b) To give prior notification to the company of their absence.
- 17.03 In the event that the funeral services are held on a non-working day, Bereavement Leave will not be granted unless the employee is responsible for settling the deceased affairs or is required to travel.
- 17.04 In the event that bereavement leave falls within an employee’s scheduled vacation or a statutory holiday, it is agreed that the employees vacation entitlement may be extended by up to 3 days upon mutual agreement.

***Article 18 – Pay When Injured On The Job***

- 18.01 WSIB Act governs compensation for work related injuries in the workplace.

### ***Article 19 – Performance Management***

- 19.01 Performance Management steps are as follows:
- a) Verbal notification and coaching. This is generally an attempt to establish and understand the working environment in which an employee can be successful. There is no requirement for Union involvement at this stage.
  - b) Written warning. Generally, occurs after (but not necessarily) coaching has happened but the undesirable behaviour persists.
  - c) Suspension. Occurs if previous steps have not been successful.
  - d) May result in termination.
- 19.02 Where the infraction is of a serious nature, it could result in an immediate written warning, suspension, demotion, or termination.
- 19.03 Written warnings or suspensions shall be made a matter of record and a dated copy to be given to the Union. Records of such offences will be kept and only referenced in the steps outline in 19.01 if offences of a similar nature have occurred within a two (2) year period.
- 19.04 The Company agrees to recognize the Union Committee of this Union and it's representatives as the representatives of the employees covered by this Agreement, but this will not prevent any employee from applying to be heard on their own behalf in any discussions.
- 19.05 Any employee may be immediately terminated without notice for such causes as:
- a) Theft of Company property or that of another employee;
  - b) Falsification of any records, including time sheets;
  - c) Leaving the workplace during working hours without permission;
  - d) Fighting or violent behaviour on Company property;
  - e) Smoking inside the building;
  - f) Refusal to follow direct instructions from a Team Leader or Manager unless doing so would place the health, safety or life of the employee or others in jeopardy;
  - g) Gross disrespect to a Team Leader, Manager or visitor;
  - h) Possession or use of intoxicants or controlled substances on the company premises;
  - i) Being intoxicated or under the influence of a controlled substance while on the company premises.

### ***Article 20 – Good Attendance Bonus***

- 20.01 Good attendance bonus program details as follows:
- a) Each full time employee is eligible for the good attendance bonus program that pays \$100 per 3 month period (quarter). A quarter is defined as for the period from January to March, April to June, July to September and October to December. The payment of the bonus is paid on the first pay period following the last quarter.
  - b) Good attendance does not include time off for any of the following:
    - a. Illness
    - b. Injury at work or outside of work
    - c. Un-scheduled vacation time off not approved at least 1 working day in advance
    - d. Arriving late for start of shift
  - c) Excused absences only include the following:
    - a. For scheduled and approved vacation
    - b. For bereavement as per Article 17
    - c. For weather related reasons causing road closures and/or un-drivable road conditions



**Article 21 – Duration of Agreement**

- 20.01 The Company and Union mutually agree that this agreement shall be effective commencing December 8, 2016, and ending on June 30, 2019, and thereafter from year to year unless sixty (60) days, at the maximum, and thirty (30) days minimum notice shall be given by either party prior to the expiration of this agreement. If no new agreement can be reached by the expiration of this current agreement, then this agreement shall remain in force up to the time that a subsequent agreement can be reached.
- 20.02 It is expected that on or about February 1, 2017, NewCo will be purchasing BG Furniture Ltd assets with the plan of continuing the operation. It is agreed that the union and NewCo, shall agree to retain this agreement unless both parties unanimously agree to modify such agreement.

**For The Company**

**For The Union**



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*Schedule "A"*

**JOB CLASSIFICATION RATES**

- A: Assistant Performs basic work in various areas. Limited decision making required. Typically assists Operators, Masters and Lead Hands at a workstation.
- O: Operator Performs skilled work on a number of operations. Independently performs all relevant job tasks such as setup, operation, and verification. Interprets production documents such as cut lists, production cards, assembly tags, and work instructions.
- M: Master Highly skilled and high performing in many areas and operations. Independently performs all relevant job tasks such as setup, operation, and verification. Interprets production documents such as cut lists, production cards, assembly tags, and work instructions. Identifies and corrects process deficiencies. Trains others at all levels.

*Note: Job Classifications will be further supported by a document prepared and shared with employees on further details relevant to classification purposes.*

**Hourly Rates for Production Staff**

Class:	A – Assistant	O – Operator	M - Master	L – Lead Hand
<b>Nov 21, 2016</b>	13.50	16.50	17.01	18.01
<b>July 1, 2017</b>	13.50	16.75	17.30	18.30
<b>July 1, 2018</b>	13.70	17.00	17.60	18.60

**Hourly Rates for Maintenance Trades**

Apprentice Level:	Apprentice Mechanic	Proficient at Level 1	Boiler Engineer 4 <sup>th</sup> class	Proficient at Level 2	Proficient at Level 3
<b>Nov 14, 2016</b>	17.01	18.39	19.00	19.93	20.95
<b>July 1, 2017</b>	17.50	18.67	19.30	20.23	21.26
<b>July 1, 2018</b>	17.80	18.95	19.60	20.53	21.58

Notes:

- Any existing employee re-classified with a resulting lower paid position, will not see a reduction in pay. They will continue to receive the same hourly pay rate but will be red circled until such time as they move into a higher classification rate or their current classification pay rate increases to a higher level. In cases where an employee requests a job transfer or has received a lower classification position for performance reasons (determined solely by the company management), they will receive the lower pay immediately upon moving to the new position.
- The union recognizes Management’s right to determine the number of Master level positions and the assignment of those positions. The Job Posting procedures listed in Article 7.06 shall be used for Operator and Lead Hand positions.
- A review and updating of all employee’s classifications will be conducted and implemented, effective on December 8, 2016 and such re-classifications shall place employees in one of the job classification and pay rates. Employee wages will be adjusted immediately, unless employee requests a chance to demonstrate that they can and are performing the work required in the job classification up to January 30, 2017.

**Lead Hands**

1. Temporary lead hands, when assigned will be paid the equivalent Lead Hand rate.
2. The union recognizes Management's right to:
  - a) promote or demote Lead Hands (demotions are subject to the Performance Management process defined in Article 19)
  - b) Determine the number of Lead Hands required in any given area
3. The Job Posting procedures listed in Article 7.06 shall be used for Leadhand positions.

**Department List**

Manufacturing  
Facility

*(formerly Component Manufacturing, Handcraft, and Yard)*  
*(formerly Maintenance)*

*Schedule "B"*

**PRODUCTION DEPARTMENT SHIFT SCHEDULES**

	<b>Normal 5x8hr</b>	<b>Early 5x8hr</b>	<b>Late 5x8hr</b>	<b>Evening 5x8hr</b>	<b>Option 4x10hr</b>
Start	7:00am	5:00am	9:30am	11:30am	6:00am
End	3:30pm	1:30pm	6:00pm	8:00pm	4:30pm
Meal Break	30 min, unpaid	30 min, unpaid	30 min, unpaid	30 min, unpaid	30 min, unpaid
Rest Breaks	2 x 10 min each	2 x 10 min each	2 x 10 min each	2 x 10 min each	2 x 10 min each
Week Days	Mon – Fri	Mon – Fri	Mon – Fri	Mon – Fri	Mon – Thur or Tue – Fri
Shift Premium	none	none	none	\$0.35 per hour worked	none

Notes

1. Schedule B Shift Schedules will be used as a guide only. Assignments to shift schedules will be mutually agreed by the union, the affected employees, and the company. The objective is to recognize and respect both seniority and employees personal situation when assigning shifts.
2. New employees will be informed of their shifts at the time of hiring.
3. Non-Production functions may have other shifts depending on operational needs.

*Schedule "C"*

**Benefits Table**

<b>Item</b>	<b>Amount / Limit</b>	<b>Capped?</b>
<b>Basic Life</b>	\$10,000.00	
<b>Additional Life Insurance</b>	at Employees Expense	
<b>Accidental Death &amp; Dismemberment</b>	\$10,000.00	
<b>Short Term Disability</b>	\$375.00 as per Art. 15.01	
<b>Major Medical Overall Limit</b>	<b>\$3,000.00</b>	
Prescription Drug Plan - 90%	limited to generic product selection	Y
Physiotherapist - 90%	\$100.00	Y
Health Care Spending (Flex)	\$300.00	Y
Speech Therapist - 90%	\$100.00	Y
Osteopath, Chiropracist, Psychologist/Social Worker - 90%	\$100.00	Y
Podiatrist (per calendar year) - 90%	\$100.00	Y
Chiropractor (per calendar year) - 90%	\$300.00	Y
Private Duty Nursing - 90%	per EHC details	Y
Semi-Private Hospital Benefit	No coverage	
Ambulance Service - 90%	per EHC details	Y
Foot Orthotics - 90%	2 pair per calendar year; \$400.00 Total	Y
Orthopedic Shoes - 90%	\$400.00 Total every 3 calendar year	Y
Medical Services and Supplies - 90%	per EHC details	Y
Medical Equipment - 90%	per EHC details	Y
Dental Accidents - 90%	per EHC details	Y
Emergency Care out of Province/Canada- 100%	\$5M 60 day max	
Medical Referral Out-of Province/ Canada - 100%	\$50,000	
EHC Deductible per calendar year	Single:\$10;Family \$20.00	
Waiting period and Eligibility	90 Days; permanent actively at work 24 hour/week	
Coverage Termination Age	retirement or age 70	
Health and Dental Survivor Benefit	24 months with payment of premiums by surviving spouse	

THIS IS EXHIBIT Q REFERRED  
TO IN THE AFFIDAVIT OF  
Adnan Hossain  
SWORN BEFORE ME ON THIS THE

19 DAY OF December 20 11

Scott Thibaudeau #00406  
A COMMISSIONER, ETC.

Scott Stewart Thibaudeau, a Commissioner, etc.,  
Province of Ontario, for Mid Ontario Paralegal  
Service, and for work done within  
your permitted scope of practice  
as a licensed paralegal in Ontario.

**BG Furniture Cash Flow Projections**  
 Updated Dec 17, 2016

		year	2016													
		week	52													
		week starting	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	6-Mar	13-Mar	
		week ending	24-Dec	31-Dec	7-Jan	14-Jan	21-Jan	28-Jan	4-Feb	11-Feb	18-Feb	25-Feb	4-Mar	11-Mar	18-Mar	
		year.week	2016.51	2016.52	2016.53	2017.01	2017.02	2017.03	2017.04	2017.05	2017.06	2017.07	2017.08	2017.09	2017.10	2017.11
Category		Last Week (actual)	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
<b>Total Shipments</b>																
Loan Advances (DIP)	LP	-	100,000	-	50,000	-	-	50,000	-	-	-	-	25,000	-	-	225,000
Recovery of Reserve	RR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds from AR lending (net of freight/taxes)	AR	-	-	-	50,000	62,500	62,500	62,500	62,500	62,500	67,500	54,000	67,500	67,500	67,500	686,500
Cash Receipt	CR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts:</b>		-	100,000	-	100,000	62,500	62,500	112,500	62,500	62,500	67,500	54,000	92,500	67,500	67,500	911,500
<b>Operating Cost</b>																
Payroll (gross) with benefits	P	-	9,557	17,910	38,111	37,758	39,878	39,637	53,621	39,194	40,354	43,778	61,574	39,794	40,354	501,521
Source deduction remittances	S	-	-	14,000	27,215	28,561	29,378	29,378	29,378	29,378	29,378	29,378	29,378	29,378	29,378	334,178
WSIB	WSIB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST	HST	-	-	-	-	-	-	-	-	-	-	-	6,000	-	-	6,000
EHT	EHT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefits	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees (Trustee & Trustee Legal)	Z	-	-	-	10,000	-	10,000	-	10,000	-	10,000	-	10,000	-	10,000	60,000
Utilities & Property Tax	U	-	-	-	-	2,050	-	8,900	-	2,750	-	13,900	500	3,350	-	31,450
Maintenance & Repairs	R	-	1,500	500	896	1,000	500	500	500	1,396	500	500	500	1,396	500	10,187
Capital Leases	L	-	2,386	1,910	-	476	-	859	1,051	-	476	-	1,910	-	476	9,545
Insurance	INS	-	5,671	-	-	5,671	-	-	-	5,671	-	-	-	5,671	-	22,683
Commissions	C	-	-	-	-	-	-	-	10,692	-	-	-	11,286	-	-	21,978
Other interest	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Costs on AR	IF	-	-	1,500	-	-	-	-	2,000	-	-	-	2,000	-	-	5,500
<b>Materials Cost</b>																
Lumber	ML	-	22,000	-	13,000	25,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	177,000
Hardware	MH	-	4,687	3,827	2,734	3,076	3,076	3,076	3,076	3,076	3,076	2,461	3,076	3,076	3,076	41,393
Finishing	MF	-	-	1,454	1,938	2,423	2,726	2,726	5,452	2,726	2,726	2,181	-	2,726	2,948	30,026
Packaging	MP	-	-	200	525	4,943	525	6,047	6,047	525	5,495	525	6,047	525	5,971	37,375
Upholstery	MU	-	-	179	102	128	144	144	144	144	144	115	144	144	100	1,632
Glass	MG	-	-	1,110	634	793	892	892	892	892	892	713	892	892	892	10,386
Glue & Adhesive	MA	-	-	154	88	110	124	124	124	124	124	99	124	124	200	1,519
Sandpaper	MS	-	395	166	118	133	133	133	133	133	133	107	133	133	133	1,983
Tooling	T	-	150	-	150	150	150	150	150	150	150	150	150	150	150	1,800
Freight	F	-	-	-	175	125	250	175	100	250	125	175	225	250	2,675	4,525
<b>Other Cost</b>																
Marketing	MK	-	5,470	1,600	500	11,135	2,321	3,765	500	12,700	600	1,155	3,265	10,535	2,165	55,710
Office Supplies & Admin	A	-	4,330	-	-	-	2,165	2,165	-	2,165	-	-	2,165	-	2,165	15,156
Uncategorized (contingency provision)		-	1,140	1,600	500	1,135	155	1,600	500	535	600	1,155	1,100	535	-	10,555
		-	-	-	-	10,000	-	-	-	10,000	-	-	-	10,000	-	30,000
<b>Total Operating Cash Disbursements:</b>		-	42,259	26,600	58,075	85,774	63,219	69,869	83,239	72,914	66,819	64,459	88,630	71,349	71,664	864,870
<b>Total Old AP</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Payments	LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>		-	42,259	26,600	58,075	85,774	63,219	69,869	83,239	72,914	66,819	64,459	88,630	71,349	71,664	864,870
out of balance (data error)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow</b>		0	57,741	(26,600)	41,926	(23,274)	(719)	42,631	(20,739)	(10,414)	681	(10,459)	3,870	(3,849)	(4,164)	46,630
Opening Cash		0	57,741	31,141	73,067	49,793	49,074	91,705	70,966	60,552	61,233	50,773	54,643	50,794		
Closing Cash	Mini Entry	-	57,741	31,141	73,067	49,793	49,074	91,705	70,966	60,552	61,233	50,773	54,643	50,794	46,630	

**BG Furniture Cash Flow Projections**

Updated Dec 17, 2016

		year														
		2016														
here ---->		week														
		week starting	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	6-Mar	13-Mar	
		week ending	24-Dec	31-Dec	7-Jan	14-Jan	21-Jan	28-Jan	4-Feb	11-Feb	18-Feb	25-Feb	4-Mar	11-Mar	18-Mar	
year.week		2016.51	2016.52	2016.53	2017.01	2017.02	2017.03	2017.04	2017.05	2017.06	2017.07	2017.08	2017.09	2017.10	2017.11	
Category	Last Week (actual)	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total	
<b>Total Shipments</b>																
Loan Advances (DIP)	LP	-	100,000	-	50,000	-	-	50,000	-	-	-	-	25,000	-	-	225,000
Recovery of Reserve	RR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds from AR lending (net of freight/taxes)	AR	-	-	-	50,000	62,500	62,500	62,500	62,500	67,500	54,000	67,500	67,500	67,500	686,500	
Cash Receipt	CR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Receipts:</b>		-	100,000	-	100,000	62,500	62,500	112,500	62,500	62,500	67,500	54,000	92,500	67,500	911,500	
<b>Operating Cost</b>																
Materials Cost		-	9,557	17,910	38,111	37,758	39,878	39,637	53,621	39,194	40,354	43,778	61,574	39,794	40,354	501,521
Other Cost		-	27,232	7,090	19,464	36,881	21,020	26,467	29,118	21,020	25,865	19,526	23,791	21,020	29,145	307,639
<b>Total Operating Cash Disbursements:</b>		-	5,470	1,600	500	11,135	2,321	3,765	500	12,700	600	1,155	3,265	10,535	2,165	55,710
<b>Total Old AP</b>		-	42,259	26,600	58,075	85,774	63,219	69,869	83,239	72,914	66,819	64,459	88,630	71,349	71,664	864,870
Loan Payments	LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>		-	42,259	26,600	58,075	85,774	63,219	69,869	83,239	72,914	66,819	64,459	88,630	71,349	71,664	864,870
out of balance (data error)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow</b>		0	57,741	(26,600)	41,926	(23,274)	(719)	42,631	(20,739)	(10,414)	681	(10,459)	3,870	(3,849)	(4,164)	46,630
<b>Opening Cash</b>		0	57,741	31,141	73,067	49,793	49,074	91,705	70,966	60,552	61,233	50,773	54,643	50,794	50,794	
<b>Closing Cash</b>	Min Entry	-	57,741	31,141	73,067	49,793	49,074	91,705	70,966	60,552	61,233	50,773	54,643	50,794	46,630	



THIS IS EXHIBIT R REFERRED  
TO IN THE AFFIDAVIT OF

Adrian HOFFMANN  
SWORN BEFORE ME ON THIS THE

19 DAY OF December 20 11

Scott Thibaudeau 000406  
A COMMISSIONER, ETC.

Scott Stewart Thibaudeau, a Commissioner, etc.,  
Province of Ontario, for Mid Ontario Paralegal  
Service, and for work done within  
your permitted scope of practice  
as a licensed paralegal in Ontario.  
P.O. Box 2000

## [Lender Letterhead]

December ●, 2016

BG Furniture Ltd.  
75 Ridout St.,  
Walkerton, ON  
Canada N0G 2V0

**Attention: Adam Hofmann, President**

Dear Sirs/Mesdames:

**RE: DIP Credit Facility**

We confirm that BG Furniture Ltd. (the “**Borrower**”) has filed for protection from its creditors under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and Collins Barrow Toronto Limited is named as proposal trustee (in such capacity, the “**Proposal Trustee**”) of the Borrower in the BIA proceedings.

The Borrower requires funding in the context of such proceedings on an urgent basis and has requested that 2544311 Ontario Limited or its nominee (in either case, the “**DIP Lender**”) make available to the Borrower a credit facility in the maximum principal amount of CAD \$300,000 during the BIA proceedings to be used to fund the restructuring process (including the fees and disbursements of the Proposal Trustee as well as counsel to the Proposal Trustee and the Borrower) and ordinary course operations. The DIP Lender is pleased to do so on the terms outlined in this term sheet (the “**Term Sheet**”).

### **LOAN FACILITIES**

- BORROWER:** BG Furniture Ltd.
- TYPE OF FACILITIES/  
AMOUNT:** The DIP Lender shall make available to the Borrower a non-revolving loan (the “**DIP Loan**”) in the maximum principal amount of CAD \$300,000.00 (the “**Maximum Amount**”) for the purpose of funding the restructuring process and ordinary course operations, subject to the terms and conditions set out herein.
- INTEREST RATE** Interest shall be calculated at the rate of 6% per annum, determined daily and calculated monthly in arrears, before and after maturity, default or judgment, with interest on overdue interest calculated in the same manner at any time on the balance outstanding at the same rate based on the actual number of days divided by 365.

4. **TERM & REPAYMENT:** The amount of the DIP Loan (including interest, fees and all other amounts payable hereunder) that is outstanding at any time (the “**Total Borrowings**”) shall be due and payable on the earlier of the occurrence of an Event of Default (as hereinafter defined) or May 1, 2017 (the “**Maturity Date**”).
- The Borrower may repay amounts outstanding under the DIP Loan at any time without notice, bonus or penalty.
5. **ADVANCES & AVAILABILITY:** Amounts under the DIP Loan shall be advanced to the Borrower on request, subject to:
- (a) the terms contained in this Term Sheet; and
  - (b) the satisfaction of the Conditions Precedent (as hereinafter defined),
- provided that each such request by the Borrower and each such advance by the DIP Lender shall be made in increments of \$50,000.
6. **DOCUMENTATION & SECURITY:** All liabilities and obligations of the Borrower to the DIP Lender arising hereunder shall be secured and evidenced, as the case may be, by the following documents completed in form and substance satisfactory to the DIP Lender and its counsel (collectively, the “**DIP Lender Security**”):
- (a) an order (the “**DIP Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), which DIP Order shall, among other things, authorize the DIP Loan and grant the DIP Charge (as hereinafter defined);
  - (b) a General Security Agreement from the Borrower (if requested by the DIP Lender);
  - (c) a mortgage against the Borrower's real property (if requested by the DIP Lender);
  - (d) all supporting authorizations, certificates and acknowledgements as the DIP Lender may reasonably require; and
  - (e) such further documentation that the DIP Lender and its counsel may reasonably require.
7. **CONDITIONS** The obligation of the DIP Lender to make available the DIP Loan

**PRECEDENT:**

is subject to and conditional upon each of the following conditions (the “**Conditions Precedent**”), which are for the exclusive benefit of the DIP Lender and, unless waived in writing by the DIP Lender, shall be fulfilled, satisfied and performed prior to the first advance under the DIP Loan:

- (a) acceptance by the Borrower of this Term Sheet;
- (b) the DIP Lender shall have received the DIP Lender Security, in form and content acceptable to the DIP Lender;
- (c) the Borrower shall have obtained a DIP Order in form and content satisfactory to the DIP Lender on or by December 23, 2016:
  - (i) authorizing the Borrower to borrow on the terms and conditions outlined in this Term Sheet and approving same;
  - (ii) creating a court ordered first in priority charge (the “**DIP Charge**”) in favour of the DIP Lender over all present and future assets, property and undertaking of the Borrower, subject only to:
    - A. an administration charge not to exceed \$150,000 without the written consent of the DIP Lender, and approval of the Court,as security for the DIP Loan, to the maximum principal amount of \$300,000;
  - (iii) prohibiting the granting of any additional liens, charges, security interests or any other encumbrances upon any of the assets, property or undertaking of the Borrower, without the prior written consent of the DIP Lender;
  - (iv) granting the DIP Lender the right, upon the earlier of the Maturity Date or an Event of Default (as defined below), to enforce the rights and remedies available to it, upon three (3) business days written notice to the Borrower and to the Proposal Trustee and their respective counsel, pursuant to the DIP Order, this Term Sheet, the DIP Lender Security, and any additional rights and remedies available to it, at law or in equity;
  - (v) prohibiting any further borrowing by the Borrower,

without the prior written consent of the DIP Lender;

- (vi) authorizing (but not obligating) the DIP Lender to effect such registrations, filings and recordings wherever the DIP Lender in its discretion deems appropriate regarding the DIP Lender Security, and the DIP Charge;
  - (vii) declaring that the granting of the security by the Borrower provided for in the DIP Lender Security (including the DIP Charge) and the execution and delivery of all other documents and instruments contemplated herein, the payment of all amounts by the Borrower to the DIP Lender, including any and all fees and interest, and the actions taken to perfect and record the DIP Lender Security do not constitute settlements, reviewable transactions, fraudulent preferences, fraudulent conveyances, conduct meriting an oppression remedy, or other transactions which might be challenged or reviewed under applicable federal or provincial legislation;
  - (viii) declaring the DIP Order, and the DIP Charge granted thereunder, binding upon a trustee in bankruptcy of the Borrower, a monitor, a receiver, an interim-receiver, a receiver-manager or any other officer of the Court;
  - (ix) declaring the DIP Lender to be an “unaffected creditor” under any proposal made by the Borrower and that the indebtedness owed to the DIP Lender under the DIP Loan shall not be compromised or arranged under any such plan; and
  - (x) such other terms and conditions as the DIP Lender may reasonably deem necessary or appropriate;
- (d) the DIP Order shall be in full force and effect and shall not have been reversed, stayed, modified, amended or varied, without the express written consent of the DIP Lender, and no application or motion shall have been made to the Court for any stay, modification or amendment of the DIP Order; and
- (e) no Event of Default (as defined below) shall have occurred.

**8. ONGOING COVENANTS:**

In addition to those covenants set out in the DIP Lender Security, and other documentation executed or to be executed by the Borrower in favour of the DIP Lender, the Borrower covenants as

follows:

- (a) the Borrower shall not request, obtain or consent to any reversal, stay, modification, amendment or any variation, of the DIP Order, that adversely effects the DIP Loan, without the prior written consent of the DIP Lender;
- (b) the Borrower shall maintain the current insurance coverage over its assets and property and, on a best efforts basis, designate the DIP Lender as loss payee as its interest may appear;
- (c) the Borrower shall forthwith provide the DIP Lender with written notice of the occurrence of an Event of Default (as defined below);
- (d) the Borrower shall not grant any liens, charges, security interests or any other encumbrances upon any of its assets, property or undertaking, without the DIP Lender's prior written consent;
- (e) other than as authorized in the Sale and Investment Solicitation Process to be undertaken by the Borrower, the Borrower shall not take any steps to sell, transfer, assign or deal in any way with any of its property, assets or undertaking out of the ordinary course of business, without the prior written consent of the DIP Lender or an order of the Court;
- (f) the Borrower shall pay, when due, all statutory liens, trusts and other Crown claims, including employee source deductions, GST/HST, EHT, and any payments required by any work place safety legislation, wages, vacation pay and insurance premiums;
- (g) the Borrower shall only use the DIP Loan for purposes set out in this Term Sheet, unless otherwise agreed to in writing by the DIP Lender;
- (h) the Borrower shall cause its property, assets and undertaking to be maintained and operated in good working condition in accordance with industry practice and to permit the DIP Lender, with the oversight of the Proposal Trustee, to inspect each of its property, assets and undertaking as the DIP Lender may request;
- (i) the Borrower shall take all necessary steps to ensure all licenses used in connection with the operation of the business

of the Borrower are kept in good standing; and

- (j) the Borrower shall comply with the financial projections attached as Schedule “A” hereto (the “**Projections**”), subject to an allowance for negative variations for total disbursements and withdrawals in the Projections (which must be satisfactory to the DIP Lender) not to exceed 10% of the Projections on a cumulative basis tested weekly.

9. **DEFAULT:**

In addition to the events of default set out in the DIP Lender Security, the following events shall constitute events of default (each, an “**Event of Default**”):

- (a) if the Borrower fails to pay to the DIP Lender when due any amount of principal, interest, fees or other amounts under the DIP Loan or otherwise, whether by acceleration or otherwise;
- (b) if the Borrower defaults in the observance or performance of any covenant contained in section 8 of this Term Sheet, the DIP Lender Security or any other agreement between the DIP Lender and a Borrower;
- (c) if the Total Borrowings exceed the Maximum Amount;
- (d) if the DIP Lender determines, acting reasonably, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of the Borrower;
- (e) if there occurs a direct or indirect change of control (as defined in the *Canada Business Corporations Act* and the *Corporations Act* (Ontario) with respect to the Borrower;
- (f) if the DIP Order is varied without the written consent of the DIP Lender or any other order is made which is or may be prejudicial to the DIP Lender’s interests;
- (g) if the Borrower fails to remit when due any amounts owing to the federal or provincial governments including, without limitation, amounts on account of employee withholdings, employee health taxes, HST and provincial sales taxes; or
- (h) if the the stay of proceedings under the BIA is terminated or lifted.

10. **REMEDIES:**

Upon the earlier of the occurrence of an Event of Default or the

Maturity Date, the DIP Lender may immediately terminate the DIP Loan and enforce, upon three (3) business days written notice, as referred to in paragraph 7(c)(iv) herein, all of its rights and remedies against the Borrower and its property, assets and undertaking including, without limitation, the enforcement of the DIP Lender Security; and all amounts outstanding under the DIP Loan shall immediately become due and payable without further notice, demand or delay.

11. **FEES:** There shall be no arrangement or funding fee payable hereunder.
12. **REPORTING:** The Borrower shall provide to the DIP Lender such information as the DIP Lender may reasonably request from time to time, including, without limitation, a copy of all reporting provided by the Borrower to the Proposal Trustee, including with respect to the cash flow variance analysis describing and explaining any changes between actual performance and budget from the most recently delivered cash flow budget and projections to the cash flow budget and projections delivered in the previous week.

### **Governing Law**

This Term Sheet shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### **Costs and Expenses**

Upon execution of this Term Sheet, the Borrower shall be responsible for all reasonable costs, fees and expenses on a full indemnity basis (including, without limitation, all legal, financial and other advisory fees, disbursements and out of pocket expenses) incurred by the DIP Lender in connection with:

- (a) the transaction contemplated herein, including, without limitation, all fees, costs, expenses and disbursements incurred by the DIP Lender in connection with the negotiation, preparation, registration and administration of this Term Sheet, the DIP Lender Security, and the DIP Loan (and all documents related thereto);
- (b) the enforcement of all rights and remedies under this Term Sheet, the DIP Lender Security, and the DIP Loan (and all documents related thereto); and
- (c) all matters related to the BIA proceedings, including, without limitation, all court attendances in Canada or elsewhere in connection therewith.

All such fees and expenses shall be secured by the DIP Lender Security, whether or not any additional funds are advanced. The Borrower hereby authorizes the DIP Lender to draw on the DIP Loan to satisfy these fees.



**Facsimile**

Facsimile documents pertaining to this transaction are to be considered and treated the same as original documents.

**Disclosure**

The Borrower agrees that this Term Sheet is confidential and not to be disclosed in any way, to any other person, without the prior written consent of the DIP Lender, other than in connection with the Borrower's motion for court approval of the borrowings on the terms and conditions outlined in this Term Sheet, but only after the Term Sheet has been signed by the Borrower.

**Acceptance**

If these terms and conditions are acceptable, the Borrower must sign and return this Term Sheet before 5:00 p.m. (E.S.T.) on December 20, 2016, failing which this Term Sheet is of no force and effect.

Yours truly,

**2544311 ONTARIO LIMITED**

By: \_\_\_\_\_  
Name: Jianjun Rong  
Title: President

**Acknowledgment & Acceptance**

The undersigned party hereby accepts the terms and conditions of this DIP Term Sheet and agrees to be bound thereby.

Dated at Toronto, Ontario this \_\_\_\_ day of December, 2016.

**BG FURNITURE LTD.**

By: \_\_\_\_\_  
Name: Adam Hofmann  
Title: President

**SCHEDULE "A"**  
**CASH FLOW PROJECTIONS**

[To be attached]

THIS IS EXHIBIT 5 REFERRED  
TO IN THE AFFIDAVIT OF

Harry Hoffmann  
SWORN BEFORE ME ON THIS THE

19 DAY OF December 20 14

Scott Thibault P00406  
A COMMISSIONER, E.T.C.

Scott Stewart Thibaudeau, a Commissioner, etc.,  
Province of Ontario, for Mid Ontario Paralegal  
Service, and for work done within  
your permitted scope of practice  
as a licensed paralegal in Ontario.

