



Court File No. 32-1895126
Estate No. 32-1895126

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE

JUSTICE *NEWBOLD*

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THURSDAY, THE 4TH

OF DECEMBER, 2014

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

- and -

IN THE MATTER OF THE PROPOSAL OF
LANWEST MFG. TECHNOLOGIES INC.
OF THE TOWN OF CALEDONIA,
IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by KPMG Inc. in its capacity as proposal trustee (the "**Proposal Trustee**") of Lanwest Mfg. Technologies Inc. ("**Lanwest**") for an order: (a) if necessary, abridging the time for, and validating service of this notice of motion and the materials filed in support of this motion and dispensing with further service thereof such that this motion is properly returnable on December 4, 2014; (b) approving the Report of the Proposal Trustee on the Proposal (the "**Proposal Report**") and the Second Report of the Proposal Trustee (the "**Second Report**"), in its capacity as Proposal Trustee; and (c) approving the proposal filed by Lanwest with the Official Receiver on October 10, 2014, which was accepted by the requisite majorities of creditors, a copy of which is attached as Schedule "A" (the "**Proposal**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the notice of motion, the Proposal Report, the Second Report, the Motion Record of the Attorney General of Canada, on behalf of Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue (the “**Crown**”), dated November 19, 2014, the affidavit of Peter Zevenhuizen, sworn November 25, 2014, (collectively, the “Motion of the Crown”), the Notice of Abandonment, dated December 3, 2014 of the Motion of the Crown, and on hearing the submissions of counsel for Lanwest, counsel for the Proposal Trustee, counsel for Grand River Enterprises Six Nations Ltd., and counsel for Royal Bank of Canada, no one else appearing although served as evidenced by the affidavit of Valerie Luis, sworn November 14, 2014 filed,

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Proposal.
2. **THIS COURT ORDERS** that the time and method of service of the motion record be and is hereby abridged and validated and that the motion is properly returnable today.
3. **THIS COURT ORDERS** that the Proposal Report, and activities of the Proposal Trustee as set out therein, be and are hereby approved.
4. **THIS COURT ORDERS** that the Proposal be and is hereby approved pursuant to section 60(5) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).
5. **THIS COURT ORDERS** that as of the Effective Date (i) the Proposal and all associated steps, compromises, settlements, satisfactions, releases, discharges,

transactions and arrangements set out therein are approved, binding and effective in accordance with the provisions of the Proposal and the BIA; and (ii) the treatment of all Claims under the Proposal shall be final and binding for all purposes and inure to the benefit of Lanwest, the Creditors, the past and present Directors and officers of Lanwest and all other Persons named or referred to in the Proposal or their respective heirs, executors, administrators and other legal representatives, successors and assigns.

6. **THIS COURT ORDERS** that pursuant to and in accordance with the Proposal, on the Effective Date, other than in accordance with the promissory note(s) delivered by Lanwest and the replacement security granted to Secured Creditors by Lanwest in accordance with the Proposal: (i) Claims of whatever nature with respect to or in connection with or relating to any and all Claims shall be forever compromised, settled, satisfied, released and discharged as against Lanwest and the