**In the Matter of BG Furniture Ltd.**

**Proposed Schedule of Sale and Investment Solicitation Process**

**December 22, 2016**

<b>DATE</b>	<b>DESCRIPTION</b>
22-Dec-16	<ul style="list-style-type: none"> <li>• Motion for approval of SISP and Stalking Horse Investment Term Sheet</li> </ul>
22-Dec-16 to 6-Jan-17	<ul style="list-style-type: none"> <li>• Information pertaining to opportunity posted on the Proposal Trustee's website. Posted information will include:               <ul style="list-style-type: none"> <li>○ The Stalking Horse Investment Term Sheet</li> <li>○ Invitation for offers to purchase the Property</li> <li>○ Invitations for proposed equity investments</li> <li>○ Terms and conditions of sale / investment</li> <li>○ Confidentiality Agreement</li> </ul> </li> <li>• Newspaper ad to be sent for publishing in the national edition of <i>The Globe &amp; Mail</i> and/or other national newspaper for publication by January 6, 2017.</li> <li>• Engage a local commercial realtor to list the Property</li> <li>• Data room to be prepared</li> </ul>
22-Dec-16 to 10-Feb-17	<ul style="list-style-type: none"> <li>• Enter into confidentiality agreements with interested parties</li> <li>• Interested parties given access to data room and other pertinent information to conduct due diligence</li> </ul>
Week of 3-Feb-17	<ul style="list-style-type: none"> <li>• Motion for extension of stay and period for filing BIA Proposal</li> </ul>
10-Feb-17	<ul style="list-style-type: none"> <li>• 4:00 p.m. (E.S.T.) deadline for submission of Qualified Bids</li> </ul>
10-Feb-17 to 15-Feb-17	<ul style="list-style-type: none"> <li>• Proposal Trustee evaluates Qualified Bids received</li> </ul>
15-Feb-17	<ul style="list-style-type: none"> <li>• Offer(s) Selected</li> </ul>
15-Feb-17	<ul style="list-style-type: none"> <li>• Proposal Trustee to notify rejected Offeror(s) of unaccepted bid(s)</li> </ul>
17-Feb-17	<ul style="list-style-type: none"> <li>• Enter into definitive Investment Agreement / Asset Purchase Agreement with Successful Offeror(s), subject to Court approval if necessary (e.g., if the Stalking Horse Investment Term Sheet is not a Successful Offer)</li> </ul>
Week of 27-Feb-17	<ul style="list-style-type: none"> <li>• Submit BIA Proposal and notify creditors of vote, if necessary (e.g., if the Stalking Horse Investment Term Sheet is Successful Offer)</li> <li>• If Stalking Horse Investment Term Sheet is not a Successful Offer, Motion for approval and vesting order re: Successful Offer(s), depending on Court availability</li> </ul>
Week of 13-Mar-17	<ul style="list-style-type: none"> <li>• Creditors meeting to vote on BIA Proposal, if necessary</li> </ul>
Week of 20-Mar-17	<ul style="list-style-type: none"> <li>• Motion for approval and vesting order in respect of sale to Stalking Horse Bidder, if BIA Proposal not accepted by creditors</li> <li>• Motion for approval and sanction order in respect of Stalking Horse Investment Term Sheet, if BIA Proposal accepted by creditors</li> <li>• Trustee to close the Successful Offer(s) at the offices of its legal counsel</li> <li>• Return deposits to unsuccessful bidders on earlier of: (i) closing with Successful Offeror(s), and (ii) 45 days after deadline for Qualified Bids</li> </ul>

## BID PROCEDURES

Below are the procedures (the “**SISP Procedures**”) for expressing interest and submitting bids in respect of BG Furniture Ltd. (the “**Company**”). Interested parties may submit either (i) an offer to make an investment in the Company, or (ii) an offer to acquire the Company's assets (the “**Assets**”).

Note that the Company and 2544311 Ontario Limited (the “**Stalking Horse Bidder**”) have entered the Stalking Horse Investment Term Sheet dated December ●, 2016 (the “**Stalking Horse Investment Term Sheet**”), which was approved by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated December ●, 2016.

### Step 1: Expression of Interest

- The Company, with the assistance of Collins Barrow Toronto Limited in its capacity as the proposal trustee of the Company (the “**Proposal Trustee**”), will:
  - prepare a list identifying potential purchasers and investors (“**Potential Offerees**”), and
  - prepare a document (the “**Teaser Letter**”) summarizing the opportunity.
- The Company, with the assistance of the Proposal Trustee, will contact the Potential Offerees and other parties that come to its attention.
- The Teaser Letter and other information pertaining to the opportunity will be posted on the Proposal Trustee’s website, available at: ●
- One notice will be published in early January 2017 in the national edition of *The Globe and Mail* newspaper and, at the discretion of the Proposal Trustee (with the assistance of the Company), in trade and local publications.

### Step 2: Due Diligence

- Parties executing a confidentiality agreement (a “**CA**”) in a form satisfactory to the Proposal Trustee will have an opportunity to perform due diligence, including reviewing information in a virtual data room and touring the Company's production facility at 75 Ridout Street, Walkerton, Ontario (the “**Facility**”).
- The Proposal Trustee will make the data room available to parties that have signed a CA and returned the CA to the Proposal Trustee (such parties, other than the Stalking Horse Bidder, being “**Interested Parties**”). The information that will be made available in the data room or otherwise is information provided to the Proposal Trustee on an “as is, where is” basis. The Proposal Trustee has not and will not review for accuracy or

completeness the information to be provided to Interested Parties. Interested Parties are advised to conduct their own investigation and review of any information on which they intend to rely.

- The Company, with the assistance of the Proposal Trustee, will facilitate diligence efforts by, among other things, responding to questions and coordinating tours of the Facility.

### **Step 3: Binding Offers**

- Interested Parties must submit offers no later than 5:00 p.m. E.S.T. on February 10, 2017 (the “**Bid Deadline**”). For greater certainty, the Stalking Horse Bidder may increase the amount of the Investment Amount or otherwise improve the terms of the Stalking Horse Investment Term Sheet at any time prior to the Bid Deadline.
- Interested Parties seeking to purchase the Assets will be able to refer to a template asset purchase agreement (“**APA**”) that will be posted in the data room. Interested Parties seeking to make an investment in the business of the Company will be able to refer to a template investment agreement (“**IA**”) that will be posted in the data room. In either case, Interested Parties must submit offers in the form of the APA or IA (as the case may be), with any changes black-lined against the template APA or IA (in either case, a “**Bid**”).
- A Bid shall:
  - Include a refundable cash deposit in in the form of a wire transfer (to a bank account specified by the Proposal Trustee) or such other form of deposit as is acceptable to the Proposal Trustee, payable to the order of the Proposal Trustee, in trust, in an amount equal to 10% (the “**Deposit**”) of the purchase price or investment amount. The Deposit will either (i) be applied to satisfy the purchase price; or (ii) be forfeited to the Company in the event that the Successful Bidder (defined below) breaches its obligations pursuant to an Accepted Bid (defined below);
  - Disclose of the identity of each entity (including its ultimate shareholders) that will be bidding for the Assets or otherwise participating in a Bid and the complete terms of any such participation;
  - Provide evidence satisfactory to the Proposal Trustee of financing sufficient to close a transaction within the timelines detailed in these SISP Procedures;
  - Be irrevocable until 45 days after the date of the Bid Deadline; and
  - In the case of a Bid where the consideration payable is in the form other than cash or the assumption of liabilities of the Company, the Bidder must include a detailed description of the form of consideration as well as sufficient financial

information relating thereto, to enable the Company and the Proposal Trustee to assess the value and liquidity of the consideration.

- The Proposal Trustee will determine in its sole discretion if a Bid meets the above criteria. A Bid that meets the above requirements will be considered a “**Qualified Bid**” and each of the Interested Parties that submits a Qualified Bid will be considered a “**Qualified Bidder**”.
- The Proposal Trustee, in its sole discretion, will determine whether any Qualified Bid is superior to the terms of the Stalking Horse Investment Term Sheet. In the event that the Proposal Trustee determines that no Qualified Bid is superior to the terms of the Stalking Horse Investment Term Sheet, then the Stalking Horse Bidder shall be the Successful Bidder (as defined below).
- If the Proposal Trustee determines that a Qualified Bid (or Qualified Bids) is (or are) superior to the Stalking Horse Investment Term Sheet, then one or more of such Qualified Bids (as approved by the Proposal Trustee) may be accepted by the Company (each, an “**Accepted Bid**”), and the Company will enter into a binding agreement with the Qualified Bidder of each Accepted Bid (the “**Successful Bidder**”) on substantially the same terms as the Accepted Bid and subject to further negotiations between the Company and the Qualified Bidder).
- The Proposal Trustee shall give written notice to all Qualified Bidders of the identity of the Successful Bidder and the next highest or next best Qualified Bid (the “**Back-up Bid**”).
- The Proposal Trustee will have the sole right to value any non-cash consideration, including the assumption of liabilities, offered in any Bid to determine whether it represents the best or highest Bid at any time.
- The Successful Bidder agrees to do all such things as are reasonably required within seven (7) days of the Company’s acceptance of the Accepted Bid, if necessary, for the Company and the Proposal Trustee to obtain Court approval of the Accepted Bid.
- If the Stalking Horse Bidder is the Successful Bidder, then no further court approval of the Stalking Horse Investment Term Sheet or transaction contemplated therein shall be required, and the Company and the Stalking Horse Bidder shall proceed to close the transaction.



- If the Successful Bidder fails to close a purchase transaction within ten (10) days after Court approval (or such date that may otherwise be mutually agreed upon between the Company, the Proposal Trustee and the Successful Bidder), then the Proposal Trustee shall be authorized but not required to deem that (a) the Successful Bidder has breached its obligations pursuant to the APA, IA or the Stalking Horse Investment Term Sheet (as the case may be), and (b) has forfeited its Deposit to the Company, and (c) the Company will be authorized to enter into a transaction with a party who has submitted the Back-up Bid.
- For greater certainty, Interested Parties and Qualified Bidders shall be responsible for their own fees and costs relating to their investigation and/or closing or any transaction under these SISP Procedures.
- The Proposal Trustee may make such minor amendments to these SISP Procedures as may be necessary or desirable.

THIS IS EXHIBIT T REFERRED  
TO IN THE AFFIDAVIT OF  
Adam Hoffmann  
SWORN BEFORE ME ON THIS THE

19 DAY OF December 20 16

Scott Thibadeau  
A COMMISSIONER, ETC.

Scott Stewart Thibadeau, a Commissioner, etc.,  
Province of Ontario, for Mid Ontario Paralegal  
Service, and for work done within  
your permitted scope of practice  
as a licensed paralegal in Ontario.

## [Rong Letterhead]

December 18, 2016

BG Furniture Ltd.  
75 Ridout St.,  
Walkerton, ON  
Canada N0G 2V0

**Attention: Adam Hofmann, President**

Dear Sirs/Mesdames:

**RE: Stalking Horse Bid**

You have confirmed that BG Furniture Ltd. (the “**Corporation**”) has filed for protection from its creditors under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and has named Collins Barrow Toronto Limited as proposal trustee (in such capacity, the “**Proposal Trustee**”) of the Corporation in the BIA proceedings.

We confirm that 2544311 Ontario Limited or its nominee (in either case, the “**Stalking Horse Bidder**”) has agreed to make a “stalking horse investment proposal” in connection with the BIA proceedings on the terms outlined below. It is the intent of the Stalking Horse Bidder to acquire all of the new shares of the Corporation to be issued in the context of the reorganization (the “**New Equity**”).

**LOAN FACILITIES**

1. **CORPORATION:** BG Furniture Ltd.
2. **INVESTOR:** 2544311 Ontario Limited or its nominee
3. **INVESTMENT AMOUNT:** The total investment amount for the issuance on the Implementation Date of the New Equity of the reorganized Corporation in favour of the Investor shall be a minimum amount of \$800,000 (the “**Investment Amount**”, which will include a cash component and may include a non-cash component (*i.e.*, assumption of liabilities agreed to by the the Stalking Horse Bidder)), to be used as follows by the Corporation:
  - (i) repayment of the amounts secured by the Administration Charge (estimated to be \$0);
  - (ii) repayment of the amounts secured by the DIP Charge (estimated to be in the amount of \$250,000);
  - (iii) funding of a BIA proposal by the Corporation to its:
    - secured creditors;

- preferred creditors; and
- unsecured creditors.

- CONTRACTS:**

The Stalking Horse Bidder shall have the right to designate certain contracts to be disclaimed through the NOI process. Prior to the Implementation Date, each of the Parties will use commercially reasonable efforts to obtain all consents required pursuant to any "change of control" provisions included in any contract.
- SISP:**

On or before December 23, 2016, the Corporation will file and serve a Motion Record seeking Court approval of: (i) this term sheet as a stalking horse investment proposal (the "**Stalking Horse Investment Term Sheet**"); (ii) a sale and investment solicitation procedure (the "**SISP**") in form and substance satisfactory to the Stalking Horse Bidder, which shall include the option to the Stalking Horse Bidder (and any potential investor or potential purchaser having submitted a superior offer) to purchase the assets of the Corporation in the event that the BIA Proposal (as defined below) to be submitted by the Corporation is rejected by the creditors, in accordance with Section 11 of this letter agreement; (iii) an Administration Charge in the amount of \$150,000 on the Corporation's property (the "**Administration Charge**"), which shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise in favour of any person (collectively, "**Encumbrances**"); (iv) the DIP loan secured by a DIP Charge in the amount of \$300,000 on the Corporation's property, which shall rank in priority to all Encumbrances other than the Administration Charge; and (v) a charge in favour of the directors and officers of the Corporation (the "**D&O Charge**") in the amount of \$25,000, which shall rank in priority to all Encumbrances other than the Administration Charge and the DIP Charge.
- BREAK FEE & EXPENSE REIMBURSEMENT**

In the event the Corporation elects to proceed with an alternative investment proposal, the Corporation will pay to the Stalking Horse Bidder: (i) a Break Fee in an amount equal to the greater of \$40,000 and 5% of the Investment Amount should same be increased by the Stalking Horse Bidder.
- BIA PROPOSAL**

The Corporation will file with the Proposal Trustee and the Official Receiver, by no later than March 10, 2017, a BIA proposal to its creditors (the "**BIA Proposal**")
- MEETING OF CREDITORS:**

The meeting of creditors to vote on the BIA Proposal shall take place by no later than March 31, 2017
- CONDITIONS PRECEDENT TO INVESTMENT:**

The obligation of the Stalking Horse Bidder and the Corporation to complete the equity investment transactions contemplated herein will be subject to the following conditions precedent:

  - Creditor approval of the BIA Proposal;
  - Order of the Court sanctioning the BIA Proposal and approving the restructuring (the "**Approval & Sanction Order**") within 14 days of the meeting of creditors;
  - Execution of employment agreements with key employees identified by the Stalking Horse Bidder;
  - The Stalking Horse Bidder's satisfaction with any agreements it deems

necessary or advisable with the United Steel Workers;

- The Stalking Horse Bidder's satisfaction with any agreements it deems necessary or advisable with the Corporation's equipment lessors;
- There shall be no appeal or motion for leave to appeal any Order in the BIA proceeding including, in particular, the Approval & Sanction Order or the Approval & Vesting Order (as defined below); and
- Filing of articles of reorganization and issuance of a certificate of amendment, all in form and substance satisfactory to the Stalking Horse Bidder.

10. **IMPLEMENTATION DATE:** The transaction will be completed on the first business day (the "**Implementation Date**") which is not less than 3 business days following issuance of the Approval & Sanction Order (or such date as may be agreed upon by the parties), subject to all other conditions set out herein.

11. **OPTION TO PURCHASE ASSETS:** In the event that the Stalking Horse Bidder's offer is accepted by the Corporation but the creditors do not approve the BIA Proposal, such that the Corporation is automatically deemed bankrupt and the Proposal Trustee becomes a Bankruptcy Trustee, the Stalking Horse Bidder will have 5 business days to notify the Bankruptcy Trustee that it elects to purchase all of the Corporation's right, title and interest in and to all of its property and assets (other than Excluded Assets, as may be designated by the Stalking Horse Bidder) (the "**Purchased Assets**") in consideration of payment of the Investment Amount and subject to the completion of the transaction being approved by Order of the Court pursuant to an Approval & Vesting Order (the "**Approval & Vesting Order**").

The Stalking Horse Bidder will purchase the Purchased Assets on an "as is, where is" basis, with no representations or warranties from the Corporation, except with respect to basic matters of corporate authority and governance.

The completion of the purchase transaction will be take place on the first business day which is not less than 3 business days following issuance of the Approval & Vesting Order (or such date as may be agreed upon by the parties), subject to all other conditions set out herein.

12. **COUNTERPARTS & FACSIMILE SIGNATURES:** This Stalking Horse Investment Term Sheet may be executed in one or more counterparts, including facsimile or other electronic counterparts, each of which shall be deemed to be an original copy of this term sheet, and all of which, when taken together, shall be deemed to constitute one and the same agreement. Delivery of such counterparts by facsimile or electronic mail (in PDF) shall be deemed effective.

13. **GOVERNING LAW & JURISDICTION:** This Stalking Horse Investment Term Sheet shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

**Acceptance**

If these terms and conditions are acceptable, the Borrower must sign and return this Stalking Horse Investment Term Sheet before 5:00 p.m. (E.S.T.) on December 20, 2016, failing which this Term Sheet is of no force and effect.

Yours truly,

**2544311 ONTARIO LIMITED**

By: \_\_\_\_\_  
Name: Jianjun Rong  
Title: President

**Acknowledgment & Acceptance**

The undersigned party hereby accepts the terms and conditions of this Stalking Horse Investment Term Sheet and agrees to be bound thereby.

Dated at Toronto, Ontario this \_\_\_\_\_ day of December, 2016.

**BG FURNITURE LTD.**

By: \_\_\_\_\_

Name: Adam Hofmann

Title: President

THIS IS EXHIBIT U REFERRED  
TO IN THE AFFIDAVIT OF

Adrian Horvath  
SWORN BEFORE ME ON THIS THE

19 DAY OF December 2011

Scott Thibaudeau  
A COMMISSIONER, ETC.

Scott Stewart Thibaudeau, a Commissioner, etc.,  
Province of Ontario, for Mid Ontario Paralegal  
Service, and for work done within  
your permitted scope of practice  
as a licensed paralegal in Ontario.



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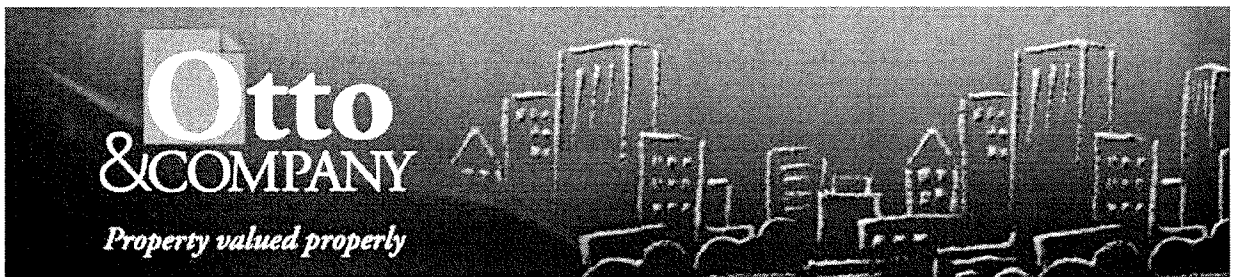
# Appraisal Report

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Industrial Property

Located at:  
75 Ridout Street,  
Walkerton, Ontario

Prepared for: BG Furniture Ltd.



Otto & Company | Real Estate Analysts & Consultants | London | Kitchener | Sarnia

BG Furniture Ltd.  
75 Ridout Street  
Walkerton, Ontario  
N0G 2V0

July 23, 2015  
File: 15.07.409

Attn: Mr. Adam Hofmann

---



*Property valued properly*

Real Estate Analysts  
& Consultants

Dear Sir:

Re: Valuation Opinion of Industrial Property, Located at 75 Ridout Street,  
Walkerton, Ontario

According to your request, our client, this assignment has been completed to provide an opinion of the current market value of the Fee Simple interest of this property. The value conclusion for the subject property is based on the continued owner-occupation and contribution of a rental equivalency by their business. The effective valuation date is July 13, 2015, which was also the date of our inspection.

Aside from the foregoing, and standard exclusions for unforeseen environmental issues, no other hypothetical conditions or extraordinary assumptions were applied, and the value conclusion is regarded to be consistent with the market conditions for the effective date, the legally permitted use of the property, and its physical characteristics as inspected.

This report of 22 pages was prepared to be used as the basis for the extension of credit, standard ratio mortgage financing. It has been prepared in accordance with the Appraisal Institute's Canadian Uniform Standards of professional appraisal practice, as a short narrative appraisal report.

We have personally inspected this property and analyzed information considered pertinent to the valuation. It is our opinion that the current market value conclusion for the subject property, in the Fee Simple interest, in cash or terms equivalent to cash, as at July 13, 2015, is:

**Eight Hundred Twenty-Five Thousand Dollars ... (\$825,000)**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L. L. Otto".

L. L. (Les) Otto,  
MBA, AACI, RI

1615 N. Routledge Pk.  
Suite 34  
London, ON  
N6H 5N5

Tel: (519) 432-2232  
Fax: (519) 432-2979

## 1.0 Underlying Assumptions & Limiting Conditions

### 1.1 General Assumptions:

While expert in appraisal matters, the author is not a qualified surveyor, nor is the author qualified to or purport to give legal, survey, planning, or engineering advice. It is assumed:

- the legal description as furnished is correct;
- the title to the property is good and marketable;
- the property complies with such government regulations as zoning & planning regulations, building codes & work orders, fire & health by-laws, and municipal, provincial, & federal rulings;
- there are no encroachments, encumbrances, restrictions, leases, or covenants that would in any way affect the valuation, except as expressly noted herein;
- the existing use is a legally conforming use that may be continued by any purchaser from the existing owner, except as expressly noted herein;
- rights of way, easements, or encroachments over other real property and leases or other covenants noted herein are legally enforceable.

Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken that would verify these assumptions, except as expressly noted herein.

Sketches, drawings, diagrams, photographs, and the exhibits in general are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves. The measurements for the subject property & buildings may have been supplied by others and are assumed to be correct as presented and are subject to confirmation by a legal survey. Any variance with those measures of size reported herein may affect market value.

Unless otherwise stated, if there are building improvements, then no tests of the heating, plumbing, electrical, air-conditioning, or other systems have been undertaken on behalf of the author, nor is the author aware of any test results obtained in the past by others, and they are assumed to be in good working order.

Unless otherwise stated, no on-site soil investigations have been undertaken nor are we aware of any test results obtained in the past by others. The author assumes there are no unusual subsoil conditions that

would adversely affect the use of this site, and no responsibility is assumed for such conditions or for obtaining engineering studies that may be required to discover them.

The author is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater, or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds, mildews, or the conditions that might give rise to either. It is also assumed to be in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present, or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues, then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.

No one other than the addressee should rely upon this appraisal without first obtaining written authorization from the addressee and the appraiser. There may be qualifications, assumptions, or limiting conditions in addition to those set out below relevant to that person's identity or their intended use. The report is prepared on the assumption that no other person will rely on it for any purposes and that all liability to all such persons is denied.

Calculations may be shown in both Metric and Imperial units, notwithstanding some market data and plan dimensions are only available in Metric or Imperial measure. Consequently, minor discrepancies in prices may arise as a result of conversion.

Market data has been obtained, in part, from public records and documentation at the land registry office or as reported by a real estate board. As well as using such documented and generally reliable evidence of market transactions, it is frequently necessary to rely on hearsay evidence. Except as noted herein, a sensible and reasonable attempt has been made to verify all such information.

## 1.0 Underlying Assumptions & Limiting Conditions

### 1.2 General Limiting Conditions:

This report may incorporate separate values for land & building(s) (if any), which is an inherent characteristic of certain valuation techniques, and such values are invalid if used separately and/or for other purposes.

Adjustments expressed as a percentage are a statement of the author's opinion of the qualitative influence only and are not to be misconstrued as quantitative measurements. Such adjustments may have been included at the request of the client and/or to better assist the reader in their understanding of the comparison references.

Neither possession of this report nor a copy of it carries with it the right of publication, and all Copyright is reserved to the author and is considered confidential by the author and the client. It shall not be disclosed, quoted from, or referred to, in whole or in part, or published in any manner without the express written consent of the author. This is subject only to confidential review by the Appraisal Institute of Canada as provided by the professional ethics and Canadian Uniform Standards of professional appraisal practice of the Institute.

The compensation for services rendered in this report does not include a fee for court preparation or court appearance, which may be negotiated separately. Neither this nor any other of these limiting conditions, however, is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body will decide the use of the report that best serves the administration of justice.

As market conditions, including economic, social, and political factors, change rapidly and, on occasion, without warning, the market value expressed as at the date of this appraisal cannot be relied upon to determine the market value as at any other date, except with further advice of the appraiser. No one other than the addressee should rely upon this report without first obtaining written authorization from the addressee and author. The

report is prepared on the assumption that no other person will rely on it for any purposes and that all liability to all such persons is denied.

The reader should be aware that, when preparing an appraisal for financing purposes, the report author has not investigated if the prospective loan and applicant satisfy prudent underwriting criteria. Consequently, we assume no responsibility for losses on loans involving our appraisal efforts that result from the lender's failure to suitably investigate and complete their due diligence regarding creditworthiness of the borrower or their ability to service or repay the loan.

### 1.3 Right to Revise & Amend:

This report was completed utilizing information that was both supplied and publicly available as well as any other sources as may be noted within the 'Scope of Work'. Aside from stated hypothetical and/or extraordinary assumptions (if any), the conclusions reflect the subject property in context of the market trends pertinent to the effective valuation date.

In context of the foregoing, it is our opinion that all reasonable care & due diligence has been undertaken in examining the subject property, securing the data, confirming relevant facts, and the analysis & preparation of this report.

Should the client discover any evident errors or omissions, contact the author of this report immediately, and any necessary & pertinent corrections and/or revisions will be completed at our discretion, and the revised report or pages will be re-issued.

If there are any errors, omissions, or additional undisclosed or unavailable information that becomes known subsequent to the completion of the appraisal, the author reserves the right to revise the appraisal document and its conclusions.

## 2.0 Scope of Work

### 2.1 Client

BG Furniture Ltd.

### 2.2 Intended User(s)

BG Furniture Ltd. and designated lender

### 2.3 Value Objective & Intended Use of Report

Provide current market value estimate of the Fee Simple interest. To be used as the basis for the extension of credit, standard ratio mortgage financing.

### 2.4 Definitions Applied

#### Market Value:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.'

Source: International Valuation Standards 2013 (London, 2013)

#### Fee Simple Interest:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain [expropriation], police power, and escheat". Source: The Appraisal of Real Estate (14<sup>th</sup> Edition)

#### Leased Fee Interest:

'The ownership interest held by the lessor [owner], which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.' Source: The Appraisal of Real Estate (14<sup>th</sup> Edition)

The authority to convey such interests to a lessee(s) are based on the lessor's (owner's) rights of the "Fee Simple" interest, which are commonly classified as the rights to sell, lease, occupy, mortgage, or give away an interest, subject only to the limitations imposed by the government.

### 2.5 Report Structure

The client's objectives were discussed prior to undertaking the assignment, and it was agreed that it would be prepared as a short narrative appraisal report (restricted style).

### 2.6 Assignment Dates

Date report finalized:	July 23, 2015
Date of inspection:	July 13, 2015
Date of conclusions:	July 13, 2015

### 2.7 Special Assumptions

The value conclusion for the subject property is based on the continued owner-occupation and contribution of a rental equivalency by their business; and, standard exclusions for unforeseen environmental issues.

### 2.8 Report Author & Assistance

Mr. Jay R. Patterson, Consultant, of Otto & Company, inspected the subject property & the related neighbourhood, researched the data employed in arriving at the value conclusions, and completed the report. Mr. L. L. (Les) Otto, AACI, did not inspect the property but has reviewed the data analysed and conclusions and concurs with the reasoning that led to the final value estimate.

### 2.9 Assignment Conditions & Procedure

#### 2.91 Property Identification

The following sources were used: Municipal Property Assessment Corporation (MPAC) and GeoWarehouse.

#### 2.92 Property Inspection

The noted individual viewed those portions of the site and buildings for which access was permitted and what was deemed safe & sufficient to adequately identify their characteristics.

Mr. Adam Hofmann, a representative of the owner, arranged access to the buildings and accompanied the noted individual on the inspection.

#### 2.93 Data Research

The noted individual assembled information deemed relevant to the subject property and the requirements of this assignment, which have included some or all of the following sources:

- Relevant statutory & functional land use controls;
- Land Title / Land Registry sales & offerings and ownership details;
- Municipal Property Assessment Corp. (MPAC) for assessment, land sizes, and in some cases building summaries; and,
- Local & are Multiple Listing Services (MLS) for Realtor reported sales, offerings, and lease information.

The extent of the data researched was regarded to reflect the actual and/or reasonably possible use of the subject property (as at the effective date), consistent with the market, our analysis & conclusions, and those requirements of the client.

## 2.0 Scope of Work

### 2.9 Assignment Conditions & Procedure

#### 2.94 Procedures

Given the characteristics of the subject property, the typical market interactions influencing its market pricing, and the requirements of the client, only the Comparative Approach was applied. The Income Approach was not applied as there is no developed rental market for an industrial property of this size in Walkerton, nor is there any reasonably comparable rental data. The Cost Approach was not applicable for this assignment.

The conclusions for this assignment were based on the foregoing, and the client's objectives were discussed prior to this, and it was agreed that the report structure would be as outlined above, for the intended use as stated.

This report has been prepared in conformity with the professional ethics and the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

### 3.0 Identification of Subject Property

#### 3.1 Legal & Municipal Description

- Legal: Lots 2 to 12, Plan 140; Dorland Street, Shields Street Plan 140 closed by instr. WK4779; Lots 2 to 8, 12 & 13, Block B, Plan 106; Part Lot 1, Plan 140, as in instr. R54132 & R28616; Part Lots 21 & 22, Concession 2, SDR (geographic Township of Brant) as in instr. R55876 and WK13381; Part Lots 9 to 11, Block 8, Plan 106; Part St. Joseph Street, Plan 106 closed by instr. WK4779, as in instr. WK14045, except Part 2, on Reference Plan 3R-4068; except Lots 7 & 8, Block B, Plan 106 and except Part 1 on Reference Plan 3R-8588; subject to instr. R233229; subject to instr. WK13381, WK14045 and subject to mineral rights contained in instr. R55876; Town of Walkerton, Municipality of Brockton, County of Bruce, Ontario.
- Registry: PIN 331980287
- Address: 75 Ridout Street, Walkerton, Ontario

#### 3.2 Property Taxation

- Roll Number: 41-04-360-006-18800
- Assessed Value: \$569,000 [2015 - MPAC]
- Taxes: \$19,993 [2015 - Town]

#### 3.3 History & Acquisition

- Public records indicate that the subject is registered to Bogdon & Gross Furniture Company Limited, and has been in excess of the prior 3 years.
- We are not aware of any offerings, pending purchase documents, or other instruments that would impinge on our conclusions. No further analysis of this aspect was undertaken.

#### 3.4 Municipal Services & Utilities

- Services available include: hydro, natural gas, water, sewer, and telephone.

#### 3.5 Description of Subject Site

##### 3.51 Physical Features:

- Site is irregular in shape, having about 930 feet of frontage along the west side of Ridout Street, with a 'keyhole' exclusion near the southeast corner of the site. According to municipal records, the site is 16.47 acres.
- The site slopes downwards by about 15 – 20 ft. from the southwest corner to the centre of the site and the main industrial building. The remainder is reasonably level and is similar in elevation to the road allowance and the adjacent properties.
- Aside from the foregoing, there were no apparent physical restrictions to the site.

### 3.5 Description of Subject Site

#### 3.52 Site Improvements

- The improvements are located in the south and central section of the site, with sodded areas along the roadside. There are naturally vegetated areas to the north of the improvements and a woodlot along the north boundary.
- Aside from the buildings, the site has a gravelled entrance in the southeast corner extending west from Ridout Street to the improvements in the southwest section of the site. There is also a gravelled entrance in the central section of the site also extending west from Ridout Street, to the main industrial building and a gravelled parking area. There are gravelled and some asphalt laneways and shipping/receiving areas surrounding the buildings.
- There were no other significant improvements noted on the site.

#### 3.53 Environmental Aspects

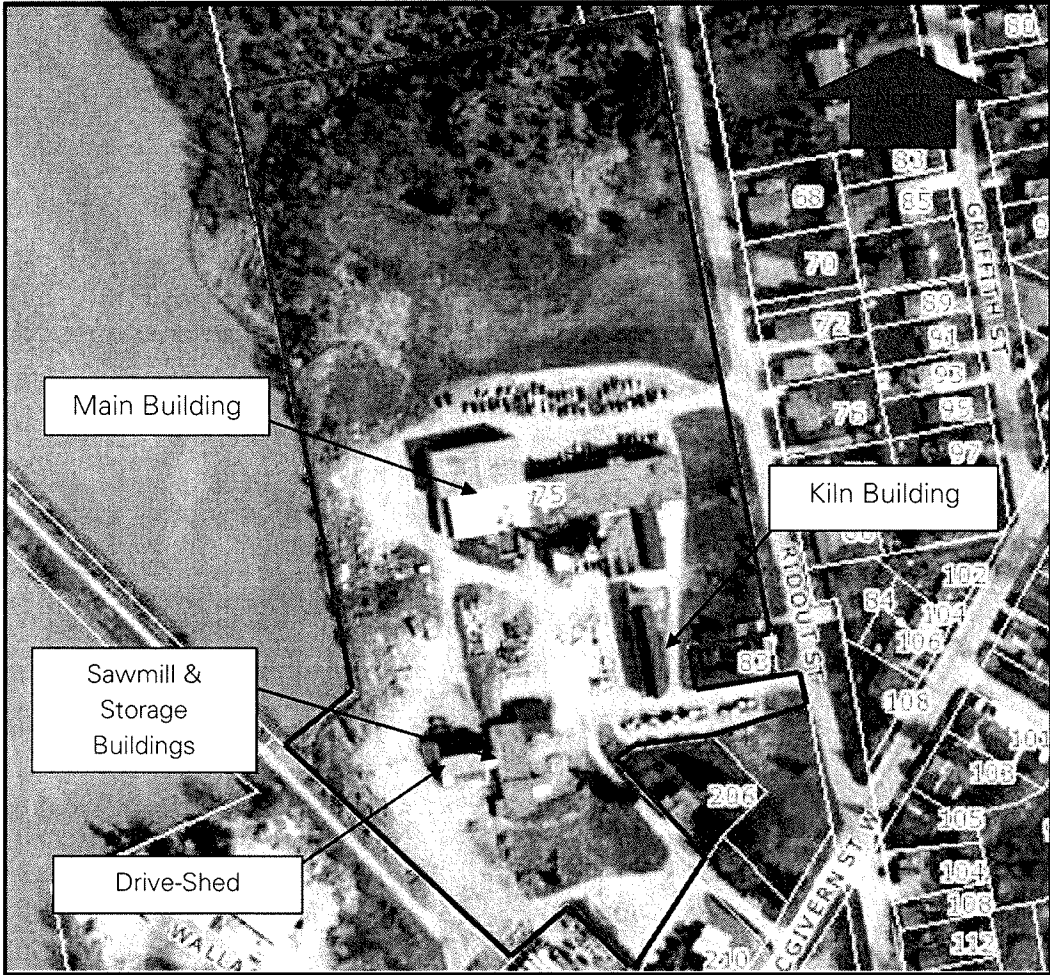
- Although we are neither qualified to identify nor test for environmental problems, having viewed the site and buildings, we did not observe any of the following: asbestos, storage of any pesticides or other similar materials, or open dumping areas.
- The buildings are used for the fabrication of furniture, which include the use of paints, stains, and other solvents. The majority of these were stored on-site in an enclosed unit, removed from the main buildings. There are two wood burning boiler systems located in the main production building. It was reported that one of the units is a manual feed system that has been in use for in excess of the prior 50+ years. No environmental problems were reported with this system (i.e. asbestos). The second system is less than 50 years old, but its age was not determined. Both systems were reported to be in working order.
- Although no environmental concerns were noted or reported, the reader is encouraged to investigate this to their satisfaction.

#### 3.54 Chattels / Special Equipment

- No chattels (non-realty items) or special equipment beyond the basic mechanical systems are included within the value conclusions of this property.



Site Plan Sketch



### 3.6 Description of Subject Buildings

The subject has a main industrial (production and office) building, a kiln, an older storage building (former sawmill), and a drive-shed (total 113,230 sf). These buildings are described as follows:

#### Main Industrial Building

- production/warehouse with accessory offices

#### Size & Style

- levels & floor area 3 level, part-basement; about 3,600 sf of offices; 92,500 sf of production / warehouse area; and, 4,200 sf basement; total 100,300 sf
- age & style reportedly built in 1900 with additions in subsequent years, basic turn of the 20<sup>th</sup> Century standard warehouse architectural style

#### Exterior

- foundation walls mix of poured concrete, concrete block and mortared stone
- walls decorative brick, concrete block and metal siding panels
- roof moderately pitched and covered with mix of rubber membrane materials and metal roofing panels (reported good condition)
- doors metal entrance with glass inserts and metal exit doors; multiple overhead cargo doors and sliding metal doors providing access to shipping/receiving and warehouse areas
- windows mix of wood and vinyl frame, with mix of single and double pane glass

#### Interior

- layout
  - Main floor office entryway, lunchroom, open production areas, mechanical rooms, lumber storage shed, washroom, stairwells to second floor & basement and elevators to basement and upper floors
  - Second floor open office area, private office, display/storage area, gender specific washrooms, open production area, washroom, stairwells to upper and lower floors and elevators to main and third floors
  - Third floor washrooms, open production areas, stairwell to second floor and elevator to lower floors
  - Basement unfinished storage and mechanical areas, with overhead door providing access to shipping/receiving area
- finishes
  - offices mix of commercial tile and natural wood flooring; painted gyproc walls; T-Bar acoustic panel ceilings; and wood trims and interior doors
  - production/warehouse mix of trowelled concrete and natural wood floors, ceilings and mix of painted wood and concrete/brick walls throughout

#### Mechanical

- electrical 3 phase industrial electrical service with breaker panels
- lighting fluorescent light fixtures
- heating building heated with 2 wood fired boilers, providing hot water to radiant and forced air fixtures in production areas

#### Condition & Functionality

- The building is in average physical condition, being dated but functional.
- The building has had some upgrades (roof and electrical) over the preceding 15 years. The building has an effective age of 50+ years, with a remaining economic life of upwards of 20 years, having been maintained at an average level.

### 3.6 Description of Subject Buildings (cont'd)

#### Kiln Building

This is a purpose built structure, utilized in the drying of wood used for the production of furniture on site. It is estimated to be about 3,600 sf. The exterior is covered with metal siding panels and exposed concrete block. The roof is covered with metal roofing panels (average condition). There are multiple sliding doors, providing access to the kiln areas.

The interior is divided between open drying areas and a control room. Finishes were minimal, with concrete floors. The building is serviced with hydro and water. The overall condition of this building was considered to be below average.

#### Storage Building (Sawmill)

This building consists of 4,330 sf with an unfinished daylight basement. The exterior is a mix of concrete block and metal siding panels. The roof is moderately pitched and covered with metal roofing panels. The main floor is open production space with wood floors, painted concrete block walls and wood ceilings with exposed metal trusses. The basement is divided between storage rooms, washroom and mechanical room. The building is serviced with water and hydro. Heating is provided by a natural gas fired forced air furnace.

According to the owner, the building is not in use. Access to the main floor interior was not granted as the adjoining storage building is currently used by a private company for a minimal monthly rent. The interior was described by the owner and viewed through exterior windows.

The overall condition of the sawmill building is fair.

There is an accessory storage area of about 2,000 sf, being a wood framed structure, covered with metal siding and roofing panels. The interior is unfinished with gravelled floors. The structure is serviced with hydro. The overall condition of this area is below average.

#### Drive-Shed

This is a wood frame structure of about 3,000 sf. The exterior is covered with metal siding panels and the roof is moderately pitched and covered with metal roofing panels. There is a 14 x 18 ft. overhead cargo door. The interior was not inspected, but the owner described it as having trowelled concrete floors and being generally unfinished. The building was serviced with hydro but did not have heating/cooling service.

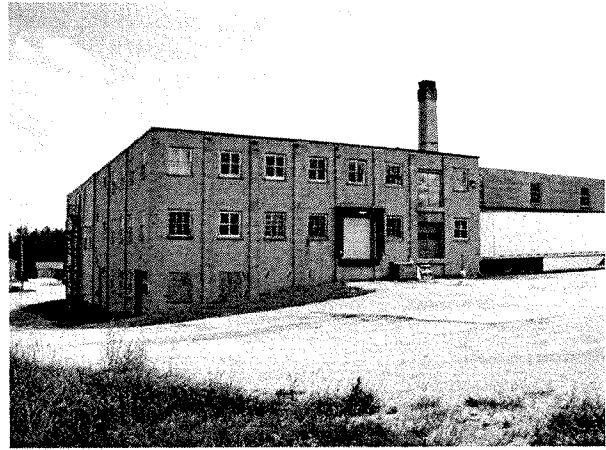
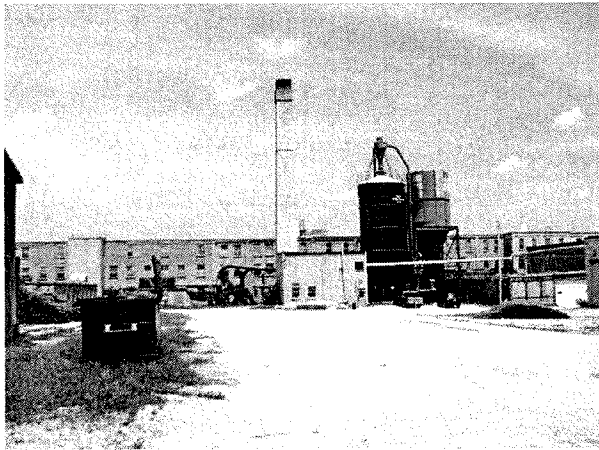
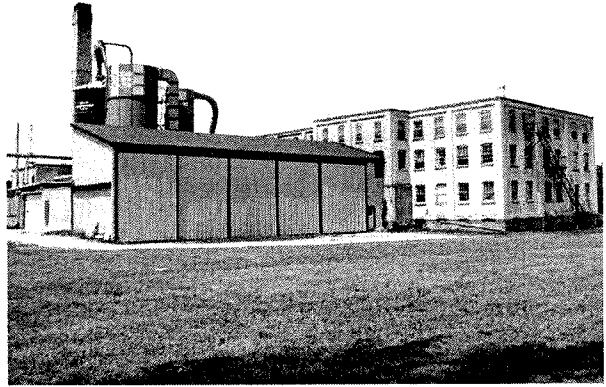
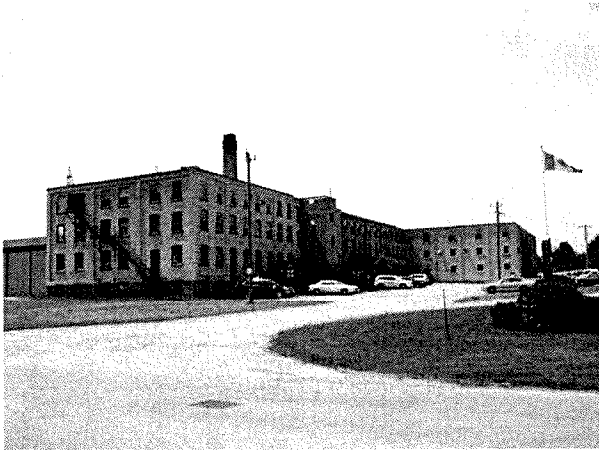
Overall, this structure was considered to be in average condition.

#### Other

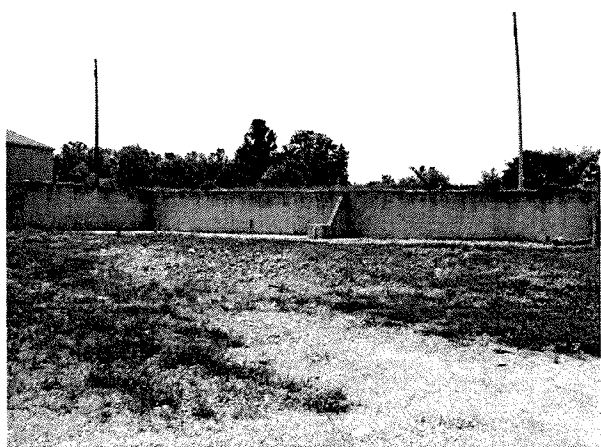
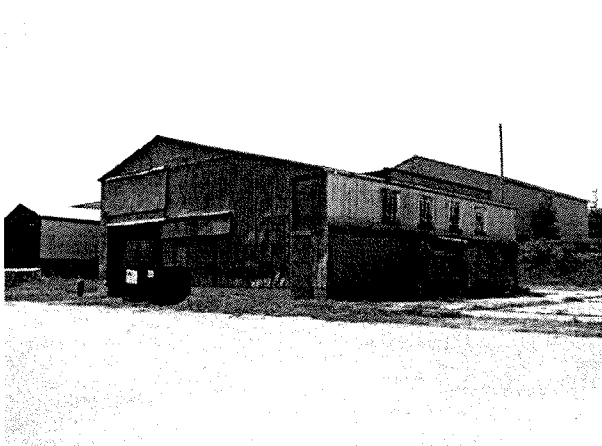
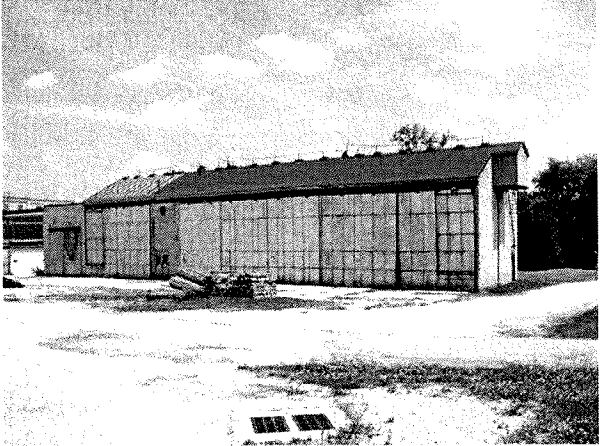
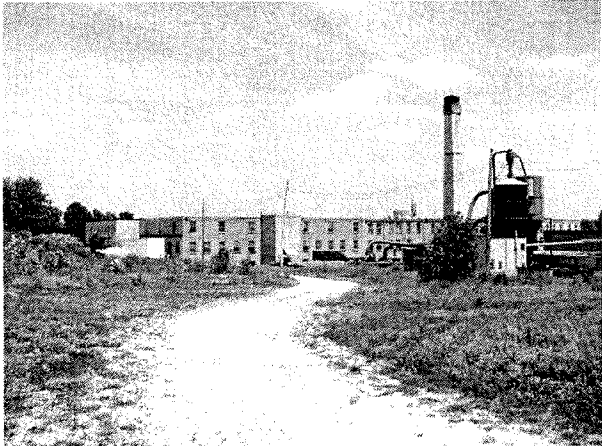
The subject also has a vacuum 'bag' system and Harvester silo with various elevator legs that remove dust particles from the production areas. This system was assumed to be in working order.

In addition, the site has a concrete silo/bunker for outdoor storage.

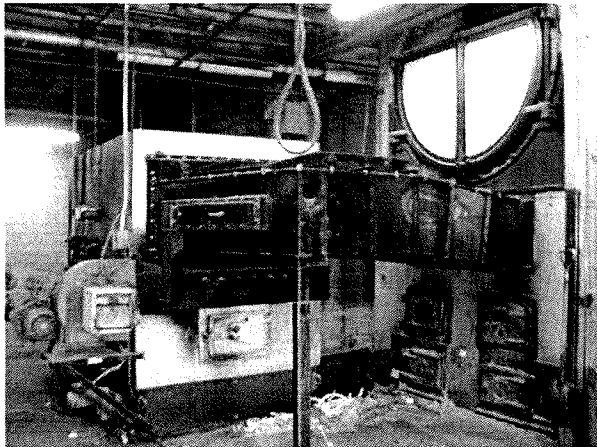
Photos of Subject Property & Neighbourhood



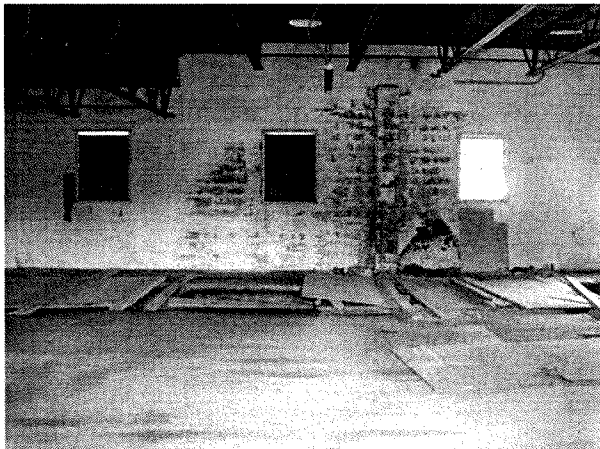
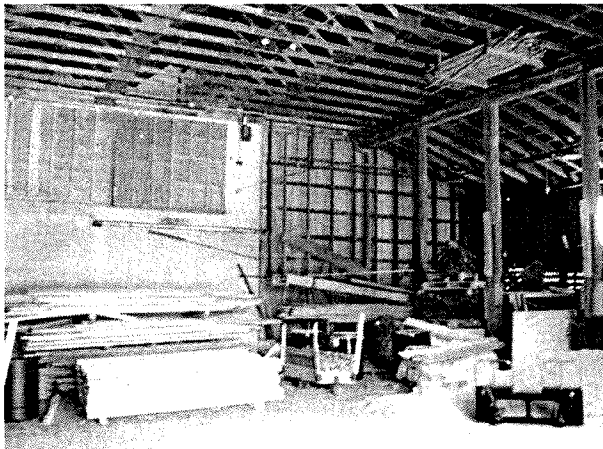
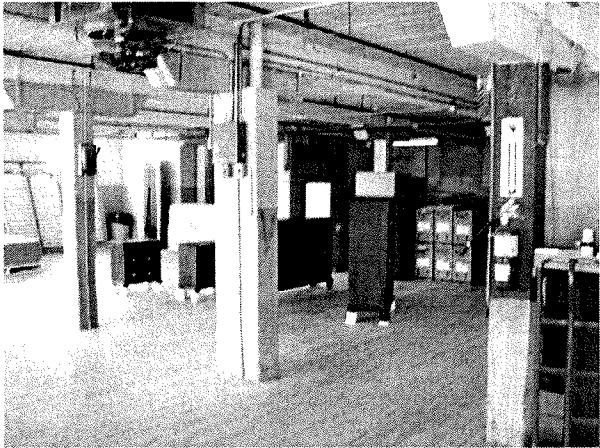
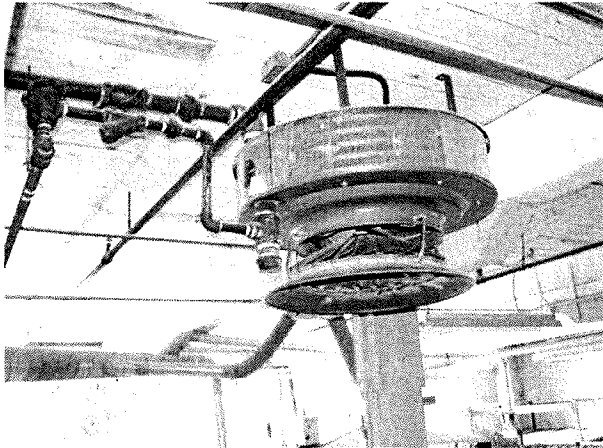
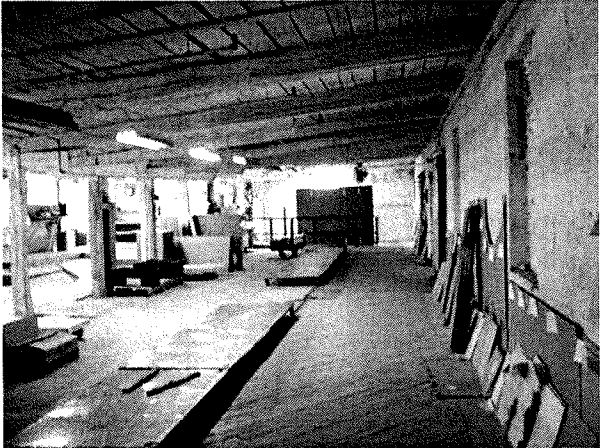
Photos of Subject Property



Photos of Subject Property



Photos of Subject Property



## 4.0 Locational Criteria

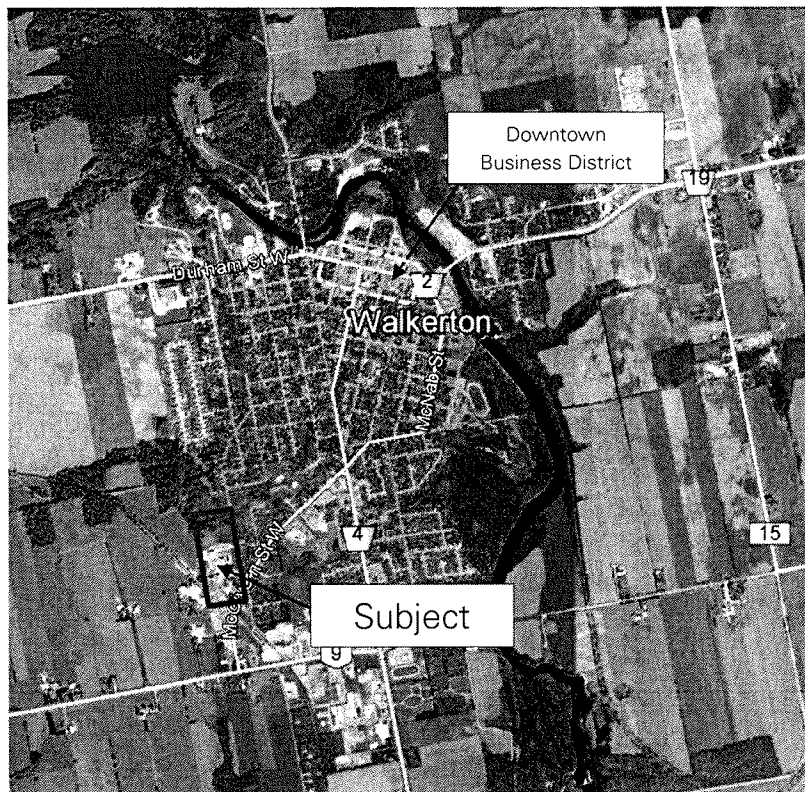
### 4.1 General Location

- The subject property is located on the west side of Ridout Street, in southwest section of the town of Walkerton, Ontario.

### 4.2 Neighbourhood & Town Factors

- Subject is a unique industrial complex along this street-scape.
- To the east, across Ridout Street is a residential neighbourhood followed by a regional hospital. Beyond this are residential neighbourhoods, followed by commercial uses flanking Yonge Street (Highway 4), about ½ km east of the subject.
- Adjacent to the north of the subject is an environmentally protected woodlot, followed by residential holdings extending north for several blocks. The downtown business district is about 2 km northeast of the subject.
- Adjacent to the south are several service-industrial properties extending to Highway 9 about ½ km south of the subject. An industrial/commercial node extends east along Highway 9 to the urban edge of the town, about ½ km southeast of the subject. Beyond this are extensive agricultural uses. Behind the subject, to the west are agricultural uses continuing for many kilometres.
- Economic growth of the town continues to be modest, and this trend is expected to continue well into 2016.

Neighbourhood Location Map: Town of Walkerton





## 5.0 Legal & Economic Analysis

### 5.1 Official Plan

- Business Park 2
- Environmental Protection

### 5.2 Zoning By-Law

- BP2, Urban Industrial Zone
- EP, Environmental Protection Zone

### 5.3 Economic & Market Factors

#### 5.31 Property Attributes

- The subject has a set of older industrial buildings that have been maintained at a fair to average level and is situated just north of the main rural highway for the region. However, there are few complementary buildings of this age and size in Walkerton and the surrounding region.

#### 5.32 Market Dynamics

- The subject property competes with smaller industrial and warehouse properties in the Town. Secondary competition comes from similar buildings in the other towns in the region.

#### 5.33 Supply & Demand Factors

- There have been no sales of similar properties in Walkerton in the previous 3 years. There have been transactions of much smaller and more modern buildings.
- There have been no older industrial and warehouse buildings of the size and age of the subject that have been offered for sale in the prior 3 years within the region.
- In Walkerton and area, there have been few industrial properties that have sold with only a few that are for sale at this time. These properties have much smaller or more modern buildings than the subject. Traditionally, there has been a similar number of sales to the number of offerings but only for smaller, more modern and functional buildings.
- Vacant industrial lands have had few transactions in the prior 3 years, with only 1 sale being noted in the town. The majority of lands are publicly held by the town and are located in the East Ridge Business Park, about 3 km northeast of the subject. Site sizes vary from 4 acres (3 sites) to 9½ acres (2 sites) to 32 acres (one site). The asking prices range from \$27,500 to \$38,500 per acre. The most recent sale in this park was in November 2014. At that time, a one acre parcel sold for \$27,500. In discussions with the town, there were no current offers or negotiations for any of the remaining sites.
- Given the age, condition and location of the subject, the level of demand is regarded to be very low, with the level of supply also being low.

#### 5.34 Market Position

- The supply & demand factors detract from the subject's inherent value, along with the location and age of the building causing additional detraction from its market position.
- These trends are expected to continue well into 2016.

#### 5.4 Highest & Best Use

- As if vacant: Development for industrial uses.
- As improved: Continuation of the existing industrial uses.

#### 5.5 Exposure & Marketing Terms

- Exposure term (prior to effective date): 8 to 10 months at concluded value.
- Marketing term (after effective date): 8 to 10 months at concluded value.

## 6.0 Valuation Methodology

The data examination procedures and the estimate of market value consist of a process of applying one or more of the three recognized appraisal techniques, depending on the type of property, the intended use of the report, the scope of work, and the quality & quantity of the data available for analysis. These techniques provide the conceptual foundation for approaching the valuation of property rights in real estate.

In investigating and estimating the current market value of the subject, only the Comparative Approach was considered to be appropriate. The Income Approach was not applied as there is no developed rental market for a property of this size in Walkerton, nor is there any reasonably comparable rental data. The Cost Approach, while considered, was dismissed from this analysis due to its lack of relevance. In addition, the estimate of the site value as if vacant was not undertaken, as the improved value was clearly determined to be significantly higher.

### 6.1 Comparative Approach

This appraisal technique is known as either the Market Data, Direct Sales Comparison, or Comparative Approach, and it involves the assembly, analysis, and comparison of properties that are similar or have competing physical and/or economic similarities. The relevant data may have sold, is or has been available for sale, and/or have had offers tendered for purchase. As no two properties are identical, adjustments are applied based on the ten fundamental Elements of Comparison, which are the characteristics that help explain the variance of pricing in real estate and are listed below:

- Property Rights: Fee Simple, Leased Fee, Leasehold, or Condominium interest
- Financing Terms: Impact of atypical financial arrangements
- Conditions of Sale: Impact of atypical conditions influencing the pricing
- Expenditures for Occupancy: Impact of capital costs required for immediate repairs
- Market Conditions: Reflects market changes between event and assignment dates
- Economic Characteristics: Impact of financial uses and/or encumbrances of tenancies
- Location: Impact of economic locational characteristics
- Physical Characteristics: Impact of physical differences between the data and subject
- Zoning/Land Use Designations: Impact of legal uses limitations or enhancements
- Non-Realty Components: Furniture, fixtures, and equipment (FF&E) and/or goodwill

The comparison and adjustments are based on the most corresponding "*unit of comparison*" between the various properties, which in this case is the 'Price per Square Foot (SF) of Building (incl. land)' basis.

For this assignment, the chart of data on the following page represents the majority of competing properties considered for analysis. The data has been analyzed and compared to the subject property, along with the most pertinent adjustments.

## 6.1 Comparative Approach

The subject's buildings range in condition from fair to average. The main, 3 storey industrial building (~100,300 sf incl. basement) provides the majority of the utility to the site. The other buildings provide only contributory value due to their age, condition and use.

Chart – Comparable Industrial Data

Item	Index 1	Index 2	Index 3	Index 4	Index 5
Address	76 Davis St., Simcoe	201-211 Shepherd St. E., Windsor	126 Main St., Glencoe	1172 Erie St., Stratford	1 Solvay Dr., Chatham
Price	\$830,000	\$900,000	\$750,000 (ask)	\$3,250,000	\$1,650,000
Event Date	sold Oct 2013	sold Sep 2012	current offering	sold May 2015	sold Jan 2013
Seller/Buyer	Farlo Inc. (B)	2339914 Ontario Inc. (B)	Tender Tootsies Ltd. (S)	2466252 Ontario Ltd. (B)	5274398 Manitoba Ltd. (B)
Data Source	Registry/ MLS 526106	Registry/ Realtrack	Realtor/ MLS 558145	Registry/ Realtrack	Registry/ Realtrack
Building					
- size	187,650 sf	100,000 sf	78,000 sf	295,000 sf	120,000 sf
- style	1 storey	4 storey	1 storey	1 storey	1 storey
- use	industrial w/ offices	industrial w/ offices	industrial w/ offices	industrial w/ offices	industrial w/ offices
Land					
- size	9.17 acres	1.25 acre	5.8 acres	36.85 acres	14.6 acres
- frontage	1 street	2 street	1 street	2 street	1 street
Price / SF of Building [incl. land]	\$4 / sf	\$9 / sf	\$10 / sf (ask)	\$11 / sf	\$14 / sf
Adjustments					
Motivation	power-of-sale	fair market	fair market	fair market	fair market
Event Date	dated sale	dated sale	current offering	current sale	dated sale
Eco. Location	similar	superior	similar	superior	superior
Building					
- size	larger, inf.	smaller, sup.	smaller, sup.	larger, inf.	larger, inf.
- style	superior	similar	superior	superior	superior
- condition	inferior	similar	superior	superior	superior
- functional	superior	inferior	superior	superior	superior
- eco. use	similar	similar	similar	similar	similar
Land	inferior	inferior	inferior	similar	similar
Rating	moderately inferior	similar	slightly superior	somewhat superior	quite superior

## 6.1 Comparative Approach

The unadjusted range of the data was between \$4 and \$14 per sf of building [incl. land]. Research did not reveal sufficient or a suitable level of data in Walkerton, and consequently a regional canvass for comparable properties was undertaken throughout Southwestern Ontario. The following is a summary of the more pertinent adjustments.

Index 1 had been offered on the open market in excess of the preceding 3 years, and due to a motivated vendor and typical buyer-seller negotiations, the subsequent sale price was likely lower. For this, an upward adjustment was applied. Indexes 2 & 5 were also dated transactions, and upward adjustments were applied to recognize the rising market trend. Index 3 is a current offering, and due to typical buyer-seller negotiations, any subsequent sale price will likely be lower. For this, a downward adjustment was applied. Index 4 was a current transaction (no adjustment).

Indexes 2, 4, & 5 have superior urban locations and required downward adjustments. Indexes 1 & 3 were considered to be in similar semi-rural centres like the subject (no adjustments).

Indexes 1, 4, & 5 have larger buildings than the subject's main production building, and upward adjustments were applied for economies of scale. This is the principle that larger buildings tend to sell at lower rates per sf than smaller buildings, like the subject. Indexes 2 & 3 have smaller size buildings to the subject's, and upward adjustments were applied for economies of scale. Indexes 1, 3, 4, & 5 had superior style buildings to the subject's 1900's construction, and downward adjustments were applied. Index 2 had a similar style building to the subject's (no adjustment). Index 1 was considered to be in inferior condition to the subject's, and an upward adjustment was applied. Indexes 3, 4, & 5 were considered to be in superior condition to the subject's, requiring downward adjustments. Index 2 was considered to be in similar condition to the subject's (no adjustment). The functional aspects (i.e. levels) of Indexes 1, 3, 4, & 5 were considered superior to the subject's main production building's 3 levels, requiring downward adjustments. Index 2 had 4 levels, and for this inferior functional aspect, an upward adjustment was applied.

Finally, Indexes 1, 2, & 3 have inferior site coverage ratios to the subject, which decreases the potential for possible building expansion or parking, and upward adjustments were applied by varying degrees to each. Indexes 4 & 5 were considered similar to the subject (no adjustments).

The adjusted pricing of the data ranges from \$8 to \$9 per sf of building (incl. land). This includes consideration for the contributory value of the subject's secondary buildings. Most weight was given to Indexes 2 (most similar to the subject building, albeit a dated transaction) and 3 (similar size and location, albeit a current offering). These data points were supported by the other Indexes. When this adjusted range is applied to the subject's main building total estimated floor area of 100,300 sf, the following current market value range is calculated:

$$100,300 \text{ sf} \times \$8 / \text{sf} = \$802,400 \quad \text{and} \quad 100,300 \text{ sf} \times \$9 / \text{sf} = \$902,700$$

For this assignment it was concluded to be (rounded):

**\$800,000 to \$900,000**

## 7.0 Reconciliation

One approach to value was applied, resulting in the following range:

Comparative Approach:                      \$ 800,000 to \$900,000

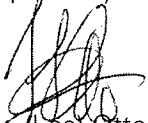
The Comparative Approach utilized an overall comparison of a number of sales and a current offering of competing properties in the region. All of this data typically requires some form of adjustment, be it for physical site differences, site configuration, functionality, or building differences that include age or condition, location, etc. The reliability of this method of analysis is dependent upon the various adjustments, which have been applied carefully.

Market research suggests that the level of demand for industrial properties like the subject is below the limited level of supply. There have been few sales of buildings of the subject's size and age, with most buyers and tenants seeking more modern buildings. While the subject has ample additional lands for future development, vacant industrial land sales have been limited in Walkerton over the prior 3 years with demand far lower than the supply. The subject's buildings range in condition from fair to average. Aside from the main 3 storey production building, the remaining buildings provide only contributory value to its use, as do the extensive underlying lands. Given the type of property, its location, and physical condition, the lower section of the developed range was given the most weight.

We have personally inspected this property and analyzed information considered pertinent to the valuation. It is our opinion that the current market value conclusion for the subject property, in the Fee Simple interest, in cash or terms equivalent to cash, as at July 13, 2015, is:

Eight Hundred Twenty-Five Thousand Dollars ... (\$825,000)

Respectfully submitted,

  
L. L. (Les) Otto,  
MBA, AACI, RI

## 8.0 Certification

### **I hereby certify that, to the best of my knowledge & belief:**

The statements of fact contained in this report are true & correct. On July 13, 2015, Mr. Jay R. Patterson, a candidate member of the Appraisal Institute and member of the firm, personally inspected the following property that is the subject of this report:

75 Ridout Street, Walkerton, Ontario

Based on the data, analyses, and conclusions contained herein, the following is the estimated current market value of the interest in the property described, as at July 13, 2015:

Eight Hundred Twenty-Five Thousand Dollars ... (\$825,000)

These reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and they are our personal, impartial, unbiased professional analyses, opinions, and conclusions. We have no interest, present or prospective, in the property that is the subject of this report and no personal interest with respect to the parties involved. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.


Our engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client. Our analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the Canadian Uniform Standards.

I have the knowledge and experience to complete the assignment competently. Mr. Jay R. Patterson, a candidate member of the Appraisal Institute and member of the firm, provided significant professional assistance to the person signing this report by inspecting the property, by undertaking the research and analysis, and in the preparation of this report.

As of the date of the report, the undersigned has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for members. The undersigned is a member in good standing of The Appraisal Institute of Canada.

I did not personally inspect the subject property of this report.

Dated: July 23, 2015

  
L. L. (Les) Otto,  
MBA, AACI, RI

## Curriculum Vitae - L. L. (Les) Otto, MBA, AACI, RI

### Memberships and Affiliations

Accredited Member of the *Appraisal Institute of Canada*, [AACI], Certificate No. 2458  
Accredited Member of the *Real Estate Institute of British Columbia* [RI], Cert. No. 1644  
Practicing Affiliate Member of the *Appraisal Institute*, Chicago, Illinois  
Member of the Ontario Expropriation Association

### Educational Background

Urban Land Economics, Appraisal & Real Estate Analysis, University of British Columbia  
Continual upgrading & voluntary recertification by the Appraisal Institute  
Masters of Business Administration, MBA, Edinburg Business School, Heriot-Watt University

### Overview of Professional Experience

- Currently, an independent real estate analyst in Southwestern Ontario, since 1993
- 3 years as a senior appraiser for two major appraisal firms in London, Ontario
- 3 years as a Senior Property Agent/Appraiser with Ontario Hydro, London, Ontario
- 6 years as a Property Agent/Appraiser with the Ministry of Trans & Highways, BC
- 9 years as an Appraiser and Real Estate Broker in the Province of British Columbia

## About Otto & Company

Otto & Company is composed of individuals whose educational background, professional experience, and skills provide a service for all types of valuation assignments. The firm is solely concerned with the valuation & analysis of real property.

Our continued success is based on maintaining the highest standards in the real estate appraisal and consulting field. To accomplish this, all of our reports are prepared to conform with the requirements of the Canada Deposit Insurance Corp. and the Canadian Uniform Standards of Professional Appraisal Practice (Appraisal Institute of Canada). All reports, records, and assignments are subject to strict privacy measures in order to ensure confidentiality. Our team is always prepared to stand behind their reports and to give an accounting of their conclusions.

Services provided to past clients and employers have included the following:

- valuation estimates for property purchases and sales;
- natural resource and recreational land valuations;
- utility corridors, rights-of-way, and expropriations;
- investment analyses and benefit & cost studies;
- industrial and commercial property valuations;
- leasehold valuations and rental property analyses; and
- valuation estimates for relocation and mortgage financing.

Our general appraisal and consulting service area is southern Ontario, namely London, the Kitchener-Waterloo Region, Sarnia, St. Thomas, Stratford, Strathroy, and both the communities and neighbouring rural areas in between.



THIS IS EXHIBIT V REFERRED  
TO IN THE AFFIDAVIT OF

Home Horvath  
SWORN BEFORE ME ON THIS THE

19 DAY OF December 20 11

Scott Stewart Thibaudeau  
A COMMISSIONER, ETC.

Scott Stewart Thibaudeau, a Commissioner, etc.,  
Province of Ontario, for Mid Ontario Paralegal  
Service, and for work done within  
your permitted scope of practice  
as a licensed paralegal in Ontario.  
2011-12-19

**BG FURNITURE  
75 RIDOUT STREET  
WALKERTON, ONTARIO**

**Phase I Environmental Site Assessment**

Prepared For:

**BG Furniture**  
P.O. Box 1240  
75 Ridout Street  
Walkerton, Ontario  
N0G 2V0

Attention: Mr. Adam Hofmann

Prepared By:

**W**INCHURCH ENVIRONMENTAL INC.

P.O. Box 71612  
Aurora, Ontario  
L4G 6S9

April 10, 2014

Winchurch Project Number: W3199

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## 1.0 EXECUTIVE SUMMARY

Winchurch Environmental Inc. was retained by BG Furniture to conduct a Phase I Environmental Site Assessment (ESA) of property identified as 75 Ridout Street in Walkerton, Ontario. The activities completed as part of the Phase I ESA for the subject site include a 1) review of *reasonably ascertainable* public records, 2) a site inspection, 3) interviews, and 4) an evaluation of the information collected.

Following an evaluation of the historical information gathered, the observations made during the site inspection, and the interviews, this Phase I Environmental Site Assessment found no *actual* sources of environmental impact at, or in the vicinity of, the subject property.

Four *potential* sources of environmental impact were identified at, or in the vicinity of, the subject property. These *potential* sources of environmental impact are described as follows:

- The reported presence of a historical underground gasoline storage tank at the subject site represents a **LOW** to **MODERATE** potential for environmental risk to the subject site. This assessment is based on uncertainty regarding the location and removal of the former underground storage tank and on the native soil type (silt), with low permeability, limiting the potential for migration of contaminants.
- Commercial/light industrial use (specifically manufacturing of wood furniture) at the subject site since the late 1800s represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the nature of observed activities and on the native soil type (silt), with low permeability, limiting the potential for migration of contaminants.
- The presence of two aboveground storage tanks at the subject site represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the absence of any indication of spills or leakage and on the native soil type (silt), with low permeability, limiting the potential for migration of contaminants.
- Commercial use at properties in the vicinity of the subject site represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the nature of observed activities, the distance of these activities from the subject site and on the native soil type (silt/silty clay till), with low permeability, limiting the potential for migration of contaminants.

Based on the nature and location of these potential sources of environmental impact, there is an overall **LOW** to **MODERATE** risk of environmental impact at the subject property.

---

## 2.0 INTRODUCTION

### 2.1 SCOPE OF WORK

Winchurch Environmental Inc. was retained by BG Furniture to conduct a Phase I Environmental Site Assessment (ESA) of the property identified as 75 Ridout Street in Walkerton, Ontario, Ontario (referred to hereafter as “the subject property” or “the site”).

The objective of this Phase I ESA was to identify any actual or potential environmental issues at the subject property, or in the vicinity of the subject property, that may be present as a result of current or historical activities. The Phase I ESA was conducted according to *CSA Standard Z768-01: Phase I Environmental Site Assessment* (Canadian Standards Association, November 2001, hereafter referred to as “the Standard”).

The activities completed as part of the Phase I ESA for the subject site include a 1) review of *reasonably ascertainable* public records, 2) a site inspection, 3) interviews, and 4) an evaluation of the information collected. In summary, the information sources reviewed and work conducted as part of this Phase I ESA consisted of the following:

1. **Reasonably Ascertainable Records Review:** including available material listed in the Standards as mandatory records; specifically aerial photographs, property use records (i.e. fire insurance plans, street directories), land title search, prior Phase I ESA reports, company records, geological/geotechnical reports, and regulatory information (i.e. Ontario Ministry of Environment, Technical Standards & Safety Authority). The following optional records were also reviewed: geological/soil maps, topographic maps, waste disposal site inventory, PCB storage site inventory, coal tar/gasification plant inventories, as well as any additional information provided in a mapped database report.
2. **Site Inspection:** including a walk-around inspection of the site and a preliminary survey of adjacent/neighbouring properties to determine uses, which may have the potential to impact the subject property.
3. **Interviews:** with relevant individuals to obtain first hand information regarding the subject site.
4. **Evaluation of Information:** the conclusions and recommendations presented as part of this Phase I ESA are the result of an evaluation of the information gathered during the public records review, the site inspection, and the interviews.

In addition to the subject property, *reasonably ascertainable* background information was obtained regarding the properties immediately adjacent the subject property. The search distances for this project were limited to the lands immediately adjacent to the subject property except where additional historical information was readily accessible for other nearby properties in the vicinity of the subject site. In these instances, the search radius was limited to 250 metres

from the subject property. The information obtained for the adjacent properties does not constitute a complete assessment of those properties.

If applicable, although building materials that could potentially contain special attention items, such as asbestos containing materials, polychlorinated biphenyls (PCB), lead, ozone depleting materials, and urea formaldehyde foam insulation (UFFI) may have been observed at the site, this report does not constitute a Designated Substance Survey (DSS). A DSS would be required to confirm or refute the presence of these items and is beyond the scope of work of this assessment.

## 2.2 *LIMITATIONS*

### 2.2.1 *Records Review*

The following limitations were encountered with respect to the records review:

- None

### 2.2.2 *Site Inspection*

The following limitations were encountered during the site inspection:

- None.

### 2.2.3 *General Limitations of this Assessment*

This report was prepared for the exclusive use of BG Furniture and may not be relied upon by any other party or entity without the written permission of Winchurch Environmental Inc. and BG Furniture. Any use that a third party makes of this report, or any reliance on decisions to be made based on its findings, is the responsibility of such third parties. Winchurch Environmental Inc. accepts no responsibility for damage claims, if any, suffered by any third party as a result of decisions made or actions undertaken based on this report.

Where possible, the relative degree of uncertainty (low, moderate, high) regarding the potential for environmental impact from a specific source is presented based on our professional interpretation/evaluation of available information. As this interpreted classification is subjective, it is presented only as an aid to further assist the reader with identifying those sources that might represent the *most likely* sources of potential environmental impact. Regardless of our classification of the potential source of impact, the performance of further intrusive testing would be required to confirm or refute the presence of any actual environmental impact at the subject property.



This Phase I ESA is intended to *reduce*, but not necessarily eliminate, *uncertainty regarding the potential for environmental impact of a property*. The findings and conclusions regarding potential *or* actual environmental impact at the property are based solely on the extent of the records review, the site inspection observations, interviews, and other reasonably ascertainable information gathered during the Phase I ESA. Further quantitative analysis would be required in order to confirm or refute the presence or extent of any actual/potential environmental impact.

This Phase I ESA was conducted using available historical information supplied and obtained from various sources. This historical information may contain incorrect information and/or omissions. Accordingly, reasonable attempts have been made to corroborate the information provided in this Phase I ESA report. However, no representation can be made regarding the completeness of the information provided and no assurances are provided about the accuracy of the information.

### **2.3    *ADDITIONAL WORK PERFORMED***

Additional activities exceeding the work described in the Standard were not performed.

## **3.0    SITE DESCRIPTION**

### **3.1    *SITE LOCATION***

The subject property is located in Walkerton, Ontario on the west side of Ridout Street. The municipal address of the site is 75 Ridout Street in Walkerton, Ontario.

The Site Location Map presented on Figure 1 indicates the approximate location of the subject property relative to surrounding streets.

### **3.2    *ADJACENT/SURROUNDING LAND USES***

The site is located in an area of mixed commercial and residential uses. Residential properties are present to the east and south. Commercial properties are also present to the south. Vacant undeveloped properties are present to the north and west. Figure 1 shows the adjacent and nearby properties.

### **3.3    *PROPERTY AND BUILDINGS***

The subject property consists of an assembly of land with an area of 16.4 acres. There is a three storey industrial building with a total square footage of approximately 75,000 square feet. The original portion of the building was constructed in the late 1800s, with several additions completed to the rear of the building between the late 1800s and 1950s. The building is of concrete, block and masonry construction with post and beam wood framing supporting wood floors. There are two additional storage buildings on the property. One of the buildings is

currently in use as a kiln, for drying wood. The third building, located at the southwest corner of the property, is currently vacant but was formerly used as a sawmill.

### ***3.4 ONSITE ACTIVITIES AND TENANTS***

The subject site is currently occupied by BG Furniture (Bogdon & Gross Furniture), manufacturers of wood furniture.

### ***3.5 BEDROCK AND SURFICIAL GEOLOGY***

The bedrock in the area has been mapped as limestone, dolostone, shale, sandstone, gypsum and salt (Ontario Geological Survey, 1991).

The surficial geology in the immediate vicinity of the site has been mapped as silt (Barnett et al., 1991).

### ***3.6 TOPOGRAPHY***

The ground surface at the site is relatively flat. The ground surface in the vicinity of the site slopes downwards towards the north and east. Regionally, the topography slopes slightly to the south/southeast.

### ***3.7 SURFACE WATER AND GROUNDWATER***

No surface water was observed at the subject property. The nearest surface water to the subject property is a creek, which is located approximately 100 metres north of the subject property.

There were no water wells observed at the site.

Regional groundwater flow direction is expected to be northeast, towards the creek. However, local groundwater flow direction may be influenced by nearby municipal service trenches and/or variations in local surficial and bedrock geology.

### ***3.8 WATER SUPPLY AND SANITARY SERVICE***

Potable drinking water and sanitary sewer services are provided by the Town of Walkerton. The Town obtains drinking water primarily from deep drilled wells.

## 4.0 RECORDS REVIEW

### 4.1 MANDATORY RECORDS

#### 4.1.1 Aerial Photographs

Aerial photographs were not reviewed as part of this investigation.

#### 4.1.2 Property Use Records

Fire insurance plans (FIP) provide information about building construction, property occupants, underground storage tank locations, and various other property use facts present at the time of mapping. Available FIP (1928) for the vicinity of the subject property were obtained.

The following observations were made with respect to the subject property and selected adjacent/surrounding properties:

#### Subject Property – 75 Ridout Street

- Property was developed in the late 1800s. The subject property has always been used for the manufacture of wood furniture.
- BG Furniture has occupied the subject site since the 1930s.
- Knechtel Furniture occupied the site between the late 1800s and early 1930s.

#### Adjacent Properties to the North, East, South and West

- All surrounding properties to the east and south were vacant undeveloped/agricultural land until current development commencing in the early 1900s.
- The properties to the north and west have never been developed.

There was no evidence to indicate the presence of historical gas stations or drycleaners in the vicinity of the subject site.

#### 4.1.3 Land Title Search

A land title search was not conducted as part of this Phase I ESA. According to the Standard, “a

title or assessment roll search should be performed if at least two other sources of mandatory records cannot be found or are not reasonably ascertainable, and if the search would contribute to assessing the environmental condition of a site.” Based on the information collected from the review of other mandatory and optional records, Winchurch concluded that adequate information existed for the site and surrounding area, and a land title search was not warranted.

#### *4.1.4 Prior Phase I ESA Reports*

No previous Phase I ESA reports were provided for review.

#### *4.1.5 Company Records*

A property appraisal report prepared by Zeifman Partners was provided for review.

#### *4.1.6 Geological/Geotechnical Reports*

No geological or geotechnical reports were made available to Winchurch Environmental Inc. prior to the submission of this report.

#### *4.1.7 Regulatory Information*

A Freedom of Information (FOI) request form was submitted to the Ontario Ministry of the Environment (MOE). The request was submitted in order to obtain any file information for the subject property regarding Certificates of Approval for air, water, sewage, etc., and any other environmental concerns, spills, orders, or charges that may be relevant to this Phase I ESA. As of the date of this report, no response has been received from the MOE. Once received, Winchurch will review the MOE report for any indication of potential environmental impacts and provide comments under separate cover. Appendix A contains a copy of the MOE FOI request form submitted by Winchurch Environmental Inc.

A Public Record Information Request was submitted to the Technical Standards and Safety Authority (TSSA). The request was submitted in order to obtain any file information (1987 to present) for the subject property with respect to historical underground/aboveground storage tanks, spill reports, environmental incidents, etc. A response was received from the TSSA indicating that there is a record of one historical underground storage tank at the site. Appendix A contains a copy of the request form submitted by Winchurch Environmental Inc and the TSSA response.

## **4.2 OPTIONAL RECORDS**

### *4.2.1 Geological/Soil Maps*

Information regarding geology and soil type is provided in section 3.5 of this report.

#### 4.2.2 Topographic Maps

Topographic information is provided in section 3.6 of this report.

#### 4.2.3 Ontario Ministry of Environment Databases/Inventories

Winchurch Environmental Inc. reviewed the following Ontario Ministry of Environment databases:

- *PCB Storage Sites in Ontario* (1996, 1998, 1999).
- *Waste Disposal Site Inventory* (June 1991).
- *Coal Tar Site Investigations 1986-1995* (January 1997).
- *HWIN Waste Generators Database*

#### PCB Storage Sites in Ontario

According to the information provided in these databases, the subject property and adjacent properties are not listed as PCB storage sites.

#### Waste Disposal Site Inventory

According to the information provided in this database, the subject property and adjacent properties are not listed as active/closed waste disposal sites.

#### Coal Tar Site Investigations

According to the information provided in this database, the subject property and adjacent properties are not listed as former manufactured gasification plants, or sites producing/using coal tars and related tars.

#### HWIN Waste Generators Database

According to the information provided in this database, the subject property is listed as a registered waste generator for the following: 145 Paint/Pigment/Coating Residues, 211 Aromatic Solvents and 252 Waste Oils & Lubricants. Adjacent/nearby properties are not listed as registered waste generators.

#### 4.2.3 *Mapped Database Report*

An EcoLog Environmental Risk Information Service (ERIS) basic report was requested from Environmental Risk Information Service Ltd. The request was submitted in order to obtain any file information from federal, provincial and private databases for the subject property and surrounding area. The ERIS report was received on April 4, 2014. Information from the ERIS report was reviewed for any relevant potential environmental issues. The mapped database report is presented in Appendix C.

Relevant details of the ERIS report are discussed below.

#### Certificates of Approval

There is a Certificate of Approval registered for filtering units in six spray paint booths at the site.

#### ERIS Historical Searches

There are two records related to expired TSSA fuel handling licences. These licences likely relate to two above ground fuel storage tanks at the site. These two tanks are currently not in use but were previously used for fuel storage for yard equipment.

#### Ontario Regulation 147 Waste Generators Summary

There are several records related to the above noted HWIN Waste Generator Database (ie waste classes 145 Paint/Pigment/Coating Residues, 211 Aromatic Solvents and 252 Waste Oils & Lubricants.). Waste classes 145 and 211 are related to the wood staining processes at the site. Waste class 252 is related to maintenance of on-site equipment.

#### Private and Retail Fuel Storage Tanks

There is one record related to an expired TSSA retail fuel licence (01-31-1991). A further inquiry was submitted to the TSSA to obtain additional information regarding this expired licence. A response was received on April 9, 2014 and is attached in Appendix A. A copy of the initial application dated January 5, 1966 for a retail fuel licence is included in the response. The application includes reference to a 1000 gallon underground gasoline storage tank. There is also reference to a December 18, 1990 letter from Bogdon & Gross Furniture indicating that there is one aboveground storage tank on-site used for fuelling on-site yard vehicles. The location of the historical underground storage tank is unknown. There is no information regarding decommissioning/removal of the historical underground storage tank.

---

## 5.0 SITE INSPECTION

Robb Hudson, P.Eng., of Winchurch Environmental Inc. completed the walk-around site inspection on April 3, 2014. The following is a summary of the site inspection observations. Photographs of the subject property and selected adjacent/surrounding properties are presented in Appendix B.

### 5.1 *PROPERTY USE*

The subject property is located in Walkerton, Ontario on the west side of Ridout Street. The municipal address of the site is 75 Ridout Street in Walkerton, Ontario.

The Site Location Map presented on Figure 1 indicates the approximate location of the subject property relative to surrounding streets.

The site is located in an area of mixed commercial and residential uses. Residential properties are present to the east and south. Commercial properties are also present to the south. Vacant undeveloped properties are present to the north and west. Figure 1 shows the adjacent and nearby properties.

The subject property consists of an assembly of land with an area of 16.4 acres. There is a three storey industrial building with a total square footage of approximately 75,000 square feet. The original portion of the building was constructed in the late 1800s, with several additions completed to the rear of the building between the late 1800s and 1950s. The building is of concrete, block and masonry construction with post and beam wood framing supporting wood floors. There are two additional storage buildings on the property. One of the buildings is currently in use as a kiln, for drying wood. The third building, located at the southwest corner of the property, is currently vacant but was formerly used as a sawmill.

The subject site is currently occupied by BG Furniture (Bogdon & Gross Furniture), manufacturers of wood furniture.

### 5.2 *HAZARDOUS MATERIALS AND CHEMICALS*

No hazardous materials or chemicals were observed during the site inspection. As noted above, stains and solvents used in the wood finishing process are used at the site. Glues used in the furniture manufacturing process are water-based.

### 5.3 *UNIDENTIFIED SUBSTANCES*

No unidentified substances were observed during the site inspection.

#### **5.4 STORAGE TANKS**

##### *5.4.1 Aboveground Storage Tanks*

Two aboveground storage tanks with capacities of 500 gallons (approx.) were observed at the west side of the property. The two tanks are currently not in use, but were previously used for the storage of fuel for on-site yard equipment. No spillage or staining was observed in the vicinity of the aboveground storage tanks.

##### *5.4.2 Underground Storage Tanks*

No evidence of underground storage tanks, such as vent/fill pipes, maintenance hatches, was observed during the site inspection.

#### **5.5 STORAGE CONTAINERS**

No storage containers were observed during the site inspection, with the exception of waste storage containers.

#### **5.6 ODOURS**

No unusual odours were detected during the site inspection.

#### **5.7 POTABLE WATER SUPPLY**

Information pertaining to the potable water supply is presented in section 3.8 of this report.

#### **5.8 SPECIAL ATTENTION ITEMS**

##### *5.8.1 Polychlorinated Biphenyls (PCB)*

PCB's are found in dielectric fluids for capacitors and transformers, heat transfer fluids, and hydraulic fluids. A common commercial application was in fluorescent light ballasts manufactured prior to 1978. Lamp ballasts manufactured after 1978 are labelled "No PCB's" to indicate the absence of PCB's within the lamp ballast. Fluorescent light fixtures are present throughout the building. In addition, there is a large hydro transformer located at the north side of the building. Based on the age of the building, it is possible that the ballasts and transformer may contain PCB's. If encountered, any equipment containing PCB's must be handled in accordance with all local, provincial, and federal regulations at the time of equipment decommissioning/disposal.



### 5.8.2 *Asbestos Containing Materials (ACM)*

Asbestos is typically found in plasters, floor tiles, ceiling tiles, boiler insulation and mechanical piping insulation installed/manufactured prior to about 1980. Asbestos has been a designated substance in Ontario since 1982 and asbestos containing materials (ACM's) must only be used under controlled conditions as explained in the Designated Substances Regulations under the Occupational Health and Safety Act. Under the Occupational Health and Safety Act, there are two regulations governing occupational exposure to and control of asbestos. These are Designated Substance – Asbestos (O.Reg. 837) and Designated Substance – Asbestos on Construction Projects and in Buildings and Repair Operations (O.Reg. 278/05). Ceiling tiles are present throughout the office area of the building. Based on the age of the building, it is possible that the ceiling tiles may contain ACM's. If encountered, any materials containing ACM's must be handled in accordance with all local, provincial, and federal regulations at the time of equipment decommissioning/disposal.

### 5.8.3 *Lead*

Common historical uses of lead include paint, car battery acid, plumbing, ammunition, vehicle fuels, glass, radiation shielding. Lead is typically found in old paints applied prior to the early 1970's. Based on the age of the building, it is possible that the paints and plumbing may contain lead. If encountered, any materials containing lead must be handled in accordance with all local, provincial, and federal regulations at the time of equipment decommissioning/disposal.

### 5.8.4 *Ozone Depleting Materials*

Ozone depleting substances (ODS), such as chlorofluorocarbons (CFC's), have been used as aerosol propellants, refrigerants (e.g. Freon), and fire suppression.

### 5.8.5 *Urea Formaldehyde Foam Insulation (UFFI)*

UFFI was used in the 1950's for cavity-wall insulation. UFFI was not directly observed during the inspection of the building at the site.

### 5.8.6 *Radon*

The presence of radon could neither be confirmed nor refuted during the site inspection. However, radon contamination is unlikely at the site.

### 5.8.7 *Mould*

No indications of mould, such as moisture, black staining, or other discolouration were observed

during the site inspection.

#### *5.8.8 Noise and Vibration*

No unusual noises or vibrations were encountered during the site inspection.

#### *5.8.9 Electric and Magnetic Fields*

There was no evidence of equipment capable of generating significant electromagnetic fields observed during the site inspection.

#### *5.8.10 Mercury*

The most common use of mercury in buildings is in thermostat switches, which are present throughout the buildings. The thermostats should be handled according to applicable regulations during demolition/renovation of the building.

### **5.9 HEATING AND COOLING SYSTEMS**

The building is heated by a steam boiler system, fuelled by waste wood materials from the furniture manufacturing process.

#### **5.10 STAINING**

No staining was observed during the site inspection. The ground surface was snow covered at the time of the site inspection.

#### **5.11 DRAINS AND SUMPS**

None observed.

#### **5.12 MECHANICAL EQUIPMENT**

Various pieces of equipment, including saws, drill presses, cutting equipment and wood assembly equipment, used in the manufacture of wood furniture are in use at the subject site. There are several spray paint booths with filtering and ventilation systems attached. There is a sawdust collection system in use at the site. There are two freight elevators in use at the site. These elevators are serviced/inspected by TSSA every three months.

---

### **5.13 WELLS**

There were no wells observed at the subject property during the site inspection.

### **5.14 PITS AND LAGOONS**

There were no pits or lagoons observed at the subject property during the site inspection. There is a large water storage reservoir at the rear of the building.

### **5.15 STRESSED VEGETATION**

Stressed vegetation was not observed during the site inspection. The site was predominantly snow covered at the time of the inspection.

### **5.16 FILLED AND GRADED AREAS**

None observed.

### **5.17 WASTEWATER**

Wastewater is discharged to the municipal sanitary sewer system.

### **5.18 WATERCOURSES, DITCHES, AND STANDING WATER**

There were no watercourses, ditches, or standing water observed during the site inspection.

### **5.19 ROADS, PARKING, AND RIGHTS-OF-WAY**

The exterior portion of the site consists of a large gravel parking lot.

### **5.20 ADJACENT PROPERTIES**

#### *5.20.1 North, East, South and West*

Commercial properties are present to the south of the subject site. Residential properties are present to the east and south. Vacant undeveloped land is present to the north and west. No evidence of heavy industrial manufacturing activities was observed. No evidence of nearby underground storage tanks or drycleaning facilities was observed.

Summary of adjacent uses is provided as follows:

North – Vacant undeveloped land

East – Residential properties.

South – Commercial and residential properties.  
West – Vacant undeveloped land.

Based on the observed activities at surrounding properties, no potential environmental risks to the subject site were observed.

## 6.0 INTERVIEWS

Interviews with the following individuals were conducted as part of this Phase I ESA. Reference to these interviews is provided throughout the text of this report where appropriate.

- Adam Hofmann – property owner representative

## 7.0 EVALUATION OF FINDINGS

The information collected from the records review, the site inspection, and the interviews was evaluated and analyzed to determine the following chronological summaries of activities/occupants, and potential environmental impacts.

### 7.1 *SUMMARY OF SUBJECT PROPERTY USE*

The following is a chronological summary of the activities taking place and/or occupants at the subject property:

- Property was developed in the late 1800s. The subject property has always been used for the manufacture of wood furniture.
- BG Furniture has occupied the subject site since the 1930s.
- Knechtel Furniture occupied the site between the late 1800s and early 1930s.

---

## 7.2 SUMMARY OF ADJACENT PROPERTY USE

### 7.2.1 North, East, South and West

The following is a chronological summary of the activities taking place and/or occupants at the adjacent property/properties north of the subject property:

- All surrounding properties to the east and south were vacant undeveloped/agricultural land until current development commencing in the early 1900s.
- The properties to the north and west have never been developed.

There was no evidence to indicate the presence of historical gas stations or drycleaners in the vicinity of the subject site.

## 7.3 POTENTIAL ENVIRONMENTAL CONCERNS – SUBJECT PROPERTY

### 7.3.1 Historical Uses

The following potential environmental concerns were identified at the subject property due to historical uses at the site:

- The reported presence of a historical underground gasoline storage tank at the subject site represents a **LOW** to **MODERATE** potential for environmental risk to the subject site. This assessment is based on uncertainty regarding the location and removal of the former underground storage tank and on the native soil type (silt), with low permeability, limiting the potential for migration of contaminants.

### 7.3.2 Current Uses

The following potential environmental concerns were identified at the subject property due to current uses at the site:

- Commercial/light industrial use (specifically manufacturing of wood furniture) at the subject site since the late 1800s represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the nature of observed activities and on the native soil type (silt), with low permeability, limiting the potential for migration of contaminants.
- The presence of two aboveground storage tanks at the subject site represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the

absence of any indication of spills or leakage and on the native soil type (silt), with low permeability, limiting the potential for migration of contaminants.

#### 7.4 **POTENTIAL ENVIRONMENTAL CONCERNS – SURROUNDING PROPERTIES**

##### 7.4.1 *Historical Uses*

The following potential environmental concerns were identified at the subject property due to historical uses at adjacent/surrounding properties:

- None

##### 7.4.2 *Current Uses*

The following potential environmental concerns were identified at the subject property due to current uses at adjacent/surrounding properties:

- Commercial use at properties in the vicinity of the subject site represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the nature of observed activities, the distance of these activities from the subject site and on the native soil type (silt/silty clay till), with low permeability, limiting the potential for migration of contaminants.

## 8.0 **CONCLUSIONS AND RECOMMENDATIONS**

Following an evaluation of the historical information gathered, the observations made during the site inspection, and the interviews, this Phase I Environmental Site Assessment found no *actual* sources of environmental impact at, or in the vicinity of, the subject property.

Four *potential* sources of environmental impact were identified at, or in the vicinity of, the subject property. These *potential* sources of environmental impact are described as follows:

- The reported presence of a historical underground gasoline storage tank at the subject site represents a **LOW** to **MODERATE** potential for environmental risk to the subject site. This assessment is based on uncertainty regarding the location and removal of the former underground storage tank and on the native soil type (silt), with low permeability,

limiting the potential for migration of contaminants.

- Commercial/light industrial use (specifically manufacturing of wood furniture) at the subject site since the late 1800s represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the nature of observed activities and on the native soil type (silt), with low permeability, limiting the potential for migration of contaminants.
- The presence of two aboveground storage tanks at the subject site represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the absence of any indication of spills or leakage and on the native soil type (silt), with low permeability, limiting the potential for migration of contaminants.
- Commercial use at properties in the vicinity of the subject site represents a **LOW** potential for environmental risk to the subject site. This assessment is based on the nature of observed activities, the distance of these activities from the subject site and on the native soil type (silt/silty clay till), with low permeability, limiting the potential for migration of contaminants.

Based on the nature and location of these potential sources of environmental impact, there is an overall **LOW** to **MODERATE** risk of environmental impact at the subject property.

---

## 9.0 QUALIFICATIONS OF THE ASSESSOR

This report was prepared by Robb Hudson, P.Eng., MBA, QP. The assessors' qualifications are presented in Appendix D.

If you have any questions, or if any additional information is required, please do not hesitate to contact the undersigned.

Yours truly,

**WINCHURCH ENVIRONMENTAL INC.**

A handwritten signature in black ink, appearing to read 'Robb Hudson', is positioned above the printed name.

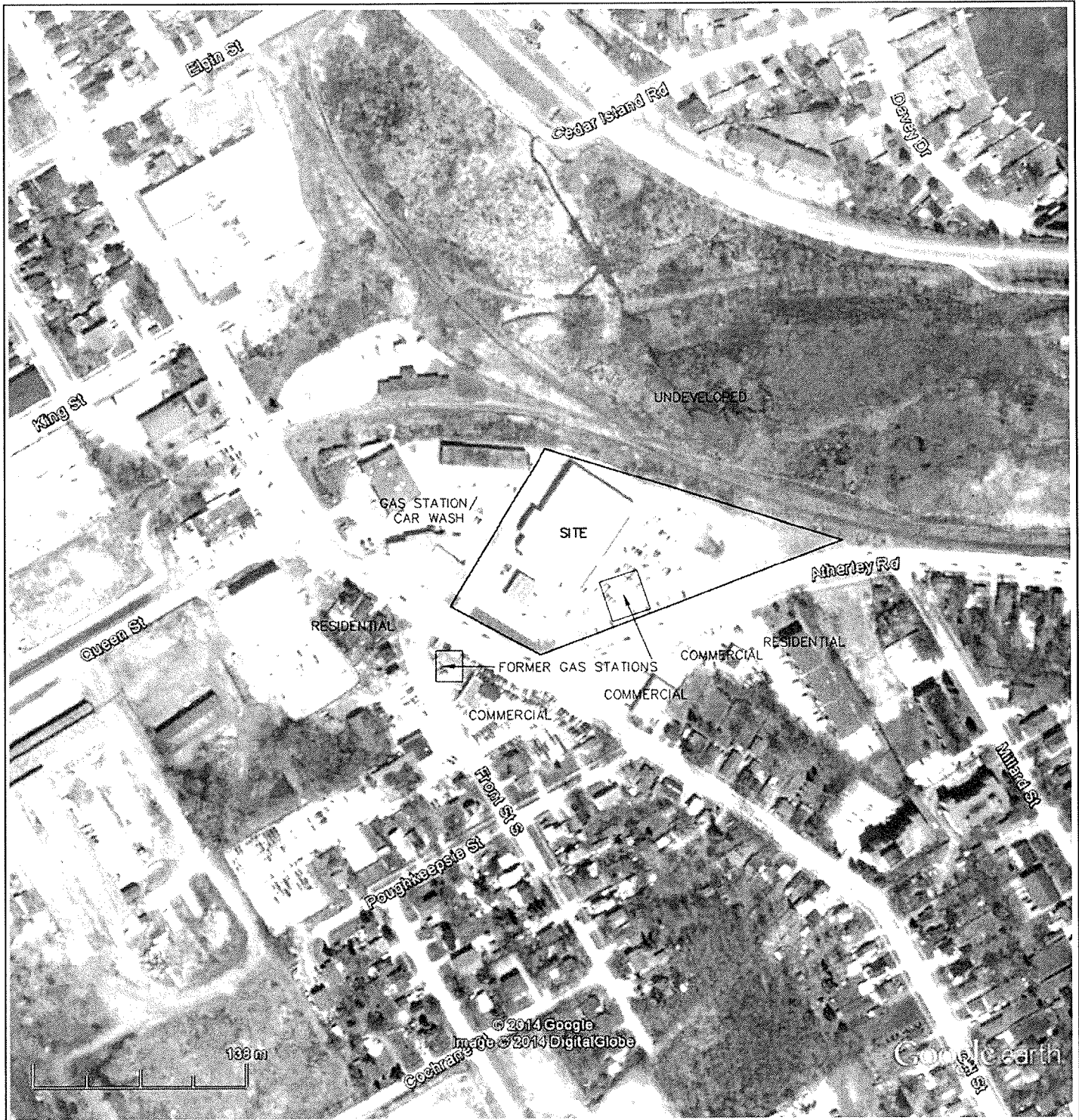
Robb Hudson, P.Eng., MBA, QP



## 10.0 REFERENCES

1. Canadian Standards Association, *CSA Standards Z768-01: Phase I Environmental Site Assessment* (Canadian Standards Association, Toronto, November 2001).
2. Ontario Geological Survey 1991. *Bedrock geology of Ontario, southern sheet; Ontario Geological Survey, Map 2544, scale 1:1000000.*
3. Barnett, P.J., Cowan, W.R. and Henry, A.P. 1991. *Quaternary geology of Ontario, southern sheet; Ontario Geological Survey, Map 2556, scale 1:1000000.*
4. Canada Centre for Mapping, Department of Energy, Mines and Resources, *Topographic Map 31-D05, scale 1:50000, Edition 7* (2000).
5. Ontario Ministry of the Environment, *Waste Disposal Site Inventory* (Queen's Printer for Ontario, June 1991).
6. Ontario Ministry of the Environment, *PCB Storage Sites in Ontario* (computer database, 1996, 1998, 1999).
7. Ontario Ministry of Environment and Energy, *Coal Tar Site Investigations* (Queen's Printer for Ontario, January 1997).

## **FIGURES**



LEGEND

SCALE AS SHOWN

DRAWN BY	PESD	APR 10/14
CHECKED BY	RH	APR 10/14
REVISIONS		
REVISIONS		



**WINCHURCH ENVIRONMENTAL INC.**  
*Environmental Engineers & Regulatory Compliance Consultants*

P.O. Box 71612, Aurora, Ontario L4G 6S9  
 Phone (905) 841-5074 Fax (905) 841-5494 Mobile (416) 801-4631  
 Email winchurch@bellnet.ca

*"Service, Commitment, Common Sense"*

TITLE SITE LOCATION MAP

SITE COMMERCIAL PLAZA  
 130 ATHERLEY ROAD  
 ORILLIA, ONTARIO

FIGURE

1

WINCHURCH JOB No. W3197

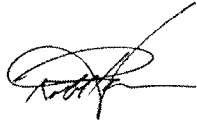
NOTE: SERVICE/UTILITY LOCATIONS ARE APPROXIMATE ONLY

**APPENDIX A**  
**REGULATORY INFORMATION**



## Freedom of Information Request

This form is for requesting documents which are in the Ministry's files on environmental concerns related to properties. Please refer to the guide on the completion and use of this form. Our fax no. is (416) 314-4285.

Requester Data			For Ministry Use Only				
Name, Title, Company Name and Mailing Address of Requester  Robb Hudson Winchurch Environmental Inc. PO Box 71612 Aurora, ON L4G 6S9  April 8, 2014  Email Address: <u>winchurch@bellnet.ca</u>			FOI Request No.	Date Request Received			
			Fee Paid \$  ~ ACCT ~ CHQ ~ VISA/MC ~ CASH				
Telephone/Fax Nos.  Tel : 904-841-5074 Fax : 905-841-5494	Your Project/Reference No. <b>W3199</b>	Signature of Requester 	<input type="checkbox"/> CNR	<input type="checkbox"/> ER	<input type="checkbox"/> NOR	<input type="checkbox"/> SWR	<input type="checkbox"/> WCR
			<input type="checkbox"/> SAC	<input type="checkbox"/> IEB	<input type="checkbox"/> EAA	<input type="checkbox"/> EMR	<input type="checkbox"/> SWA
Request Parameters							
Municipal Address / Lot, Concession, Geographic Township (Municipal address essential for cities, towns or regions) 75 Ridout Street, Brockton, Ontario.							
Present Property Owner(s) and Date(s) of Ownership Bogdon & Gross Furniture Company Ltd.							
Previous Property Owner(s) and Date(s) of Ownership Unknown							
Present/Previous Tenant(s), (if applicable) Unknown							
Search Parameters						Specify Year(s) Requested	
Files older than 2 years may require \$60.00 retrieval cost. There is no guarantee that records responsive to your request will be located.							
Environmental concerns (General correspondence, occurrence reports, abatement)						Since 1985	
Orders						Since 1985	
Spills						Since 1985	
Investigations/prosecutions ▶ <b>Owner and tenant information must be provided</b>						Since 1985	
Waste Generator number/classes						Since 1985	
Certificates of Approval ▶ Proponent information must be provided							
1987 and prior records are searched manually. <b>Search fees in excess of \$300.00</b> could be incurred, depending on the types and years to be searched. Specify Certificates of Approval number (s) (if known). <b>If supporting documents are also required, mark SD box</b> and specify type e.g. maps, plans, reports, etc.							
						SD	Specify Year(s) Requested
air - emissions						X	Since 1987
water - mains, treatment, ground level, standpipes & elevated storage, pumping stations (local & booster)						X	Since 1987
sewage - sanitary, storm, treatment, stormwater, leachate & leachate treatment & sewage pump stations						X	Since 1987
waste water - industrial discharge						X	Since 1987
waste sites - disposal, landfill sites, transfer stations, processing sites, incinerator sites						X	Since 1987
waste systems - haulers: sewage, non-hazardous & hazardous waste, mobile waste processing units, PCB destruction						X	Since 1987
pesticides - licenses						X	Since 1987

A \$5.00 non-refundable application fee, payable to the Minister of Finance, is mandatory. The cost of locating on-site and/or preparing any record is \$30.00/hour and 20 cents/page for photocopying and you will be contacted for approval for fees in excess of \$30.00.

# WINCHURCH ENVIRONMENTAL INC.

---

*Environmental Engineers/Regulatory Compliance Consultants*

April 8, 2014

Technical Standards and Safety Authority  
4<sup>th</sup> Floor, Centre Tower  
3300 Bloor Street West  
Etobicoke, Ontario  
M8X 2X4

Attention: Prem Lal

**RE: Public Record Information Request  
75 Ridout Street, Brockton, Ontario  
Winchurch Project No. W3199**

Winchurch Environmental Inc. has been retained to conduct a Phase One Environmental Site Assessment for the property located at 75 Ridout Street, Brockton, Ontario. As part of our historical records search, would you please search your archives for this location and provide us with any available information regarding historical underground/aboveground storage tanks, spills reports, environmental incidents, etc.

To expedite receipt of your records search report, any information can be emailed directly to my attention at [pesd13@sympatico.ca](mailto:pesd13@sympatico.ca).

Thank you for your help in this matter.

I can be reached at **647-228-3943** anytime if you require any additional information.

Yours truly,

**WINCHURCH ENVIRONMENTAL INC.**



Paul Dawson, P.Eng.



14th Floor, Centre Tower  
3300 Bloor Street West  
Toronto, Ontario  
Canada M8X 2X4  
Tel: 416.734.3300  
Fax: 416.231.1626  
Toll Free: 1.877.682.8772  
[www.tssa.org](http://www.tssa.org)

**Tel: (416) 734-3570**  
**Fax: (416) 734-3568**

**9 April 2014**  
**File No: FS 45263**

Paul Dawson  
WINCHURCH ENVIRONMENTAL INC.  
P.O Box 71612  
AURORA ON L4G 6S9

Dear Sir:

**RE: 75 Ridout Street, Walkerton, Ontario – Your Project No: W3199**

This is with reference to your request and fee of \$50.00 + HST, for information on the above location.

Enclosed are computerised screen prints showing an expired full serve gas station.

The *Technical Standards and Safety Act* and associated regulations do not require the registration of private fuel outlets. Nor does it require that any documentation on these facilities be submitted to, or reviewed or approved by TSSA. As a result TSSA has limited information on these facilities. TSSA cautions that any information provided may be inaccurate, incomplete or out of date.

After a search of our files, TSSA has no record of any further outstanding instructions, incident reports, fuel oil spills, or contamination records respecting the above-mentioned property.

This is all the information the Fuels Safety Division has at this time regarding the above address.

*It should be noted that the Fuels Safety Division did not register private fuel underground/aboveground storage tanks prior to January of 1990 or furnace oil tanks prior to May 1, 2002. Also note that the Fuels Safety Division does not register waste oil tanks in apartments, office buildings, residences etc. or ABOVEGROUND gas or diesel tanks.*

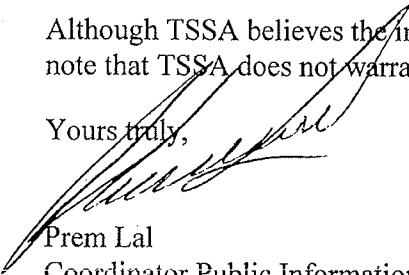
..2



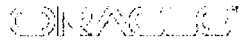
14th Floor, Centre Tower  
3300 Bloor Street West  
Toronto, Ontario  
Canada M8X 2X4  
Tel.: 416.734.3300  
Fax: 416.231.1626  
Toll Free: 1.877.682.8772  
[www.tssa.org](http://www.tssa.org)

Although TSSA believes the information provided pursuant to your request is accurate, please note that TSSA does not warrant this information in any way whatsoever.

Yours truly,

  
Prem Lal  
Coordinator Public Information Services





Installed Base

Navigator

Favorites

Home Profile Sign Out Help

Item Instances

Item Instances | Transactions | Systems

General

- Additional Attributes
- Assets
- Party Relationships

Quick Find Item Instance

Go Advanced Search

Logged In As PLAL

Item Instance Details

- Owner
- Parties
- Accounts
- Contacts
- Summary

Item Instance: 9461820  
 Item: FS GASOLINE STATION - FULL SERVE  
 Item Description: FS Gasoline Station - Full Serve

- Pricing
- Counters
- Contracts
- Notes
- Transactions
- Service Requests
- Repair Orders
- History
- Operating Units
- Configuration

General Attributes

Organization Name TSSA Item Master	Instance Name
Last Version Label 1	Version Label Date 02-JAN-1989 0:00
Revision	New Version Label
System	External Reference
Item Instance Type	Accounting Classification Customer Product
Operational Status Not Used	Lot Number : not lot-controlled
Status EXPIRED	Condition
Quantity 1	UOM Each
Start Date 02-JAN-1989	Start Time 0:00
Shipped On Date	Shipped On Time
End Date 01-FEB-1990	End Time 0:00
Return By Date	Return By Time
Actual Return Date	Actual Return Time

\* Indicates required field.  
 Time format is HH24:MM  
 Note: You do not have permission to make updates in this page.

Creation Completed

Owner

Party Type Party  
 Party Name: BOGDON & GROSS FURN CO LTD Party Number: 64725  
 Account Number: 26663 Account Name BOGDON & GROSS FURN CO LTD

Current Location

\* Type Party Site Go  
 Party Name BOGDON & GROSS Party Number 64725 Go  
 \*Line 1 75 RIDOUT ST Site Number 61409 Go  
 Address 75 RIDOUT ST  
 WALKERTON, NOG 2V0, CA

Installed At

Installed Date 02-JAN-1989 Installed Time 0:00

Time format is HH24:MM

Change in installed date does not change contract date.

Type Go

**Order**

Sales Order Number	Sales Order Date
Sales Order Line	
Purchase Order Number	Agreement Name

**Item Flags**

BOM Enabled
  Inventory Trackable  
 IB Trackable
  Shippable  
 Sellable

**Item Views**

Merchant
  Customer

**Descriptive Flexfields**

Context Value | FS Facility

Select Context Value and click 'Go' to show relevant fields.

Facility Type 2

Facility Type 3

Total Capacity - Liquid Fuel Tanks (L)

Total Capacity - Propane Tanks (USWG)

\* Previous Facility Type

Previous Instance Number

[Item Instances](#) [Home](#) [Profile](#) [Sign Out](#) [Help](#)

Copyright 2006, Oracle Corporation. All rights reserved.

JAN -6 2 65 76200 \*\*\*\*\*1.00  
**JAN 5 1966**  
 R21 1353  
 ONTARIO -6 2 65 76200 \*\*\*\*\*1.00

**NOTE:**  
 Your Retail Licence is now due: Please complete this form in duplicate and mail both copies to the Department of Energy & Resources Management, 42 Charles St. E., Toronto 5, Ontario with fee of \$1.00 payable to the Treasurer of Ontario.

*FIRM 91361001*  
*TYPE 03*  
*CO. 41*

**CODED**  
 FORM 12  
**GASOLINE HANDLING ACT**

# Application for a Licence to Sell by Retail

Under the Act and the regulations the undersigned applies for the above named licence and in support of this application provides the following information:

- Name of Applicant – PRINT IN BLOCK LETTERS
  - (a) if an individual.....
  - (b) if firm, company or trade name..... Bogdon & Gross Furn.Co.Ltd.,
  - (c) Postal Address..... 75 Ridout St., WALKERTON, Ont.

2. Was a licence held for this location during previous year – yes  no  if "yes" number..... L-2122

3. Location of premises..... 75 Ridout St., WALKERTON, Ont.  
(Street Address or Lot No.)  
Bruce  
Town or City County or Concession No. and Township Hwy No.

	Number of Tanks		Capacity of Tanks	
	above ground	underground	above ground	underground
4. Storage Tanks:				
Gasoline		1		1000 gals.
Diesel Fuel				
Kerosine				
Fuel Oil				
other				

5. Number of Pumps..... 1

6. Date Pumps last inspected..... No inspection required- gas not sold retail

7. Distance from Pumps to Property Line..... 50 to 60 feet.  
(minimum 8 feet)

I hereby certify that the information given by me in this application is true.

Dated at Walkerton on the 5<sup>th</sup> day of January 1966.

Signature of Applicant..... Bogdon & Gross  
(do not print)

Residence Address of Applicant..... Walkerton, Ont.

# Bogdon & Gross

FURNITURE COMPANY LIMITED



Season's  
Greetings

75 Ridout St. - Box 1240  
WALKERTON, ONTARIO N0G 2V0  
Telephone (519) 881-0600  
Fax-519-881-1068

December 18th, 1990.

Ministry of Consumer & Commercial Relations,  
Revenue Office - 5th Floor,  
10 Wellesley St. E.,  
Toronto, Ont.  
M7A 2H6

Re. Licence Registration  
#11361-001 (03)

Gentlemen:

We are in receipt of your invoice for licence renewal to operate a service station at the above address.

We wish to advise that we have one above ground tank that we use for our own use. We do not sell gas.

Kindly advise if we are still applicable for the licence in question.

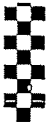
Thank you.

*Don Elliott*

Don Elliott,  
Office Manager.

*Furniture Styled and Priced for Everyday Living*

CHAIR SPECIALISTS SINCE 1927



# WINCHURCH ENVIRONMENTAL INC.

*Environmental Engineers/Regulatory Compliance Consultants*

April 8, 2014

Technical Standards and Safety Authority  
4<sup>th</sup> Floor, Centre Tower  
3300 Bloor Street West  
Etobicoke, Ontario  
M8X 2X4

Attention: Prem Lal

# 45263

RE: **Public Record Information Request**  
*R* **75 Ridout Street, Brockton, Ontario** (walkerton)  
**Winchurch Project No. W3199**

Winchurch Environmental Inc. has been retained to conduct a Phase One Environmental Site Assessment for the property located at 75 Ridout Street, Brockton, Ontario. As part of our historical records search, would you please search your archives for this location and provide us with any available information regarding historical underground/aboveground storage tanks, spills reports, environmental incidents, etc.

To expedite receipt of your records search report, any information can be emailed directly to my attention at [pesd13@sympatico.ca](mailto:pesd13@sympatico.ca).

Thank you for your help in this matter.

I can be reached at 647-228-3943 anytime if you require any additional information.

Yours truly,

**WINCHURCH ENVIRONMENTAL INC.**

9461820

#9461820

Paul Dawson, P.Eng.



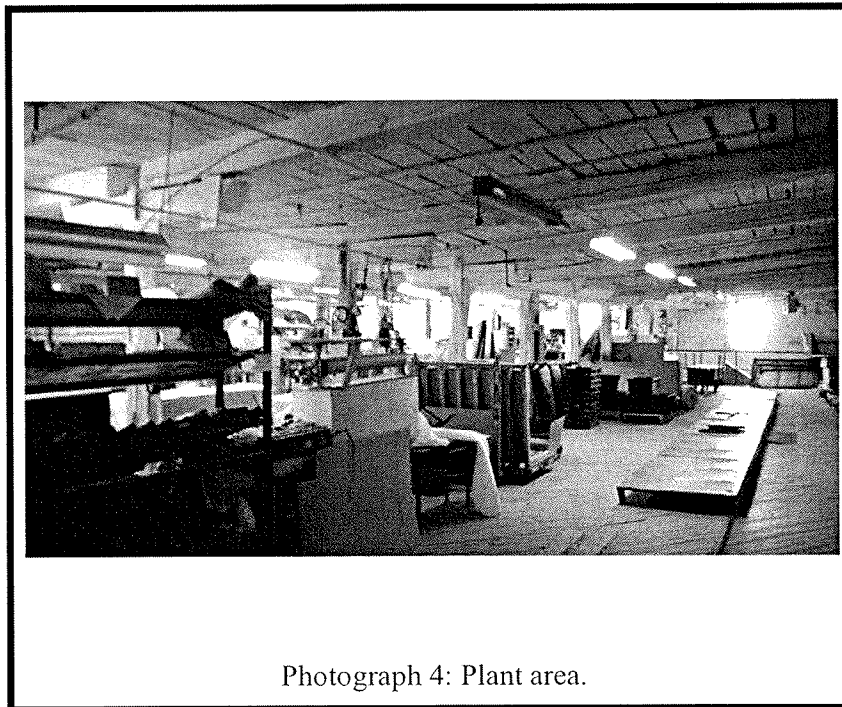
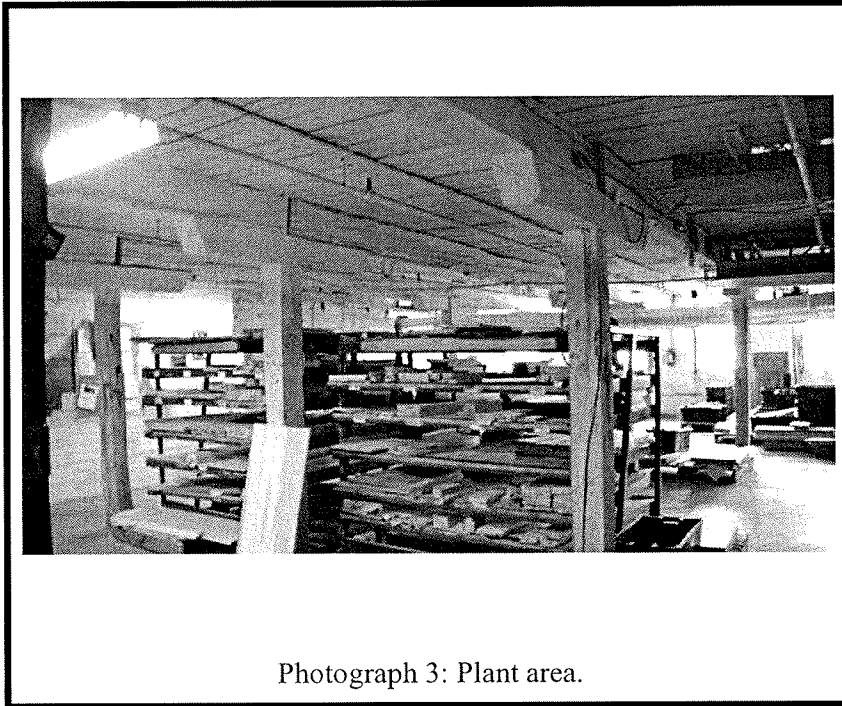
**APPENDIX B**  
**SITE PHOTOGRAPHS**



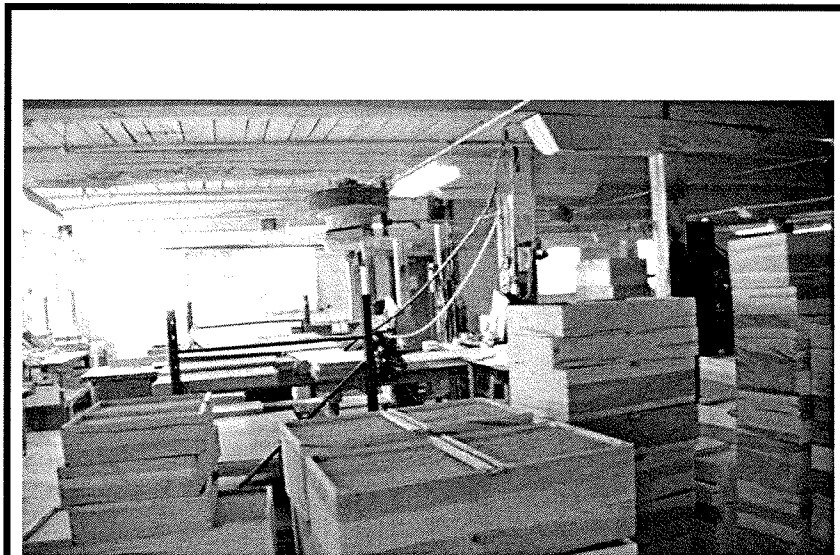
Photograph 1: Subject site.



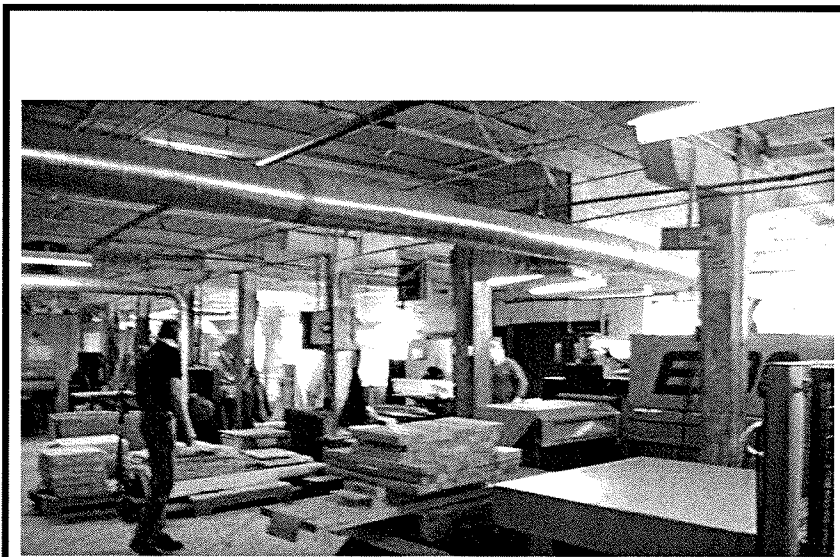
Photograph 2: Interior office area.



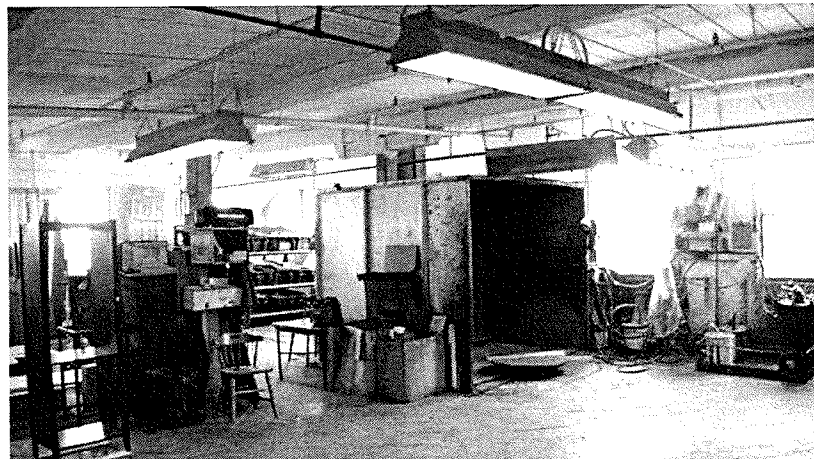




Photograph 5: Plant area.



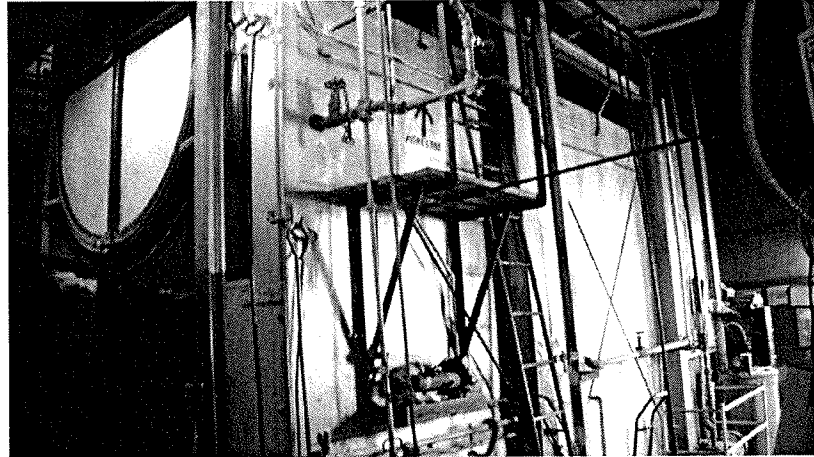
Photograph 6: Plant area.



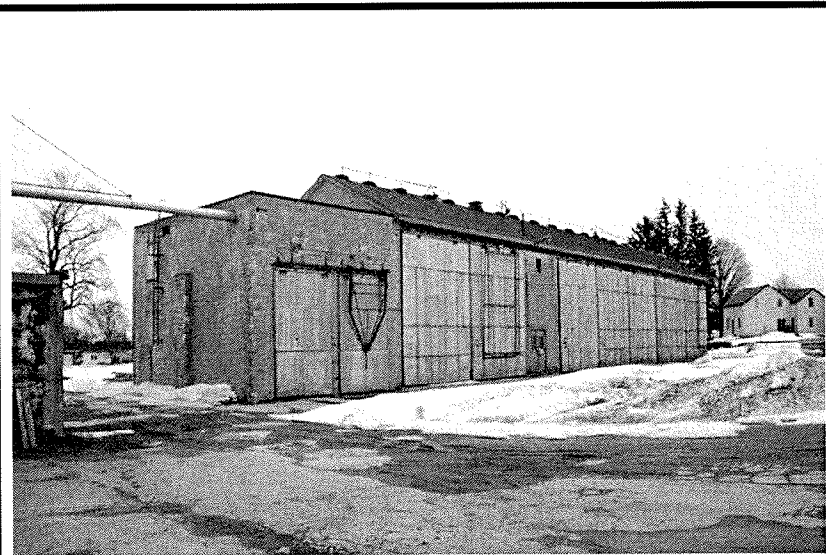
Photograph 7: Typical paint booth.



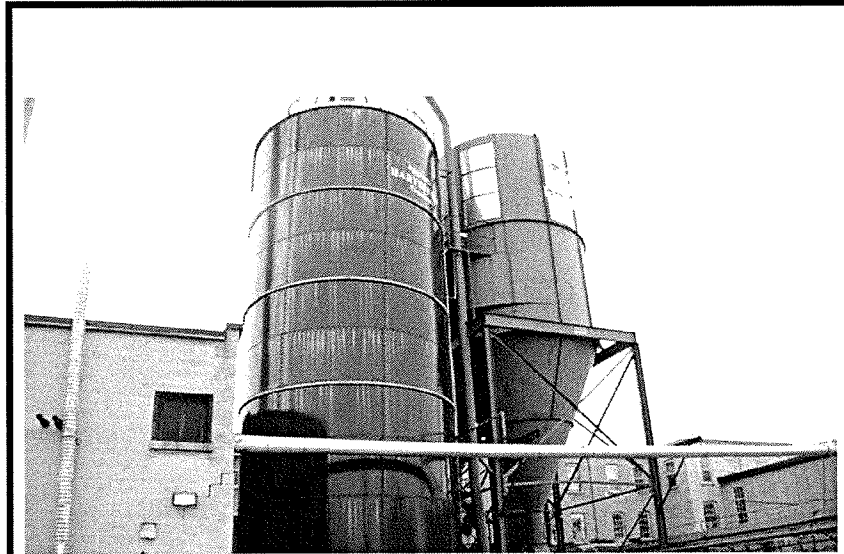
Photograph 8: Freight elevator.



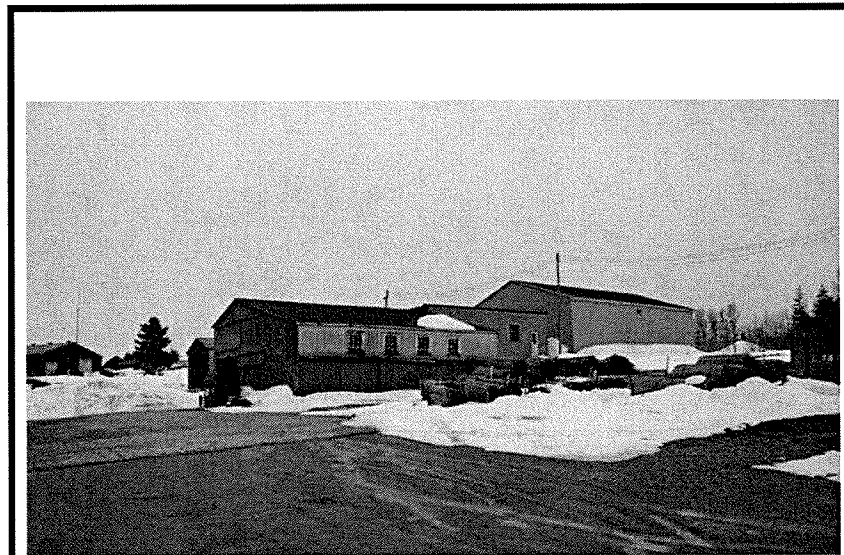
Photograph 9: Wood burning boiler.



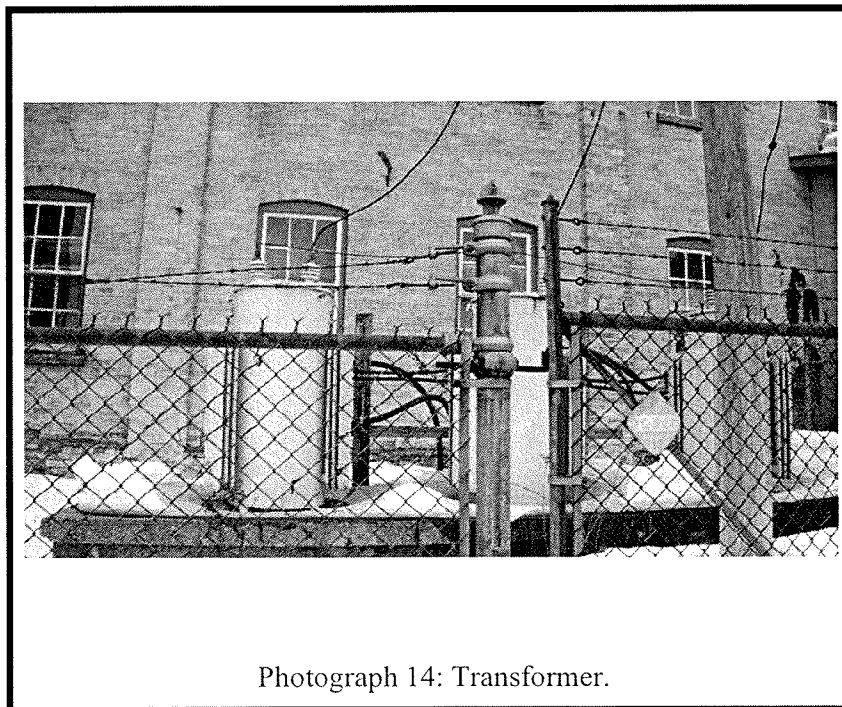
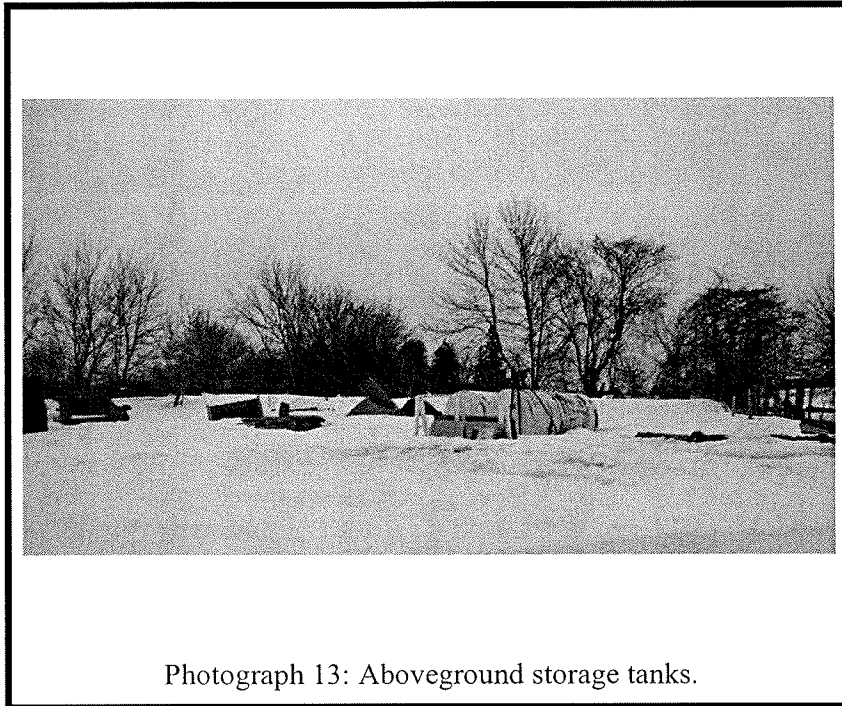
Photograph 10: Kiln building.



Photograph 11: Sawdust collection system.

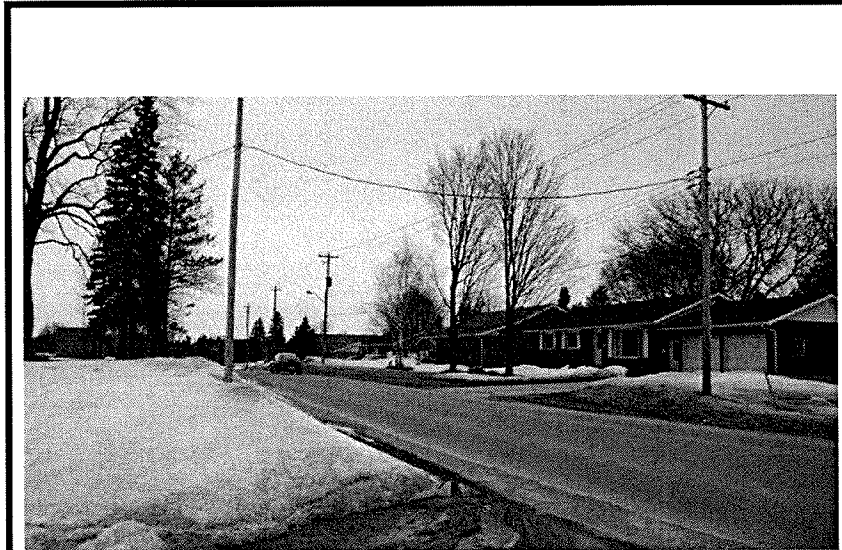


Photograph 12: Former sawmill building.

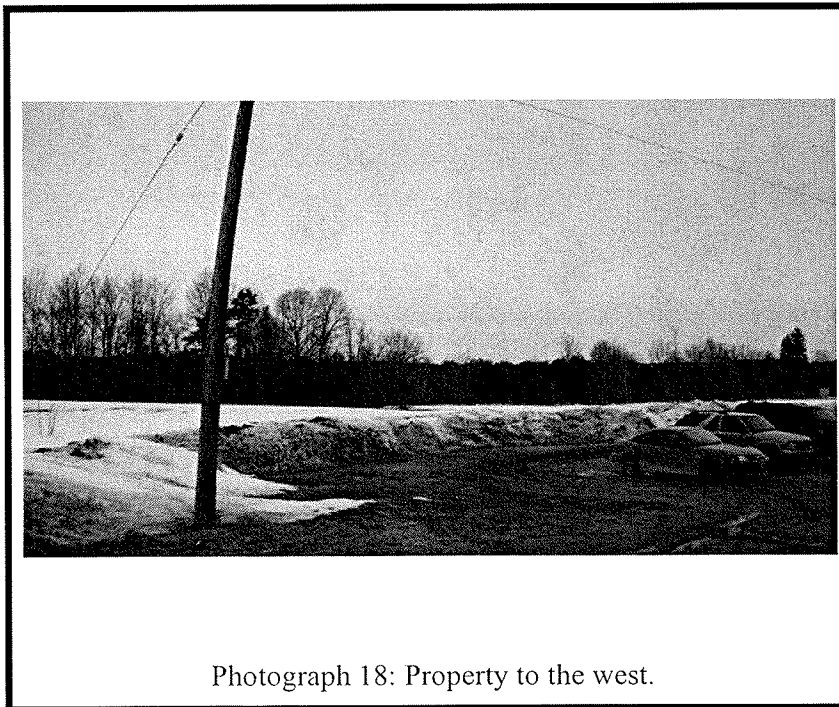
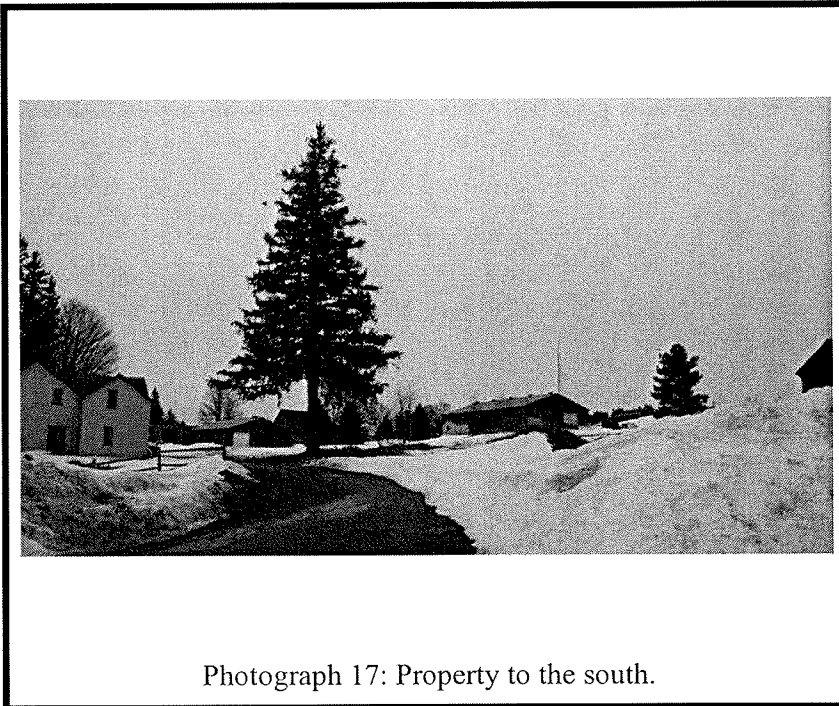




Photograph 15: Property to the north.



Photograph 16: Property to the east.

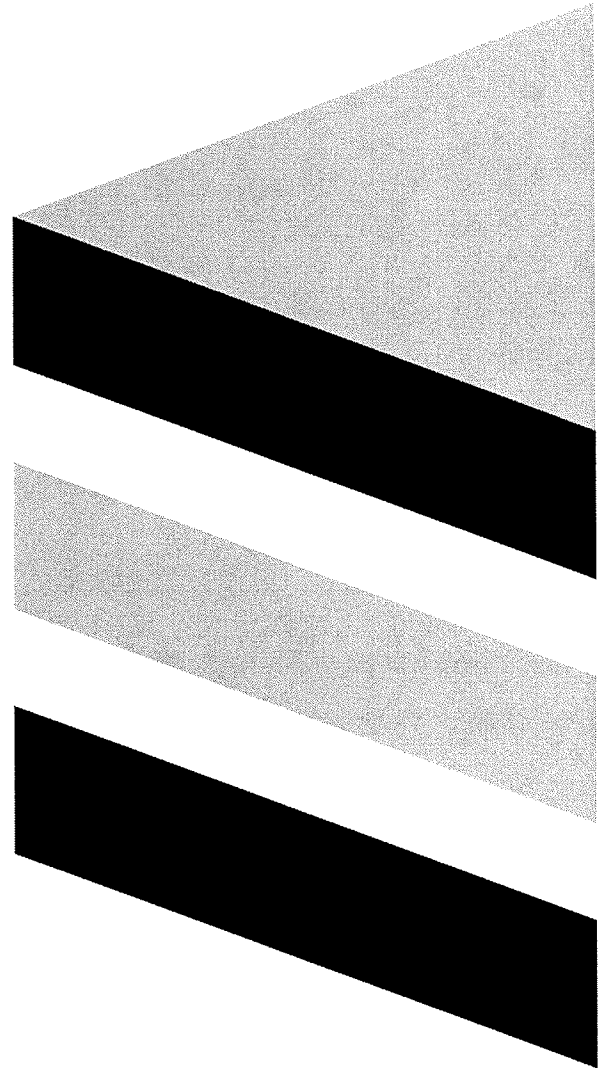


**APPENDIX C**  
**ERIS DATABASE REPORT**





# DATABASE REPORT



**Project Property:** *Walkerton  
75 Ridout St  
Brockton ON N0G2V0*

**Report Type:** *Site Report*

**Order #:** *20140403046*

**Requested by:** *Winchurch Environmental Inc.*

**Date:** *April 4, 2014*

**Ecolog ERIS Ltd.**  
Environmental Risk Information  
Service Ltd. (ERIS)  
A division of Glacier Media Inc.  
P: 1.866.517.5204  
E: [info@erisinfo.com](mailto:info@erisinfo.com)

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## Executive Summary

### Property Information:

**Project Property:** Walkerton  
75 Ridout St Brockton ON N0G2V0

### **Coordinates:**

**Latitude:** 44.120122  
**Longitude:** -81.158882  
**UTM Northing:** 4,885,226.97  
**UTM Easting:** 487,287.50  
**UTM Zone:** UTM Zone 17T

**Elevation:** 907 FT  
276.50 M

### Order Information:

**Order No.:** 20140403046  
**Date Requested:** 04/04/2014  
**Requested by:** Winchurch Environmental Inc.  
**Report Type:** Site Report

### Additional Products:

**Insurance Products** Fire Insurance Plans

## Executive Summary: Report Summary

<i>Database</i>	<i>Name</i>	<i>Searched</i>	<i>Project Property</i>
<u>AAGR</u>	<i>Abandoned Aggregate Inventory</i>	Y	0
<u>AGR</u>	<i>Aggregate Inventory</i>	Y	0
<u>AMIS</u>	<i>Abandoned Mine Information System</i>	Y	0
<u>ANDR</u>	<i>Anderson's Waste Disposal Sites</i>	Y	0
<u>AUWR</u>	<i>Automobile Wrecking &amp; Supplies</i>	Y	0
<u>BORE</u>	<i>Borehole</i>	Y	0
<u>CA</u>	<i>Certificates of Approval</i>	Y	1
<u>CFOT</u>	<i>Commercial Fuel Oil Tanks</i>	Y	0
<u>CHEM</u>	<i>Chemical Register</i>	Y	0
<u>COAL</u>	<i>Inventory of Coal Gasification Plants and Coal Tar Sites</i>	Y	0
<u>CONV</u>	<i>Compliance and Convictions</i>	Y	0
<u>CPU</u>	<i>Certificates of Property Use</i>	Y	0
<u>DRL</u>	<i>Drill Hole Database</i>	Y	0
<u>EASR</u>	<i>Environmental Activity and Sector Registry</i>	Y	0
<u>EBR</u>	<i>Environmental Registry</i>	Y	0
<u>ECA</u>	<i>Environmental Compliance Approval</i>	Y	0
<u>EEM</u>	<i>Environmental Effects Monitoring</i>	Y	0
<u>EHS</u>	<i>ERIS Historical Searches</i>	Y	1
<u>EIIS</u>	<i>Environmental Issues Inventory System</i>	Y	0
<u>EXP</u>	<i>List of TSSA Expired Facilities</i>	Y	2
<u>FCON</u>	<i>Federal Convictions</i>	Y	0
<u>FCS</u>	<i>Contaminated Sites on Federal Land</i>	Y	0
<u>FOFT</u>	<i>Fisheries &amp; Oceans Fuel Tanks</i>	Y	0
<u>FST</u>	<i>Fuel Storage Tank</i>	Y	0
<u>FSTH</u>	<i>Fuel Storage Tank - Historic</i>	Y	0
<u>GEN</u>	<i>Ontario Regulation 347 Waste Generators Summary</i>	Y	7
<u>HINC</u>	<i>TSSA Historic Incidents</i>	Y	0
<u>IAFT</u>	<i>Indian &amp; Northern Affairs Fuel Tanks</i>	Y	0
<u>INC</u>	<i>TSSA Incidents</i>	Y	0
<u>LIMO</u>	<i>Landfill Inventory Management Ontario</i>	Y	0
<u>MINE</u>	<i>Canadian Mine Locations</i>	Y	0
<u>MNR</u>	<i>Mineral Occurrences</i>	Y	0
<u>NATE</u>	<i>National Analysis of Trends in Emergencies System (NATES)</i>	Y	0
<u>NCPL</u>	<i>Non-Compliance Reports</i>	Y	0
<u>NDFT</u>	<i>National Defence &amp; Canadian Forces Fuel Tanks</i>	Y	0
<u>NDSP</u>	<i>National Defence &amp; Canadian Forces Spills</i>	Y	0
<u>NDWD</u>	<i>National Defence &amp; Canadian Forces Waste Disposal Sites</i>	Y	0
<u>NEES</u>	<i>National Environmental Emergencies System (NEES)</i>	Y	0

<u>Database</u>	<u>Name</u>	<u>Searched</u>	<u>Project Property</u>
<u>NPCB</u>	National PCB Inventory	Y	0
<u>NPRI</u>	National Pollutant Release Inventory	Y	0
<u>OGW</u>	Oil and Gas Wells	Y	0
<u>OOGW</u>	Ontario Oil and Gas Wells	Y	0
<u>OPCB</u>	Inventory of PCB Storage Sites	Y	0
<u>ORD</u>	Orders	Y	0
<u>PAP</u>	Canadian Pulp and Paper	Y	0
<u>PCFT</u>	Parks Canada Fuel Storage Tanks	Y	0
<u>PES</u>	Pesticide Register	Y	0
<u>PINC</u>	TSSA Pipeline Incidents	Y	0
<u>PRT</u>	Private and Retail Fuel Storage Tanks	Y	1
<u>PTTW</u>	Permit to Take Water	Y	0
<u>REC</u>	Ontario Regulation 347 Waste Receivers Summary	Y	0
<u>RSC</u>	Record of Site Condition	Y	0
<u>RST</u>	Retail Fuel Storage Tanks	Y	0
<u>SCT</u>	Scott's Manufacturing Directory	Y	2
<u>SPL</u>	Ontario Spills	Y	0
<u>SRDS</u>	Wastewater Discharger Registration Database	Y	0
<u>TANK</u>	Anderson's Storage Tanks	Y	0
<u>TCFT</u>	Transport Canada Fuel Storage Tanks	Y	0
<u>VAR</u>	TSSA Variances for Abandonment of Underground Storage Tanks	Y	0
<u>WDS</u>	Waste Disposal Sites - MOE CA Inventory	Y	0
<u>WDSH</u>	Waste Disposal Sites - MOE 1991 Historical Approval Inventory	Y	0
<u>WWIS</u>	Water Well Information System	Y	0

---

**Total:** 14

## Executive Summary: Site Report Summary – Project Property

Map Key	DB	Company/Site Name	Address	Page Number
1	CA	BOGDON & GROSS FURN. CO. LTD.	75 RIDOUT STREET WALKERTON TOWN ON	10
1	EHS		75 Ridout Street Walkerton ON N0G2V0	10
1	EXP	BOGDON & GROSS FURN CO LTD	75 RIDOUT ST WALKERTON ON N0G 2V0	10
1	EXP	REG BELL FUELS DIV OF 1145751 ONTARIO LTD	75 RIDOUT ST WALKERTON ON	10
1	GEN	Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON N0G 2V0	11
1	GEN	Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON	11
1	GEN	Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON N0G 2V0	11
1	GEN	BOGDON & GROSS FURNITURE CO. LTD.	75 RIDOUT STREET WALKERTON ON N0G 2V0	12
1	GEN	Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON	12
1	GEN	Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON	12
1	GEN	Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON N0G 2V0	12
1	PRT	BOGDON & GROSS FURN CO LTD	75 RIDOUT ST WALKERTON ON	13
1	SCT	Bogdon & Gross Furniture Co. Ltd.	75 Ridout St Walkerton ON	13
1	SCT	Bogdon & Gross Furniture Co	75 Ridout St Walkerton ON N0G 2V0	13

## Executive Summary: Summary By Data Source

### CA - Certificates of Approval

A search of the CA database, dated 1985-Oct 30, 2011\* has found that there are 1 CA site(s) within approximately 0.00 Kilometers of the project property.

<u>Site</u>	<u>Address</u>	<u>Map Key</u>
BOGDON & GROSS FURN. CO. LTD.	75 RIDOUT STREET WALKERTON TOWN ON	1

### EHS - ERIS Historical Searches

A search of the EHS database, dated 1999-Mar 2013 has found that there are 1 EHS site(s) within approximately 0.00 Kilometers of the project property.

<u>Site</u>	<u>Address</u>	<u>Map Key</u>
	75 Ridout Street Walkerton ON N0G2V0	1

### EXP - List of TSSA Expired Facilities

A search of the EXP database, dated Current to May 2013 has found that there are 2 EXP site(s) within approximately 0.00 Kilometers of the project property.

<u>Site</u>	<u>Address</u>	<u>Map Key</u>
BOGDON & GROSS FURN CO LTD	75 RIDOUT ST WALKERTON ON N0G 2V0	1
REG BELL FUELS DIV OF 1145751 ONTARIO LTD	75 RIDOUT ST WALKERTON ON	1

### GEN - Ontario Regulation 347 Waste Generators Summary

A search of the GEN database, dated 1986-Jul 2013 has found that there are 7 GEN site(s) within approximately 0.00 Kilometers of the project property.

<u>Site</u>	<u>Address</u>	<u>Map Key</u>
Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON	1
Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON N0G 2V0	1
Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON N0G 2V0	1
Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON N0G 2V0	1

<u>Site</u>	<u>Address</u>	<u>Map Key</u>
Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON	1
BOGDON & GROSS FURNITURE CO. LTD.	75 RIDOUT STREET WALKERTON ON N0G 2V0	1
Bogdon & Gross Furniture Company Limited	75 Ridout St. Walkerton ON	1

### **PRT - Private and Retail Fuel Storage Tanks**

A search of the PRT database, dated 1989-1996\* has found that there are 1 PRT site(s) within approximately 0.00 Kilometers of the project property.

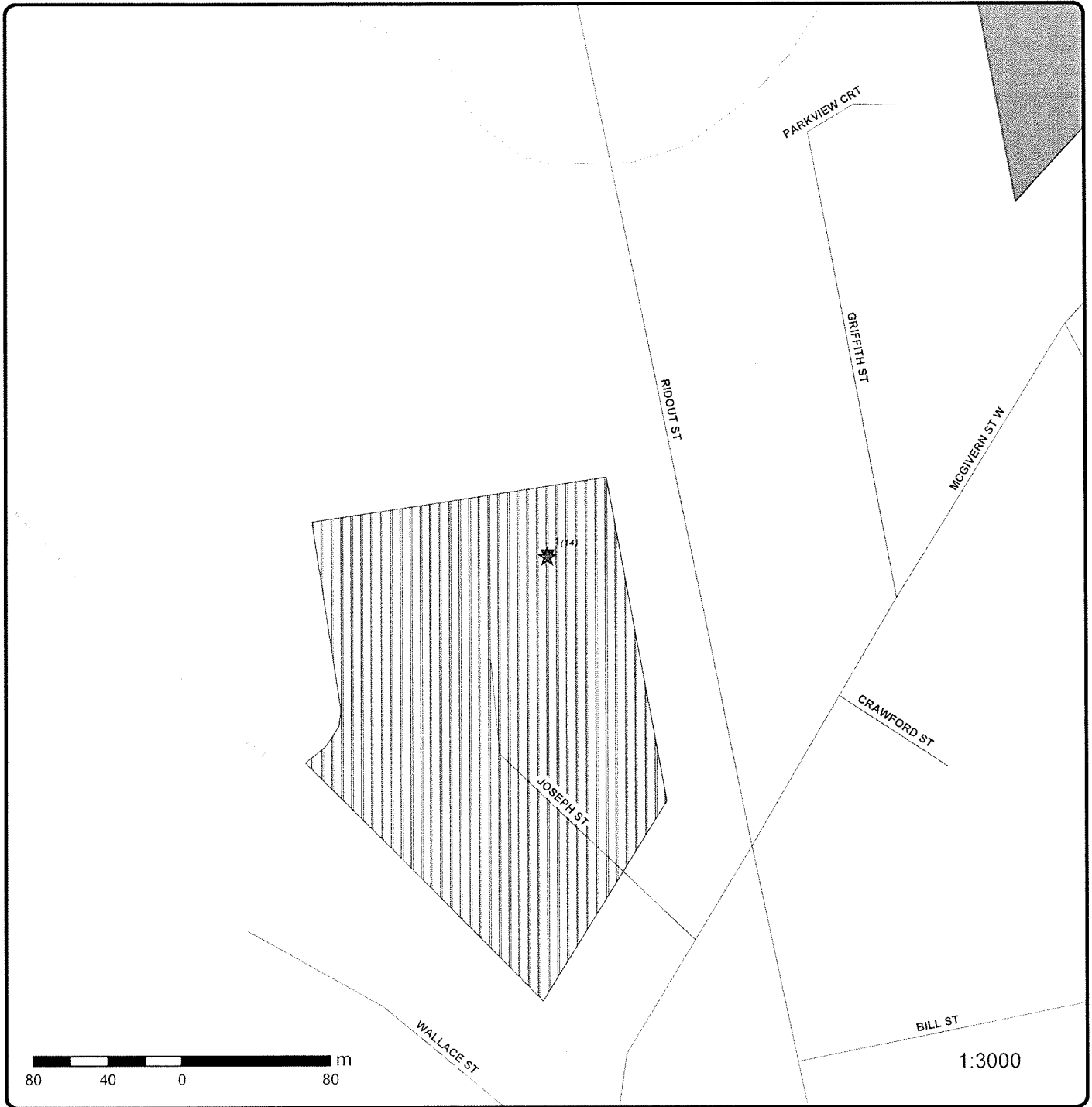
<u>Site</u>	<u>Address</u>	<u>Map Key</u>
BOGDON & GROSS FURN CO LTD	75 RIDOUT ST WALKERTON ON	1

### **SCT - Scott's Manufacturing Directory**

A search of the SCT database, dated 1992-Mar 2011 has found that there are 2 SCT site(s) within approximately 0.00 Kilometers of the project property.

<u>Site</u>	<u>Address</u>	<u>Map Key</u>
Bogdon & Gross Furniture Co. Ltd.	75 Ridout St Walkerton ON	1
Bogdon & Gross Furniture Co	75 Ridout St Walkerton ON N0G 2V0	1

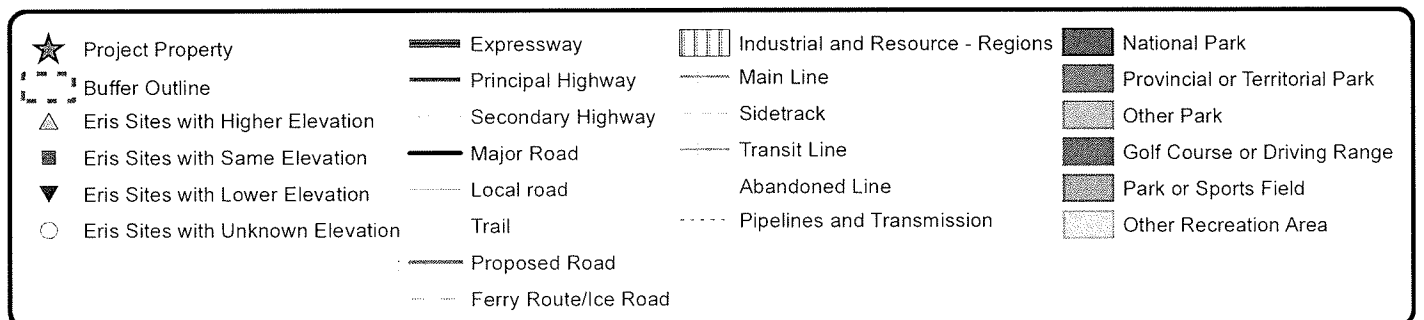




## Map

Order No: 20140403046

Address: 75 Ridout St, Brockton, ON, N0G2V0





## Aerial

Order No: 20140403046

Address: 75 Ridout St, Brockton, ON, N0G2V0

# Detail Report

Map Key	Number of Records	Elevation m	Site	DB
1	1 of 14	276.5	<b>BOGDON &amp; GROSS FURN. CO. LTD. 75 RIDOUT STREET WALKERTON TOWN ON</b>	<u>CA</u>
		Certificate #:	8-1077-91-	
		Application Year:	91	
		Issue Date:	8/2/1991	
		Approval Type:	Industrial air	
		Status:	Approved	
		Application Type:		
		Client Name:		
		Client Address:		
		Client City:		
		Client Postal Code:		
		Project Description:	NEW FILTERING UNITS IN SIX SPRAY BOOTHS	
		Contaminants:	Formaldehyde, Dioctyl Phthalate *, Xylene, Toluene(Pentyl Methane)(Methyl Benzene), Ethyl Acetate, Methyl Ethyl Ketone (Butanone), Methyl Alcohol	
		Emission Control:	No Controls	
1	2 of 14	276.5	<b>75 Ridout Street Walkerton ON N0G2V0</b>	<u>EHS</u>
		Order No.:	20060630003	
		Report Date:	7/6/2006	
		Report Type:	Complete Report	
		Search Radius (km):	0.5	
		Addit. Info Ordered:	Fire Insur. Maps and/or Site Plans; Unplotted Water Wells	
1	3 of 14	276.5	<b>BOGDON &amp; GROSS FURN CO LTD 75 RIDOUT ST WALKERTON ON N0G 2V0</b>	<u>EXP</u>
		Instance ID:		
		TSSA Program Area:		
		Maximum Hazard Rank:		
		Instance Number:	9461820	
		Instance Type:	FS Facility	
		Status:	EXPIRED	
		Description:		
1	4 of 14	276.5	<b>REG BELL FUELS DIV OF 1145751 ONTARIO LTD 75 RIDOUT ST WALKERTON ON</b>	<u>EXP</u>
		Instance ID:	20686	
		TSSA Program Area:		
		Maximum Hazard Rank:		
		Instance Number:	10469002	

Map Key	Number of Records	Elevation m	Site	DB
Instance Type:		FS Highway Tank - Gas/Diesel		
Status:		EXPIRED		
Description:		FS HIGHWAY TANK - GASOLINE/DIESEL		
<b>1</b>	<b>5 of 14</b>	<b>276.5</b>	<b>Bogdon &amp; Gross Furniture Company Limited 75 Ridout St. Walkerton ON N0G 2V0</b>	<b><u>GEN</u></b>
SIC Code:				
SIC Description:				
Generator #:		ON1462151		
Approval Yrs:		As of July 2013		
--- Details ---				
Waste Code:		145		
Waste Description:		Wastes from the use of pigments, coatings and paints		
+				
Waste Code:		211		
Waste Description:		Aromatic solvents and residues		
+				
Waste Code:		252		
Waste Description:		Waste crankcase oils and lubricants		
<b>1</b>	<b>6 of 14</b>	<b>276.5</b>	<b>Bogdon &amp; Gross Furniture Company Limited 75 Ridout St. Walkerton ON</b>	<b><u>GEN</u></b>
SIC Code:		337126		
SIC Description:		Household Furniture (except Wood and Upholstered) Manufacturing		
Generator #:		ON1462151		
Approval Yrs:		2010		
--- Details ---				
Waste Code:		211		
Waste Description:		AROMATIC SOLVENTS		
+				
Waste Code:		252		
Waste Description:		WASTE OILS & LUBRICANTS		
+				
Waste Code:		145		
Waste Description:		PAINT/PIGMENT/COATING RESIDUES		
<b>1</b>	<b>7 of 14</b>	<b>276.5</b>	<b>Bogdon &amp; Gross Furniture Company Limited 75 Ridout St. Walkerton ON N0G 2V0</b>	<b><u>GEN</u></b>
SIC Code:		337126		
SIC Description:		Household Furniture (except Wood and Upholstered) Manufacturing		
Generator #:		ON1462151		
Approval Yrs:		2012		
--- Details ---				
Waste Code:		252		
Waste Description:		WASTE OILS & LUBRICANTS		
+				
Waste Code:		145		
Waste Description:		PAINT/PIGMENT/COATING RESIDUES		
+				
Waste Code:		211		

Map Key	Number of Records	Elevation m	Site	DB
Waste Description:		AROMATIC SOLVENTS		
1	8 of 14	276.5	<b>BOGDON &amp; GROSS FURNITURE CO. LTD. 75 RIDOUT STREET WALKERTON ON N0G 2V0</b>	<u>GEN</u>
SIC Code:		2611		
SIC Description:		WOODEN HOUSE. FURN.		
Generator #:		ON2269000		
Approval Yrs:		97,98,99,00,01		
--- Details ---				
Waste Code:		252		
Waste Description:		WASTE OILS & LUBRICANTS		
1	9 of 14	276.5	<b>Bogdon &amp; Gross Furniture Company Limited 75 Ridout St. Walkerton ON</b>	<u>GEN</u>
SIC Code:		337126		
SIC Description:		Household Furniture (except Wood and Upholstered) Manufacturing		
Generator #:		ON1462151		
Approval Yrs:		2009		
--- Details ---				
Waste Code:		145		
Waste Description:		PAINT/PIGMENT/COATING RESIDUES		
+				
Waste Code:		211		
Waste Description:		AROMATIC SOLVENTS		
1	10 of 14	276.5	<b>Bogdon &amp; Gross Furniture Company Limited 75 Ridout St. Walkerton ON</b>	<u>GEN</u>
SIC Code:		337126		
SIC Description:		Household Furniture (except Wood and Upholstered) Manufacturing		
Generator #:		ON1462151		
Approval Yrs:		2011		
--- Details ---				
Waste Code:		145		
Waste Description:		PAINT/PIGMENT/COATING RESIDUES		
+				
Waste Code:		211		
Waste Description:		AROMATIC SOLVENTS		
+				
Waste Code:		252		
Waste Description:		WASTE OILS & LUBRICANTS		
1	11 of 14	276.5	<b>Bogdon &amp; Gross Furniture Company Limited 75 Ridout St. Walkerton ON N0G 2V0</b>	<u>GEN</u>
SIC Code:		337126		
SIC Description:		Household Furniture (except Wood and Upholstered) Manufacturing		
Generator #:		ON1462151		
Approval Yrs:		04,05,06,07,08		

Map Key	Number of Records	Elevation m	Site	DB
--- Details ---				
		145		
		Waste Code:	PAINT/PIGMENT/COATING RESIDUES	
		Waste Description:		
		+		
		Waste Code:	211	
		Waste Description:	AROMATIC SOLVENTS	
<b>1</b>	<b>12 of 14</b>	<b>276.5</b>	<b>BOGDON &amp; GROSS FURN CO LTD 75 RIDOUT ST WALKERTON ON</b>	<b><u>PRT</u></b>
		Location ID:	16340	
		Type:	retail	
		Expiry Date:	1991-01-31	
		Capacity (L):	0	
		Licence #:	0011361001	
<b>1</b>	<b>13 of 14</b>	<b>276.5</b>	<b>Bogdon &amp; Gross Furniture Co. Ltd. 75 Ridout St Walkerton ON</b>	<b><u>SCT</u></b>
		Established:	1927	
		Plant Size (ft²):	106000	
		Employment:	70	
<b>1</b>	<b>14 of 14</b>	<b>276.5</b>	<b>Bogdon &amp; Gross Furniture Co 75 Ridout St Walkerton ON N0G 2V0</b>	<b><u>SCT</u></b>
		Established:	01-AUG-27	
		Plant Size (ft²):	106000	
		Employment:		
--- Details ---				
		SIC/NAICS Code:	337213	
		Description:	Wood Office Furniture, including Custom Architectural Woodwork, Manufacturing	
		+		
		SIC/NAICS Code:	337127	
		Description:	Institutional Furniture Manufacturing	
		+		
		SIC/NAICS Code:	414390	
		Description:	Other Home Furnishings Wholesaler-Distributors	
		+		
		SIC/NAICS Code:	337121	
		Description:	Upholstered Household Furniture Manufacturing	
		+		
		SIC/NAICS Code:	337123	
		Description:	Other Wood Household Furniture Manufacturing	
		+		
		SIC/NAICS Code:	337123	
		Description:	Other Wood Household Furniture Manufacturing	
		+		
		SIC/NAICS Code:	337126	
		Description:	Household Furniture (except Wood and Upholstered) Manufacturing	

## *Unplottable Summary*

DB	Company Name/Site Name	Address	City	Zip
----	------------------------	---------	------	-----

No unplottable records were found that may be relevant for the search criteria.

## *Unplottable Report*

No unplottable records were found that may be relevant for the search criteria.



## Appendix: Database Descriptions

Ecolog Environmental Risk Information Services Ltd can search the following databases. The extent of Historical information varies with each database and current information is determined by what is publicly available to Ecolog ERIS at the time of update. **Note:** Databases denoted with " \* " indicates that the database will no longer be updated. See the individual database description for more information.

**Abandoned Aggregate Inventory:** Sept 2002\* Provincial AAGR  
The MAAP Program maintains a database of all abandoned pits and quarries. Please note that the database is only referenced by lot and concession and city/town location. The database provides information regarding the location, type, size, land use, status and general comments.\*

**Aggregate Inventory:** Up to Aug 2012 Provincial AGR  
The Ontario Ministry of Natural Resources maintains a database of all active pits and quarries. The database provides information regarding the registered owner/operator, location name, operation type, approval type, and maximum annual tonnage.

**Abandoned Mine Information System:** 1800-Feb 2013 Provincial AMIS  
The Abandoned Mines Information System contains data on known abandoned and inactive mines located on both Crown and privately held lands. The information was provided by the Ministry of Northern Development and Mines (MNDM), with the following disclaimer: "the database provided has been compiled from various sources, and the Ministry of Northern Development and Mines makes no representation and takes no responsibility that such information is accurate, current or complete". Reported information includes official mine name, status, background information, mine start/end date, primary commodity, mine features, hazards and remediation.

**Anderson's Waste Disposal Sites:** 1860s-Present Private ANDR  
The information provided in this database was collected by examining various historical documents which aimed to characterize the likely position of former waste disposal sites from 1860 to present. The research initiative behind the creation of this database was to identify those sites that are missing from the Ontario MOE Waste Disposal Site Inventory, as well as to provide revisions and corrections to the positions and descriptions of sites currently listed in the MOE inventory. In addition to historic waste disposal facilities, the database also identifies certain auto wreckers and scrap yards that have been extrapolated from documentary sources. Please note that the data is not warranted to be complete, exhaustive or authoritative. The information was collected for research purposes only.

**Automobile Wrecking & Supplies:** 2001-Jun 2010 Private AUWR  
This database provides an inventory of all known locations that are involved in the scrap metal, automobile wrecking/recycling, and automobile parts & supplies industry. Information is provided on the company name, location and business type.

**Borehole:** 1875-Aug 2011 Provincial BORE  
A borehole is the generalized term for any narrow shaft drilled in the ground, either vertically or horizontally. The information here includes geotechnical investigations or environmental site assessments, mineral exploration, or as a pilot hole for installing piers or underground utilities. Information is from many sources such as the Ministry of Transportation (MTO) boreholes from engineering reports and projects from the 1950 to 1990's in Southern Ontario. Boreholes from the Ontario Geological Survey (OGS) including The Urban Geology Analysis Information System (UGAIS) and the York Peel Durham Toronto (YPDT) database of the Conservation Authority Moraine Coalition. This database will include fields such as location, stratigraphy, depth, elevation, year drilled, etc. For all water well data or oil and gas well data for Ontario please refer to WWIS and OOGW.

**Certificates of Approval:** 1985-Oct 30, 2011\* Provincial CA  
 This database contains the following types of approvals: Air & Noise, Industrial Sewage, Municipal & Private Sewage, Waste Management Systems and Renewable Energy Approvals. The MOE in Ontario states that any facility that releases emissions to the atmosphere, discharges contaminants to ground or surface water, provides potable water supplies, or stores, transports or disposes of waste, must have a Certificate of Approval before it can operate lawfully. Fields include approval number, business name, address, approval date, approval type and status. This database will no longer be updated, as CofA's have been replaced by either Environmental Activity and Sector Registry (EASR) or Environmental Compliance Approval (ECA). Please refer to those individual databases for any information after Oct.31, 2011.

**Commercial Fuel Oil Tanks:** 1948-Apr 2013 Provincial CFOOT  
 Since May 2002, Ontario developed a new act where it became mandatory for fuel oil tanks to be registered with Technical Standards & Safety Authority (TSSA). This data would include all commercial underground fuel oil tanks in Ontario with fields such as location, registration number, tank material, age of tank and tank size.

**Chemical Register:** 1992, 1999-Jun 2010 Private CHEM  
 This database includes information from both a one time study conducted in 1992 and private source and is a listing of facilities that manufacture or distribute chemicals. The production of these chemical substances may involve one or more chemical reactions and/or chemical separation processes (i.e. fractionation, solvent extraction, crystallization, etc.).

**Inventory of Coal Gasification Plants and Coal Tar Sites:** Apr 1987 and Nov 1988\* Provincial COAL  
 This inventory includes both the "Inventory of Coal Gasification Plant Waste Sites in Ontario-April 1987" and the Inventory of Industrial Sites Producing or Using Coal Tar and Related Tars in Ontario-November 1988) collected by the MOE. It identifies industrial sites that produced and continue to produce or use coal tar and other related tars. Detailed information is available and includes: facility type, size, land use, information on adjoining properties, soil condition, site operators/occupants, site description, potential environmental impacts and historic maps available. This was a one-time inventory.\*

**Compliance and Convictions:** 1989-2013 Provincial CONV  
 This database summarizes the fines and convictions handed down by the Ontario courts beginning in 1989. Companies and individuals named here have been found guilty of environmental offenses in Ontario courts of law.

**Certificates of Property Use:** 1994-Feb 2014 Provincial CPU  
 This is a subset taken from Ontario's Environmental Registry (EBR) database. It will include all CPU's on the registry such as (EPA s. 168.6) - Certificate of Property Use.

**Drill Hole Database:** 1886-Jun 2013 Provincial DRL  
 The Ontario Drill Hole Database contains information on more than 113,000 percussion, overburden, sonic and diamond drill holes from assessment files on record with the department of Mines and Minerals. Please note that limited data is available for southern Ontario, as it was the last area to be completed. The database was created when surveys submitted to the Ministry were converted in the Assessment File Research Image Database (AFRI) project. However, the degree of accuracy (coordinates) as to the exact location of drill holes is dependent upon the source document submitted to the MNDM. Levels of accuracy used to locate holes are: centering on the mining claim; a sketch of the mining claim; a 1:50,000 map; a detailed company map; or from submitted a "Report of Work".

**Environmental Activity and Sector Registry:** Oct 31 2011-Feb 2014 Provincial EASR  
 On October 31, 2011, a smarter, faster environmental approvals system came into effect in Ontario. The EASR allows businesses to register certain activities with the ministry, rather than apply for an approval. The registry is available for common systems and processes, to which preset rules of operation can be applied. The EASR is currently available for: heating systems, standby power systems and automotive refinishing. Businesses whose activities aren't subject to the EASR may apply for an ECA (Environmental Compliance Approval), Please see our ECA database.

**Environmental Registry:** 1994-Feb 2014 Provincial [EBR](#)  
 The Environmental Registry lists proposals, decisions and exceptions regarding policies, Acts, instruments, or regulations that could significantly affect the environment. Through the Registry, thirteen provincial ministries notify the public of upcoming proposals and invite their comments. For example, if a local business is requesting a permit, license, or certificate of approval to release substances into the air or water; these are notified on the registry. Data includes: Approval for discharge into the natural environment other than water (i.e. Air) - EPA s. 9, Approval for sewage works - OWRA s. 53(1), and EPA s. 27 - Approval for a waste disposal site. For information regarding Permit to Take Water (PTTW), Certificate of Property Use (CPU) and (ORD) Orders please refer to those individual databases.

**Environmental Compliance Approval:** Oct 31, 2011-Feb 2014 Provincial [ECA](#)  
 On October 31, 2011, a smarter, faster environmental approvals system came into effect in Ontario. In the past, a business had to apply for multiple approvals (known as certificates of approval) for individual processes and pieces of equipment. Today, a business either registers itself, or applies for a single approval, depending on the types of activities it conducts. Businesses whose activities aren't subject to the EASR may apply for an ECA. A single ECA addresses all of a business's emissions, discharges and wastes. Separate approvals for air, noise and waste are no longer required. This database will also include Renewable Energy Approvals. For CofA's prior to Nov 1st, 2011, please refer to the CA database. For all Waste Disposal Sites please refer to the WDS database.

**Environmental Effects Monitoring:** 1992-2007\* Federal [EEM](#)  
 The Environmental Effects Monitoring program assesses the effects of effluent from industrial or other sources on fish, fish habitat and human usage of fisheries resources. Since 1992, pulp and paper mills have been required to conduct EEM studies under the Pulp and Paper Effluent Regulations. This database provides information on the mill name, geographical location and sub-lethal toxicity data.

**ERIS Historical Searches:** 1999-Mar 2013 Private [EHS](#)  
 EcoLog ERIS has compiled a database of all environmental risk reports completed since March 1999. Available fields for this database include: site location, date of report, type of report, and search radius. As per all other databases, the ERIS database can be referenced on both the map and "Statistical Profile" page.

**Environmental Issues Inventory System:** 1992-2001\* Federal [EIS](#)  
 The Environmental Issues Inventory System was developed through the implementation of the Environmental Issues and Remediation Plan. This plan was established to determine the location and severity of contaminated sites on inhabited First Nation reserves, and where necessary, to remediate those that posed a risk to health and safety; and to prevent future environmental problems. The EIS provides information on the reserve under investigation, inventory number, name of site, environmental issue, site action (Remediation, Site Assessment), and date investigation completed.

**List of TSSA Expired Facilities:** Current to May 2013 Provincial [EXP](#)  
 This is a list of all expired facilities that fall under the TSSA (TSSA Act & Safety Regulations), including the six regulations that exist under the Fuels Safety Division. It will include facilities such as private fuel outlets, bulk plants, fuel oil tanks, gasoline stations, marinas, propane filling stations, liquid fuel tanks, piping systems, etc. These tanks have been removed and automatically fall under the expired facilities inventory held by TSSA.

**Federal Convictions:** 1988-Jun 2007\* Federal [FCON](#)  
 Environment Canada maintains a database referred to as the "Environmental Registry" that details prosecutions under the Canadian Environmental Protection Act (CEPA) and the Fisheries Act (FA). Information is provided on the company name, location, charge date, offence and penalty.

**Contaminated Sites on Federal Land:**

June 2000-Jan 2014

Federal

FCS

The Federal Contaminated Sites Inventory includes information on all known federal contaminated sites under the custodianship of departments, agencies and consolidated Crown corporations as well as those that are being or have been investigated to determine whether they have contamination arising from past use that could pose a risk to human health or the environment. The inventory also includes non-federal contaminated sites for which the Government of Canada has accepted some or all financial responsibility. It does not include sites where contamination has been caused by, and which are under the control of, enterprise Crown corporations, private individuals, firms or other levels of government.

**Fisheries & Oceans Fuel Tanks:**

1964-Sept 2003

Federal

FOFT

Fisheries & Oceans Canada maintains an inventory of all aboveground & underground fuel storage tanks located on Fisheries & Oceans property or controlled by DFO. Our inventory provides information on the site name, location, tank owner, tank operator, facility type, storage tank location, tank contents & capacity, and date of tank installation.

**Fuel Storage Tank:**

2010-May 2013

Provincial

FST

The Technical Standards & Safety Authority (TSSA), under the Technical Standards & Safety Act of 2000 maintains a database of registered private and retail fuel storage tanks in Ontario with fields such as location, tank status, license date, tank type, tank capacity, fuel type, installation year and facility type.

**Fuel Storage Tank - Historic:**

Pre-Jan 2010\*

Provincial

FSTH

The Technical Standards & Safety Authority (TSSA), under the Technical Standards & Safety Act of 2000 maintains a database of registered private and retail fuel storage tanks in Ontario with fields such as location, tank status, license date, tank type, tank capacity, fuel type, installation year and facility type.

**Ontario Regulation 347 Waste Generators Summary:**

1986-Jul 2013

Provincial

GEN

Regulation 347 of the Ontario EPA defines a waste generation site as any site, equipment and/or operation involved in the production, collection, handling and/or storage of regulated wastes. A generator of regulated waste is required to register the waste generation site and each waste produced, collected, handled, or stored at the site. This database contains the registration number, company name and address of registered generators including the types of hazardous wastes generated. It includes data on waste generating facilities such as: drycleaners, waste treatment and disposal facilities, machine shops, electric power distribution etc. This information is a summary of all years from 1986 including the most currently available data. Some records may contain, within the company name, the phrase "See & Use..." followed by a series of letters and numbers. This occurs when one company is amalgamated with or taken over by another registered company. The number listed as "See & Use", refers to the new ownership and the other identification number refers to the original ownership. This phrase serves as a link between the 2 companies until operations have been fully transferred.

**TSSA Historic Incidents:**

2006-June 2009

Provincial

HINC

This database will cover all incidences recorded by TSSA with their older system, before they moved to their new management system. TSSA's Fuels Safety Program administers the Technical Standards & Safety Act 2000, providing fuel-related safety services associated with the safe transportation, storage, handling and use of fuels such as gasoline, diesel, propane, natural gas and hydrogen. Under this Act, TSSA regulates fuel suppliers, storage facilities, transport trucks, pipelines, contractors and equipment or appliances that use fuels. The TSSA works to protect the public, the environment and property from fuel-related hazards such as spills, fires and explosions. This database will include spills and leaks from pipelines, diesel, fuel oil, gasoline, natural gas, propane and hydrogen recorded by the TSSA.

**Indian & Northern Affairs Fuel Tanks:**

1950-Aug 2003\*

Federal

IAFT

The Department of Indian & Northern Affairs Canada (INAC) maintains an inventory of all aboveground & underground fuel storage tanks located on both federal and crown land. Our inventory provides information on the reserve name, location, facility type, site/facility name, tank type, material & ID number, tank contents & capacity, and date of tank installation.

**TSSA Incidents:**

June 2009-Apr 2013

Provincial

INC

TSSA's Fuels Safety Program administers the Technical Standards & Safety Act 2000, providing fuel-related safety services associated with the safe transportation, storage, handling and use of fuels such as gasoline, diesel, propane, natural gas and hydrogen. Under this Act, TSSA regulates fuel suppliers, storage facilities, transport trucks, pipelines, contractors and equipment or appliances that use fuels. Includes incidents from fuel-related hazards such as spills, fires and explosions. This database will include spills and leaks from diesel, fuel oil, gasoline, natural gas, propane and hydrogen recorded by the TSSA.

**Landfill Inventory Management Ontario:**

2012

Provincial

LIMO

The Landfill Inventory Management Ontario (LIMO) database is updated every year, as the ministry compiles new and updated information. The inventory will include small and large landfills. Additionally, each year the ministry will request operators of the larger landfills complete a landfill data collection form that will be used to update LIMO and will include the following information from the previous operating year. This will include additional information such as estimated amount of total waste received, landfill capacity, estimated total remaining landfill capacity, fill rates, engineering designs, reporting and monitoring details, size of location, service area, approved waste types, leachate of site treatment, contaminant attenuation zone and more. The small landfills will include information such as site owner, site location and certificate of approval # and status.

**Canadian Mine Locations:**

1998-2009

Private

MINE

This information is collected from the Canadian & American Mines Handbook. The Mines database is a national database that provides over 290 listings on mines (listed as public companies) dealing primarily with precious metals and hard rocks. Listed are mines that are currently in operation, closed, suspended, or are still being developed (advanced projects). Their locations are provided as geographic coordinates (x, y and/or longitude, latitude). As of 2002, data pertaining to Canadian smelters and refineries has been appended to this database.

**Mineral Occurrences:**

1846-Apr 2013

Provincial

MNR

In the early 70's, the Ministry of Northern Development and Mines created an inventory of approximately 19,000 mineral occurrences in Ontario, in regard to metallic and industrial minerals, as well as some information on building stones and aggregate deposits. Please note that the "Horizontal Positional Accuracy" is approximately +/- 200 m. Many reference elements for each record were derived from field sketches using pace or chain/tape measurements against claim posts or topographic features in the area. The primary limiting factor for the level of positional accuracy is the scale of the source material. The testing of horizontal accuracy of the source materials was accomplished by comparing the planimetric (X and Y) coordinates of that point with the coordinates of the same point as defined from a source of higher accuracy.

**National Analysis of Trends in Emergencies System (NATES):**

1974-1994\*

Federal

NATE

In 1974 Environment Canada established the National Analysis of Trends in Emergencies System (NATES) database, for the voluntary reporting of significant spill incidents. The data was to be used to assist in directing the work of the emergencies program. NATES ran from 1974 to 1994. Extensive information is available within this database including company names, place where the spill occurred, date of spill, cause, reason and source of spill, damage incurred, and amount, concentration, and volume of materials released.

**Non-Compliance Reports:**

1994-2012

Provincial

NCPL

The Ministry of the Environment provides information about non-compliant discharges of contaminants to air and water that exceed legal allowable limits, from regulated industrial and municipal facilities. A reported non-compliance failure may be in regard to a Control Order, Certificate of Approval, Sectoral Regulation or specific regulation/act.

<b><u>National Defence &amp; Canadian Forces Fuel Tanks:</u></b>	Up to May 2001*	Federal	<u>NDFT</u>
The Department of National Defence and the Canadian Forces maintains an inventory of all aboveground & underground fuel storage tanks located on DND lands. Our inventory provides information on the base name, location, tank type & capacity, tank contents, tank class, date of tank installation, date tank last used, and status of tank as of May 2001. This database will no longer be updated due to the new National Security protocols which have prohibited any release of this database.			
<b><u>National Defence &amp; Canadian Forces Spills:</u></b>	Mar 1999-Aug 2010	Federal	<u>NDSP</u>
The Department of National Defence and the Canadian Forces maintains an inventory of spills to land and water. All spill sites have been classified under the "Transportation of Dangerous Goods Act - 1992". Our inventory provides information on the facility name, location, spill ID #, spill date, type of spill, as well as the quantity of substance spilled & recovered.			
<b><u>National Defence &amp; Canadian Forces Waste Disposal Sites:</u></b>	2001-Apr 2007*	Federal	<u>NDWD</u>
The Department of National Defence and the Canadian Forces maintains an inventory of waste disposal sites located on DND lands. Where available, our inventory provides information on the base name, location, type of waste received, area of site, depth of site, year site opened/closed and status.			
<b><u>National Environmental Emergencies System (NEES):</u></b>	1974-2003*	Federal	<u>NEES</u>
In 2000, the Emergencies program implemented NEES, a reporting system for spills of hazardous substances. For the most part, this system only captured data from the Atlantic Provinces, some from Quebec and Ontario and a portion from British Columbia. Data for Alberta, Saskatchewan, Manitoba and the Territories was not captured. However, NEES is also a repository for all previous Environment Canada spill datasets. NEES is composed of the historic datasets ' or Trends ' which dates from approximately 1974 to present. NEES Trends is a compilation of historic databases, which were merged and includes data from NATES (National Analysis of Trends in Emergencies System), ARTS (Atlantic Regional Trends System), and NEES. In 2001, the Emergencies Program determined that variations in reporting regimes and requirements between federal and provincial agencies made national spill reporting and trend analysis difficult to achieve. As a consequence, the department has focused efforts on capturing data on spills of substances which fall under its legislative authority only (CEPA and FA). As such, the NEES database will be decommissioned in December 2004.			
<b><u>National PCB Inventory:</u></b>	1988-2008*	Federal	<u>NPCB</u>
Environment Canada's National PCB inventory includes information on in-use PCB containing equipment in Canada including federal, provincial and private facilities. All federal out-of-service PCB containing equipment and all PCB waste owned by the federal government or by federally regulated industries such as airlines, railway companies, broadcasting companies, telephone and telecommunications companies, pipeline companies, etc. are also listed. Although it is not Environment Canada's mandate to collect data on non-federal PCB waste, the National PCB inventory includes some information on provincial and private PCB waste and storage sites. Some addresses provided may be Head Office addresses and are not necessarily the location of where the waste is being used or stored.			
<b><u>National Pollutant Release Inventory:</u></b>	1993-2011	Federal	<u>NPRI</u>
Environment Canada has defined the National Pollutant Release Inventory ("NPRI") as a federal government initiative designed to collect comprehensive national data regarding releases to air, water, or land, and waste transfers for recycling for more than 300 listed substances.			
<b><u>Oil and Gas Wells:</u></b>	1988-2013	Private	<u>OGW</u>
The Nickle's Energy Group (publisher of the Daily Oil Bulletin) collects information on drilling activity including operator and well statistics. The well information database includes name, location, class, status and depth. The main Nickle's database is updated on a daily basis, however, this database is updated on a monthly basis. More information is available at <a href="http://www.nickles.com">www.nickles.com</a> .			

**Ontario Oil and Gas Wells:** 1800-2013 Provincial OOGW  
 In 1998, the MNR handed over to the Ontario Oil, Gas and Salt Resources Corporation, the responsibility of maintaining a database of oil and gas wells drilled in Ontario. The OGSR Library has over 20,000+ wells in their database. Information available for all wells in the ERIS database include well owner/operator, location, permit issue date, well cap date, licence no., status, depth and the primary target (rock unit) of the well being drilled. All geology/stratigraphy table information, plus all water table information is also provide for each well record.

**Inventory of PCB Storage Sites:** 1987-Oct 2004 Provincial OPCB  
 The Ontario Ministry of Environment, Waste Management Branch, maintains an inventory of PCB storage sites within the province. Ontario Regulation 11/82 (Waste Management - PCB) and Regulation 347 (Generator Waste Management) under the Ontario EPA requires the registration of inactive PCB storage equipment and/or disposal sites of PCB waste with the Ontario Ministry of Environment. This database contains information on: 1) waste quantities; 2) major and minor sites storing liquid or solid waste; and 3) a waste storage inventory.

**Orders:** 1994-Feb 2014 Provincial ORD  
 This is a subset taken from Ontario's Environmental Registry (EBR) database. It will include all Orders on the registry such as (EPA s. 17) - Order for remedial work, (EPA s. 18) - Order for preventative measures, (EPA s. 43) - Order for removal of waste and restoration of site, (EPA s. 44) - Order for conformity with Act for waste disposal sites, (EPA s. 136) - Order for performance of environmental measures.

**Canadian Pulp and Paper:** 1999, 2002, 2004, 2005, Private PAP  
 2009  
 This information is part of the Pulp and Paper Canada Directory. The Directory provides a comprehensive listing of the locations of pulp and paper mills and the products that they produce.

**Parks Canada Fuel Storage Tanks:** 1920-Jan 2005\* Federal PCFT  
 Canadian Heritage maintains an inventory of all known fuel storage tanks operated by Parks Canada, in both National Parks and at National Historic Sites. The database details information on site name, location, tank install/removal date, capacity, fuel type, facility type, tank design and owner/operator.

**Pesticide Register:** 1988-Jun 2013 Provincial PES  
 The Ontario Ministry of Environment maintains a database of all manufacturers and vendors of registered pesticides.

**TSSA Pipeline Incidents:** June 2009-Mar 2012 Provincial PINC  
 TSSA's Fuels Safety Program administers the Technical Standards & Safety Act 2000, providing fuel-related safety services associated with the safe transportation, storage, handling and use of fuels such as gasoline, diesel, propane, natural gas and hydrogen. Under this Act, TSSA regulates fuel suppliers, storage facilities, transport trucks, pipelines, contractors and equipment or appliances that use fuels. This database will include spills, strike and leaks from recorded by the TSSA.

**Private and Retail Fuel Storage Tanks:** 1989-1996\* Provincial PRT  
 The Fuels Safety Branch of the Ontario Ministry of Consumer and Commercial Relations maintained a database of all registered private fuel storage tanks and licensed retail fuel outlets. This database includes an inventory of locations that have gasoline, oil, waste oil, natural gas and/or propane storage tanks on their property. The MCCR no longer collects this information. This information is now collected by the Technical Standards and Safety Authority (TSSA).

**Permit to Take Water:** 1994-Feb 2014 Provincial PTTW  
 This is a subset taken from Ontario's Environmental Registry (EBR) database. It will include all PTTW's on the registry such as OWRA s. 34 - Permit to take water.

**Ontario Regulation 347 Waste Receivers Summary:** 1986-2012 Provincial REC  
 Part V of the Ontario Environmental Protection Act ("EPA") regulates the disposal of regulated waste through an operating waste management system or a waste disposal site operated or used pursuant to the terms and conditions of a Certificate of Approval or a Provisional Certificate of Approval. Regulation 347 of the Ontario EPA defines a waste receiving site as any site or facility to which waste is transferred by a waste carrier. A receiver of regulated waste is required to register the waste receiving facility. This database represents registered receivers of regulated wastes, identified by registration number, company name and address, and includes receivers of waste such as: landfills, incinerators, transfer stations, PCB storage sites, sludge farms and water pollution control plants. This information is a summary of all years from 1986 including the most currently available data.

**Record of Site Condition:** 1997-Sept 2001, Oct 2004- Provincial RSC  
 Feb 2014  
 The Record of Site Condition (RSC) is part of the Ministry of the Environment's Brownfields Environmental Site Registry. Protection from environmental cleanup orders for property owners is contingent upon documentation known as a record of site condition (RSC) being filed in the Environmental Site Registry. In order to file an RSC, the property must have been properly assessed and shown to meet the soil, sediment and groundwater standards appropriate for the use (such as residential) proposed to take place on the property. The Record of Site Condition Regulation (O. Reg. 153/04) details requirements related to site assessment and clean up. RSCs filed after July 1, 2011 will also be included as part of the new (O.Reg. 511/09).

**Retail Fuel Storage Tanks:** 1999-Jun 2010 Private RST  
 This database includes an inventory of retail fuel outlet locations (including marinas) that have on their property gasoline, oil, waste oil, natural gas and / or propane storage tanks.

**Scott's Manufacturing Directory:** 1992-Mar 2011 Private SCT  
 Scott's Directories is a data bank containing information on over 200,000 manufacturers across Canada. Even though Scott's listings are voluntary, it is the most comprehensive database of Canadian manufacturers available. Information concerning a company's address, plant size, and main products are included in this database.

**Ontario Spills:** 1988-Jun 2013 Provincial SPL  
 This database identifies information such as location (approximate), type and quantity of contaminant, date of spill, environmental impact, cause, nature of impact, etc. Information from 1988-2002 was part of the ORIS (Occurrence Reporting Information System). The SAC (Spills Action Centre) handles all spills reported in Ontario. Regulations for spills in Ontario are part of the MOE's Environmental Protection Act, Part X.

**Wastewater Discharger Registration Database:** 1990-2011 Provincial SRDS  
 Information under this heading is combination of the following 2 programs. The Municipal/Industrial Strategy for Abatement (MISA) division of the Ontario Ministry of Environment maintained a database of all direct dischargers of toxic pollutants within nine sectors including: Electric Power Generation; Mining; Petroleum Refining; Organic Chemicals; Inorganic Chemicals; Pulp & Paper; Metal Casting; Iron & Steel; and Quarries. All sampling information is now collected and stored within the Sample Result Data Store (SRDS).

**Anderson's Storage Tanks:** 1915-1953\* Private TANK  
 The information provided in this database was collected by examining various historical documents, which identified the location of former storage tanks, containing substances such as fuel, water, gas, oil, and other various types of miscellaneous products. Information is available in regard to business operating at tank site, tank location, permit year, permit & installation type, no. of tanks installed & configuration and tank capacity. Data contained within this database pertains only to the city of Toronto and is not warranted to be complete, exhaustive or authoritative. The information was collected for research purposes only.

**Transport Canada Fuel Storage Tanks:** 1970-Mar 2007 Federal TCFT  
 With the provinces of BC, MB, NB, NF, ON, PE, and QC; Transport Canada currently owns and operates 90 fuel storage tanks. Our inventory provides information on the site name, location, tank age, capacity and fuel type.



**TSSA Variances for Abandonment of Underground**      Current to Jun 2013      Provincial      VAR

**Storage Tanks:**

The TSSA, Under the Liquid Fuels Handling Code and the Fuel Oil Code, all underground storage tanks must be removed within two years of disuse. If removal of a tank is not feasible, you may apply to seek a variance from this code requirement. This is a list of all variances granted for abandoned tanks.

**Waste Disposal Sites - MOE CA Inventory:**      1970-Feb 2014      Provincial      WDS

The Ontario Ministry of Environment, Waste Management Branch, maintains an inventory of known open (active or inactive) and closed disposal sites in the Province of Ontario. Active sites maintain a Certificate of Approval, are approved to receive and are receiving waste. Inactive sites maintain Certificate(s) of Approval but are not receiving waste. Closed sites are not receiving waste. The data contained within this database was compiled from the MOE's Certificate of Approval database. Locations of these sites may be cross-referenced to the Anderson database described under ERIS's Private Source Database section, by the CA number. All new Environmental Compliance Approvals handed out after Oct 31, 2011 for Waste Disposal Sites will still be found in this database.

**Waste Disposal Sites - MOE 1991 Historical Approval**      Up to Oct 1990\*      Provincial      WDSH

**Inventory:**

In June 1991, the Ontario Ministry of Environment, Waste Management Branch, published the "June 1991 Waste Disposal Site Inventory", of all known active and closed waste disposal sites as of October 30st, 1990. For each "active" site as of October 31st 1990, information is provided on site location, site/CA number, waste type, site status and site classification. For each "closed" site as of October 31st 1990, information is provided on site location, site/CA number, closure date and site classification. Locations of these sites may be cross-referenced to the Anderson database described under ERIS's Private Source Database section, by the CA number.

**Water Well Information System:**      1955-May 2013      Provincial      WWIS

This database describes locations and characteristics of water wells found within Ontario in accordance with Regulation 903. It includes such information as coordinates, construction date, well depth, primary and secondary use, pump rate, static water level, well status, etc. Also included are detailed stratigraphy information, approximate depth to bedrock and the approximate depth to the water table.

## Definitions

**Database Descriptions:** This section provides a detailed explanation for each database including: source, information available, time coverage, and acronyms used. They are listed in alphabetic order.

**Detail Report:** This is the section of the report which provides the most detail for each individual record. Records are summarized by location, starting with the project property followed by records in closest proximity.

**Distance:** The distance value is the distance between plotted points, not necessarily the distance between the sites' boundaries". All values are an approximation.

**Direction:** The direction value is the compass direction of the site in respect to the project property and/or center point of the report.

**Elevation:** The elevation value is taken from the location at which the records for the site address have been plotted. All values are an approximation. Source: Google Elevation API.

**Executive Summary:** This portion of the report is divided into 3 sections:

'Report Summary'- Displays a chart indicating how many records fall on the project property and, within the report search radii.

'Site Report Summary'-Project Property'- This section lists all the records which fall on the project property. For more details, see the 'Detail Report' section.

'Site Report Summary-Surrounding Properties'- This section summarizes all records on adjacent properties, listing them in order of proximity from the project property. For more details, see the 'Detail Report' section.

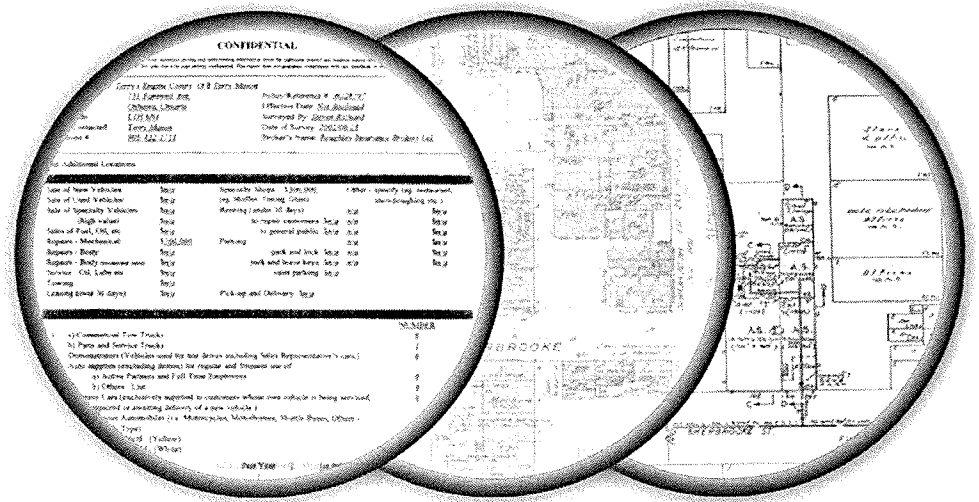
**Map Key:** The map key number is assigned according to closest proximity from the project property. Map Key numbers always start at #1. The project property will always have a map key of '1' if records are available. If there is a number in brackets beside the main number, this will indicate the number of records on that specific property. If there is no number in brackets, there is only one record for that property.

The symbol and colour used indicates 'elevation': the red inverted triangle will dictate 'ERIS Sites with Lower Elevation', the yellow triangle will dictate 'ERIS Sites with Higher Elevation' and the orange square will dictate 'ERIS Sites with Same Elevation.'

**Unplottables:** These are records that could not be mapped due to various reasons, including limited geographic information. These records may or may not be in your study area, and were included as reference.

# HEIRS™

Historical Environmental Information Reporting System



Site Address:  
44.12012230 81.15888210

Project No:  
20140403046

Opta Order ID:  
9737

Requested By:  
Eleanor Goolab  
Ecolog ERIS

Date Completed:  
4/7/2014 9:02:57 AM

**opta**  
INFORMATION INTELLIGENCE

**HEIRS Report**

**Selected Fire Insurance Plans and Inspection Reports**



Project #: 20140403046

Requested by:  
Eleanor Goolab

Date Completed: April 7, 2014 09:02:57

OPTA INFORMATION INTELLIGENCE

Search Fee	\$50.00
2-Day Rush Fee	\$110.00

**Selected Fire Insurance Plans**

Plan 2261, ON (1928) ( ): Walkerton, Volume Number 2: 6	\$100.00
--	----------

**Selected Inspection Reports**

None

<b>Total</b>	<b>\$260.00</b>
--------------	-----------------

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\* distances are approximate based on rooftop to rooftop



**HEIRS Report**

**Excluded Fire Insurance Plans and Inspection Reports**



Project #: 20140403046

Requested by:  
Eleanor Goolab

Date Completed: April 7, 2014 09:02:57

OPTA INFORMATION INTELLIGENCE

**Excluded Fire Insurance Plans**

None

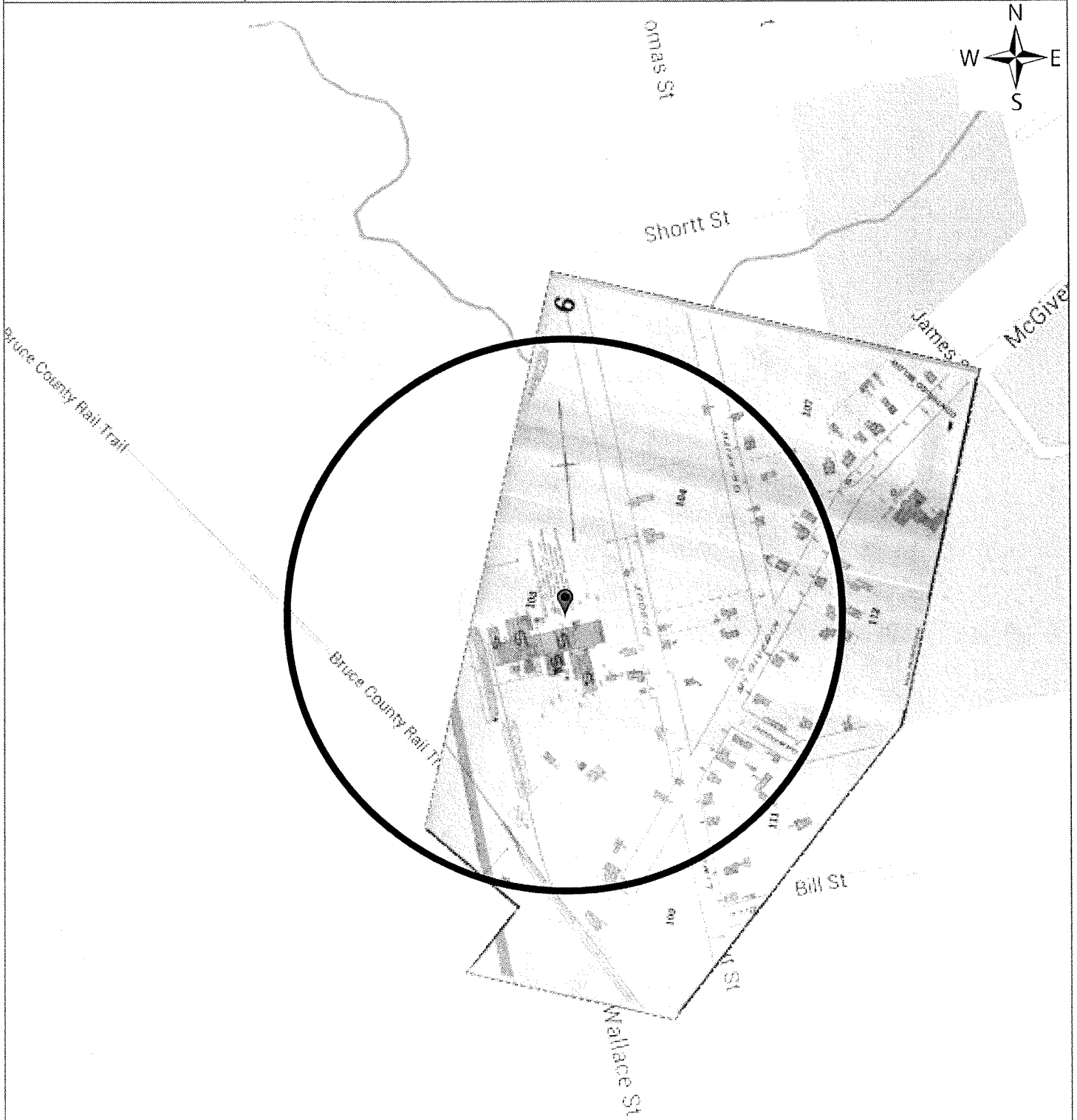
**Excluded Inspection Reports**

2	(1998) COPE Report (distance = 71 metres*)
	(1998) Sprinkler Report (distance = 0 metres*)
	(1996) Inspection Report (distance = 0 metres*)
	(1973) Large Siteplan Report (distance = 0 metres*)
	(2001) Manufacturing Survey Report (distance = 0 metres*)

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\* distances are approximate based on rooftop to rooftop





## Terms and Conditions

### Report

The documents (hereinafter referred to as the "Documents") to be released as part of the report (hereinafter referred to as the "Report") to be delivered to the purchaser as set out above are documents in Opta's records relating to the described property (hereinafter referred to as the "Property"). Opta makes no representations or warranties respecting the Documents whatsoever, including, without limitation, with respect to the completeness, accuracy or usefulness of the Documents, and does not represent or warrant that these are the only plans and reports prepared in association with the Property or in Opta's possession at the time of Report delivery to the purchaser. The Documents are current as of the date(s) indicated on them. Interpretation of the Documents, if any, is by inference based upon the information which is apparent and obvious on the face of the Documents only. Opta does not represent, warrant or guarantee that interpretations other than those referred to do not exist from other sources. The Report will be prepared for use by the purchaser of the services as shown above hereof only.

### Use

The Reports are for sole use of the customer. Reports are not to be disassembled, decompiled, copied, reproduced, transmitted, displayed, performed, distributed, rented, sub-licensed, altered, or otherwise used in a manner contrary to the intent of Opta's web delivery service.

### Disclaimer

Opta disclaims responsibility for any losses or damages of any kind whatsoever, whether consequential or other, however caused, incurred or suffered, arising directly or indirectly as a result of the services (which services include, but are not limited to, the preparation of the Report provided hereunder), including but not limited to, any losses or damages arising directly or indirectly from any breach of contract, fundamental or otherwise, from reliance on Opta Reports or from any tortious acts or omissions of Opta's agents, employees or representatives.

### Entire Agreement

The parties hereto acknowledge and agree to be bound by the terms and conditions hereof. The request form constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, negotiations and discussions, whether oral or written, and there are no representations or warranties, or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver, or termination of the request shall be binding, unless confirmed in writing by the parties hereto.

### Governing Document

In the event of any conflicts or inconsistencies between the provisions hereof and the Reports, the rights and obligations of the parties shall be deemed to be governed by the request form, which shall be the paramount document.

### Law

This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.



INFORMATION INTELLIGENCE

OPTA INFORMATION INTELLIGENCE

Project #: 20140403046

Requested by:

Eleanor Goolab

Date Completed: April 7, 2014 09:02:57

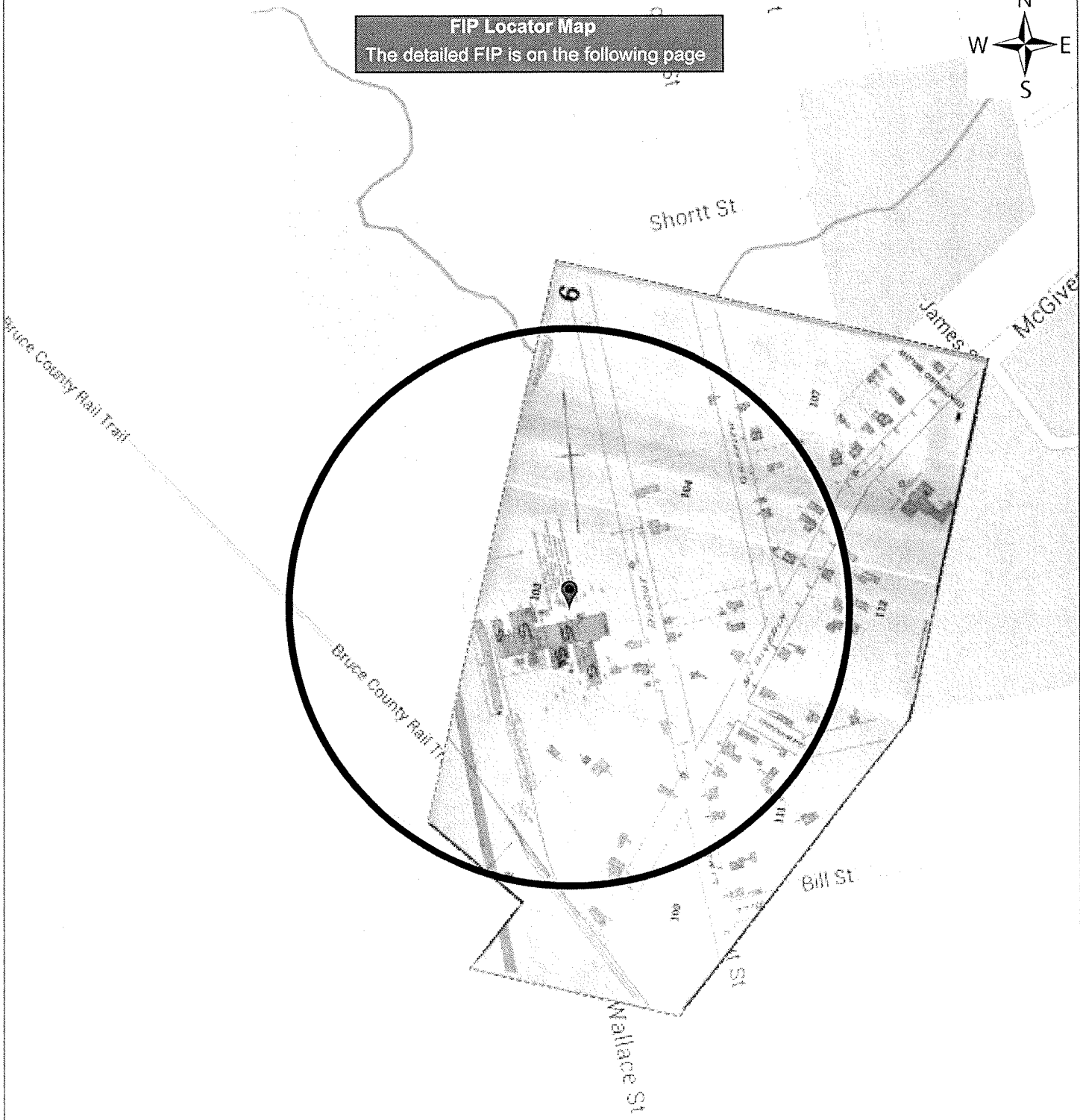
Page	Report Title
6	(1928) Volume: Walkerton Firemap: 6

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


**FIP Locator Map**  
The detailed FIP is on the following page



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Walkerton  
Recycling Depot 

Map dr 





**APPENDIX D**

**QUALIFICATIONS OF THE ASSESSORS**

## **Qualifications of the Site Assessor:**

***Robb Hudson, P.Eng., CCEP***

Robb Hudson, P.Eng., has over twenty years of experience in the environmental engineering field.

Mr. Hudson is a registered professional engineer in the provinces of Ontario, Nova Scotia, Manitoba and Alberta. He also holds the designation Certified Canadian Environmental Practitioner (CCEP) granted by the Canadian Environmental Certification Approval Board (CECAB).

Mr. Hudson has been involved with Phase I and Phase II Environmental Site Assessments of residential, commercial, and industrial properties in Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Manitoba and Alberta.

Mr. Hudson has been thoroughly trained to conduct Phase I Environmental Site Assessments in accordance with the Canadian Standards Association (CSA) Standard Z768-01 – Phase I Environmental Site Assessment (published in November 2001). Typically, Mr. Hudson conducts/reviews Phase I Environmental Site Assessments on a monthly basis. To date, Mr. Hudson has researched/prepared/reviewed more than 500 Phase I ESA reports.

Mr. Hudson has supervised soil remediation programs and completed environmental compliance reports for residential and commercial properties in all of the above noted provinces.

Robb Hudson obtained a Bachelor of Engineering Science (B.E.Sc) degree in Civil Engineering from the University of Western Ontario, in London, Ontario in 1982. He obtained a Master of Business Administration (M.B.A.) degree from York University, In Toronto, in 1984.

Mr. Hudson founded Winchurch Environmental Inc. in 1995, following 11 years of progressive experience in the retail petroleum, construction and environmental consulting fields.

**tab 3**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ● ) THURSDAY, THE 22ND  
 )  
 ) DAY OF DECEMBER, 2016  
 )

IN THE MATTER OF THE PROPOSAL OF BG FURNITURE LTD.  
OF THE TOWN OF WALKERTON IN THE PROVINCE OF ONTARIO

**ORDER  
(re: DIP, SISP & Stalking Horse Bid)**

THIS Motion made by BG Furniture Ltd. (the “**Debtor**”) for an Order pursuant to Sections 50.6, 50.4(9) and 64.2 of the BIA of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Adam Hofmann sworn December 19, 2016 and the Exhibits thereto (the “**Hofmann Affidavit**”) and the First Report of Collins Barrow Toronto Limited dated December ●, 2016 and on hearing the submissions of counsel for the Debtor, the Respondents and Collins Barrow Toronto Limited in its capacity as Proposal Trustee under the BIA (in such capacity, the “**Proposal Trustee**”), no one appearing for any other party although duly served as appears from the affidavit of service of Chloe Eng sworn December ●, 2016 and on reading the consent of Collins Barrow Toronto Limited to act as the Proposal Trustee,

**SERVICE**

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

2. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL:<http://www.collinsbarrow.com/en/toronto-ontario/current-engagements-toronto/bg-furniture-ltd>

3. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Proposal Trustee is at liberty to serve or distribute 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 or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission 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.

4. THIS COURT ORDERS that the E-Service List Keeper (as defined in the Protocol) for the purpose of this proceeding shall be the Proposal Trustee.

#### **PROPOSAL TRUSTEE**

5. THIS COURT ORDERS that the Proposal Trustee continues to be and is hereby authorized to take all steps as are required to fulfill its duties under the BIA or as an officer of the Court including, without limitation, to:

- (a) monitor the Debtor's receipts and disbursements;

- (b) report to this Court at such times and intervals as the Proposal Trustee deems appropriate with respect to the Debtor, the Debtor's property, assets or undertaking (collectively, the “**Property**”) or these proceedings;
- (c) assist the Debtor, to the extent required by the Debtor, in its dissemination of information to the DIP Lender and its counsel of financial and other information as agreed to between the Debtor and the DIP Lender;
- (d) assist the Debtor in its preparation of the Debtor's cash flow statements and reporting as agreed to between the Debtor and the DIP Lender;
- (e) assist the Debtor in its development of a proposal to its creditors;
- (f) assist the Debtor, to the extent required by the Debtor, with the holding and administration of creditors' meetings in respect of these proceedings including, without limitation, for voting on a proposal;
- (g) have full and complete access to the Property, including the premises, books, records, data (including data in electronic form) and other financial documents of the Debtor, to the extent that is necessary to adequately assess the Debtor's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other person as the Proposal Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) perform such other duties as are required by this Order or by this Court from time to time; and
- (j) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

6. THIS COURT ORDERS that the Proposal Trustee shall not take possession of any of the Property and shall take no part whatsoever in the management or supervision of the management



of the Debtor's business and shall not, as a result of this Order or anything done in pursuance of its duties and powers under this Order, be deemed to have taken or maintained possession or control of the Debtor's business or the Property or any part thereof.

7. THIS COURT ORDERS that, in addition to the rights and protections afforded to the Proposal Trustee under the BIA or as an officer of the Court, the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Proposal Trustee under the BIA or by any other applicable legislation.

#### **ADMINISTRATION CHARGE**

8. THIS COURT ORDERS that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Debtor shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Debtor as part of the costs of these proceedings. The Debtor is hereby authorized and directed to pay such accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Debtor on a bi-weekly basis.

9. THIS COURT ORDERS that each of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Debtor shall pass its accounts from time to time, and for this purpose the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Debtor are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

10. THIS COURT ORDERS that prior to the passing of its accounts, the Proposal Trustee shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Proposal Trustee or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

11. THIS COURT ORDERS that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Debtor shall be entitled to and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$150,000, as

security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 21 and 22 hereof.

## **DIP FINANCING**

12. THIS COURT ORDERS that the Debtor is hereby authorized and empowered to borrow under one or more credit facilities (collectively, the “**DIP Facility**”) granted by 2544311 Ontario Limited (the “**DIP Lender**”) to be used for the purposes described in the DIP commitment letter attached as Exhibit “R” to the Hofmann Affidavit (the “**DIP Commitment Letter**”), provided that the outstanding principal amount does not exceed \$300,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest and on such other terms as are included in the DIP Commitment Letter.

13. THIS COURT ORDERS that the Debtor is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents as are contemplated by the DIP Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof (collectively, the “**Definitive Documents**”), and the Debtor is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender pursuant to the DIP Commitment Letter and the Definitive Documents as and when due, notwithstanding any other provision of this Order.

14. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Charge**”) on the Property, which DIP Charge shall not secure an obligation that exists before this Order is made. The DIP Charge shall have the priority set out in paragraphs 21 and 22 hereof.

15. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the Definitive Documents;

- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Charge, the DIP Lender, upon 3 days' notice to the Debtor and the Proposal Trustee, may exercise any and all of its rights and remedies against the Debtor or the Property under or pursuant to the DIP Commitment Letter, Definitive Documents and the DIP Charge, including without limitation, to cease making advances to the Debtor and set off and/or consolidate any amounts owing by the DIP Lender to the Debtor against the obligations of the Debtor to the DIP Lender under the DIP Commitment Letter, the Definitive Documents or the DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtor and for the appointment of a trustee in bankruptcy of the Debtor; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.

16. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any proposal filed by the Debtor under the BIA, with respect to any advances made under the DIP Commitment Letter or the Definitive Documents.

17. THIS COURT ORDERS that: (a) pending expiry of the time for filing a notice of appeal or application for leave to appeal in respect of this Order and the disposition of any motions to review, rescind or vary this Order, applications for leave to appeal or appeals from this Order (collectively, "**Challenges**"), the Debtor shall be and is hereby authorized to borrow funds under the DIP Facility in the amounts necessary to implement its restructuring plan; (b) irrespective of the disposition of any Challenges the DIP Lender shall have the benefit of the DIP Charge and all other provisions of this Order in respect of all amounts so advanced; and (c) this Order is subject to provisional execution to the extent necessary to give effect to the foregoing.

## **D&O INDEMNITY AND CHARGE**

18. THIS COURT ORDERS that the Debtor shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Debtor after the commencement of these proceedings that arise on or after December 14, 2016 or are otherwise referable to the period on or after December 14, 2016, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of such officer's or director's gross negligence or wilful misconduct.

19. THIS COURT ORDERS that the directors and officers of the Debtor shall be entitled to the benefit of and are hereby granted a charge (the “**D&O Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$25,000, as security for the indemnity provided in paragraph 18 hereof. The D&O Charge shall have the priority set out in paragraphs 21 and 22 hereof.

20. THIS COURT ORDERS that, 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 D&O Charge, and (b) the Debtor's officers and directors shall only be entitled to the benefit of the D&O 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 denied or insufficient to pay amounts indemnified in accordance with paragraphs 18 and 19 of this Order.

## **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

21. THIS COURT ORDERS that the priorities of the Administration Charge, the DIP Charge and the D&O Charge (collectively, the “**Charges**”), as between and among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$150,000);

Second – DIP Charge (to the maximum principal amount of \$300,000); and

Third – D&O Charge (to the maximum amount of \$25,000).

22. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens,

charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

23. THIS COURT ORDERS that the filing, registration or perfection of the Charges shall not be required, and that 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.

24. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtor shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, either of the Charges, unless the Debtor also obtains the prior written consent of the Proposal Trustee, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.

25. THIS COURT ORDERS that the Charges, the Commitment Letter and the Definitive Documents 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**”) and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the 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 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Debtor of any Agreement to which it is a party;

- (b) 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 Debtor entering into the DIP Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Debtor pursuant to this Order, the DIP Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

26. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Debtor's interest in such real property leases.

#### **THE SISP & STALKING HORSE BID**

27. THIS COURT ORDERS that the Sale and Investment Solicitation Process and associated terms, timelines and procedures described at Schedule "A" hereto (the "**SISP**") be and are hereby approved, and the Debtor and the Proposal Trustee are hereby authorized to conduct the SISP and to perform their obligations thereunder.

28. THIS COURT ORDERS that the Stalking Horse Investment Term Sheet executed by the DIP Lender on behalf of an entity to be formed (the "**Stalking Horse Bidder**") dated as of December 18, 2016, substantially in the form attached as Exhibit "T" to the Hofmann Affidavit (the "**Stalking Horse Investment Term Sheet**") be and is hereby approved.

29. THIS COURT ORDERS that in the event the Stalking Horse Bidder is not the Successful Bidder (as defined in the SISP), the Debtor is hereby authorized to pay the Break Fee (as defined in the Stalking Horse Investment Term Sheet).

**EXTENSION**

30. THIS COURT ORDERS that the time for filing of the Debtor's proposal, and the stay of proceedings herein, are extended in accordance with Section 50.4(9) of the BIA, to and including February 5, 2017.

**TRANSFER**

31. THIS COURT ORDERS that the hearing of this motion and transferring this BIA proceeding to the Commercial List of the Ontario Superior Court of Justice in Toronto be and they are hereby approved and directed.

**GENERAL**

32. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Debtor, the Proposal Trustee 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 Debtor and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order.

33. THIS COURT ORDERS that each of the Debtor and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

34. THIS COURT ORDERS that any interested party (including the Debtor and the Proposal Trustee) 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.

35. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

---



**In the Matter of BG Furniture Ltd.**

**Proposed Schedule of Sale and Investment Solicitation Process**

**December 22, 2016**

<b>DATE</b>	<b>DESCRIPTION</b>
22-Dec-16	<ul style="list-style-type: none"> <li>• Motion for approval of SISP and Stalking Horse Investment Term Sheet</li> </ul>
22-Dec-16 to 6-Jan-17	<ul style="list-style-type: none"> <li>• Information pertaining to opportunity posted on the Proposal Trustee's website. Posted information will include:               <ul style="list-style-type: none"> <li>○ The Stalking Horse Investment Term Sheet</li> <li>○ Invitation for offers to purchase the Property</li> <li>○ Invitations for proposed equity investments</li> <li>○ Terms and conditions of sale / investment</li> <li>○ Confidentiality Agreement</li> </ul> </li> <li>• Newspaper ad to be sent for publishing in the national edition of <i>The Globe &amp; Mail</i> and/or other national newspaper for publication by January 6, 2017.</li> <li>• Engage a local commercial realtor to list the Property</li> <li>• Data room to be prepared</li> </ul>
22-Dec-16 to 10-Feb-17	<ul style="list-style-type: none"> <li>• Enter into confidentiality agreements with interested parties</li> <li>• Interested parties given access to data room and other pertinent information to conduct due diligence</li> </ul>
Week of 3-Feb-17	<ul style="list-style-type: none"> <li>• Motion for extension of stay and period for filing BIA Proposal</li> </ul>
10-Feb-17	<ul style="list-style-type: none"> <li>• 4:00 p.m. (E.S.T.) deadline for submission of Qualified Bids</li> </ul>
10-Feb-17 to 15-Feb-17	<ul style="list-style-type: none"> <li>• Proposal Trustee evaluates Qualified Bids received</li> </ul>
15-Feb-17	<ul style="list-style-type: none"> <li>• Offer(s) Selected</li> </ul>
15-Feb-17	<ul style="list-style-type: none"> <li>• Proposal Trustee to notify rejected Offeror(s) of unaccepted bid(s)</li> </ul>
17-Feb-17	<ul style="list-style-type: none"> <li>• Enter into definitive Investment Agreement / Asset Purchase Agreement with Successful Offeror(s), subject to Court approval if necessary (<i>e.g.</i>, if the Stalking Horse Investment Term Sheet is not a Successful Offer)</li> </ul>
Week of 27-Feb-17	<ul style="list-style-type: none"> <li>• Submit BIA Proposal and notify creditors of vote, if necessary (<i>e.g.</i>, if the Stalking Horse Investment Term Sheet is Successful Offer)</li> <li>• If Stalking Horse Investment Term Sheet is not a Successful Offer, Motion for approval and vesting order re: Successful Offer(s), depending on Court availability</li> </ul>
Week of 13-Mar-17	<ul style="list-style-type: none"> <li>• Creditors meeting to vote on BIA Proposal, if necessary</li> </ul>
Week of 20-Mar-17	<ul style="list-style-type: none"> <li>• Motion for approval and vesting order in respect of sale to Stalking Horse Bidder, if BIA Proposal not accepted by creditors</li> <li>• Motion for approval and sanction order in respect of Stalking Horse Investment Term Sheet, if BIA Proposal accepted by creditors</li> <li>• Trustee to close the Successful Offer(s) at the offices of its legal counsel</li> <li>• Return deposits to unsuccessful bidders on earlier of: (i) closing with Successful Offeror(s), and (ii) 45 days after deadline for Qualified Bids</li> </ul>

## BID PROCEDURES

Below are the procedures (the “**SISP Procedures**”) for expressing interest and submitting bids in respect of BG Furniture Ltd. (the “**Company**”). Interested parties may submit either (i) an offer to make an investment in the Company, or (ii) an offer to acquire the Company's assets (the “**Assets**”).

Note that the Company and 2544311 Ontario Limited (the “**Stalking Horse Bidder**”) have entered the Stalking Horse Investment Term Sheet dated December 9, 2016 (the “**Stalking Horse Investment Term Sheet**”), which was approved by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated December 9, 2016.

### Step 1: Expression of Interest

- The Company, with the assistance of Collins Barrow Toronto Limited in its capacity as the proposal trustee of the Company (the “**Proposal Trustee**”), will:
  - prepare a list identifying potential purchasers and investors (“**Potential Offerees**”), and
  - prepare a document (the “**Teaser Letter**”) summarizing the opportunity.
- The Company, with the assistance of the Proposal Trustee, will contact the Potential Offerees and other parties that come to its attention.
- The Teaser Letter and other information pertaining to the opportunity will be posted on the Proposal Trustee’s website, available at: ●
- One notice will be published in early January 2017 in the national edition of *The Globe and Mail* newspaper and, at the discretion of the Proposal Trustee (with the assistance of the Company), in trade and local publications.

### Step 2: Due Diligence

- Parties executing a confidentiality agreement (a “**CA**”) in a form satisfactory to the Proposal Trustee will have an opportunity to perform due diligence, including reviewing information in a virtual data room and touring the Company's production facility at 75 Ridout Street, Walkerton, Ontario (the “**Facility**”).
- The Proposal Trustee will make the data room available to parties that have signed a CA and returned the CA to the Proposal Trustee (such parties, other than the Stalking Horse Bidder, being “**Interested Parties**”). The information that will be made available in the data room or otherwise is information provided to the Proposal Trustee on an “as is, where is” basis. The Proposal Trustee has not and will not review for accuracy or

completeness the information to be provided to Interested Parties. Interested Parties are advised to conduct their own investigation and review of any information on which they intend to rely.

- The Company, with the assistance of the Proposal Trustee, will facilitate diligence efforts by, among other things, responding to questions and coordinating tours of the Facility.

### **Step 3: Binding Offers**

- Interested Parties must submit offers no later than 5:00 p.m. E.S.T. on February 10, 2017 (the “**Bid Deadline**”). For greater certainty, the Stalking Horse Bidder may increase the amount of the Investment Amount or otherwise improve the terms of the Stalking Horse Investment Term Sheet at any time prior to the Bid Deadline.
- Interested Parties seeking to purchase the Assets will be able to refer to a template asset purchase agreement (“**APA**”) that will be posted in the data room. Interested Parties seeking to make an investment in the business of the Company will be able to refer to a template investment agreement (“**IA**”) that will be posted in the data room. In either case, Interested Parties must submit offers in the form of the APA or IA (as the case may be), with any changes black-lined against the template APA or IA (in either case, a “**Bid**”).
- A Bid shall:
  - Include a refundable cash deposit in in the form of a wire transfer (to a bank account specified by the Proposal Trustee) or such other form of deposit as is acceptable to the Proposal Trustee, payable to the order of the Proposal Trustee, in trust, in an amount equal to 10% (the “**Deposit**”) of the purchase price or investment amount. The Deposit will either (i) be applied to satisfy the purchase price; or (ii) be forfeited to the Company in the event that the Successful Bidder (defined below) breaches its obligations pursuant to an Accepted Bid (defined below);
  - Disclose of the identity of each entity (including its ultimate shareholders) that will be bidding for the Assets or otherwise participating in a Bid and the complete terms of any such participation;
  - Provide evidence satisfactory to the Proposal Trustee of financing sufficient to close a transaction within the timelines detailed in these SISP Procedures;
  - Be irrevocable until 45 days after the date of the Bid Deadline; and
  - In the case of a Bid where the consideration payable is in the form other than cash or the assumption of liabilities of the Company, the Bidder must include a detailed description of the form of consideration as well as sufficient financial

information relating thereto, to enable the Company and the Proposal Trustee to assess the value and liquidity of the consideration.

- The Proposal Trustee will determine in its sole discretion if a Bid meets the above criteria. A Bid that meets the above requirements will be considered a “**Qualified Bid**” and each of the Interested Parties that submits a Qualified Bid will be considered a “**Qualified Bidder**”.
- The Proposal Trustee, in its sole discretion, will determine whether any Qualified Bid is superior to the terms of the Stalking Horse Investment Term Sheet. In the event that the Proposal Trustee determines that no Qualified Bid is superior to the terms of the Stalking Horse Investment Term Sheet, then the Stalking Horse Bidder shall be the Successful Bidder (as defined below).
- If the Proposal Trustee determines that a Qualified Bid (or Qualified Bids) is (or are) superior to the Stalking Horse Investment Term Sheet, then one or more of such Qualified Bids (as approved by the Proposal Trustee) may be accepted by the Company (each, an “**Accepted Bid**”), and the Company will enter into a binding agreement with the Qualified Bidder of each Accepted Bid (the “**Successful Bidder**”) on substantially the same terms as the Accepted Bid and subject to further negotiations between the Company and the Qualified Bidder).
- The Proposal Trustee shall give written notice to all Qualified Bidders of the identity of the Successful Bidder and the next highest or next best Qualified Bid (the “**Back-up Bid**”).
- The Proposal Trustee will have the sole right to value any non-cash consideration, including the assumption of liabilities, offered in any Bid to determine whether it represents the best or highest Bid at any time.
- The Successful Bidder agrees to do all such things as are reasonably required within seven (7) days of the Company’s acceptance of the Accepted Bid, if necessary, for the Company and the Proposal Trustee to obtain Court approval of the Accepted Bid.
- If the Stalking Horse Bidder is the Successful Bidder, then no further court approval of the Stalking Horse Investment Term Sheet or transaction contemplated therein shall be required, and the Company and the Stalking Horse Bidder shall proceed to close the transaction.

- If the Successful Bidder fails to close a purchase transaction within ten (10) days after Court approval (or such date that may otherwise be mutually agreed upon between the Company, the Proposal Trustee and the Successful Bidder), then the Proposal Trustee shall be authorized but not required to deem that (a) the Successful Bidder has breached its obligations pursuant to the APA, IA or the Stalking Horse Investment Term Sheet (as the case may be), and (b) has forfeited its Deposit to the Company, and (c) the Company will be authorized to enter into a transaction with a party who has submitted the Back-up Bid.
- For greater certainty, Interested Parties and Qualified Bidders shall be responsible for their own fees and costs relating to their investigation and/or closing or any transaction under these SISP Procedures.
- The Proposal Trustee may make such minor amendments to these SISP Procedures as may be necessary or desirable.

IN THE MATTER OF THE PROPOSAL OF BG FURNITURE LTD.  
OF THE TOWN OF WALKERTON IN THE PROVINCE OF ONTARIO

Court File No.:  
Court No. 35-2199056  
Estate No. 35-2199056

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**ORDER**

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IN THE MATTER OF THE PROPOSAL OF BG FURNITURE LTD.  
OF THE TOWN OF WALKERTON IN THE PROVINCE OF ONTARIO

Court File No.:  
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**ONTARIO**  
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**(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**MOTION RECORD**  
**(Motion Returnable December 22, 2016)**

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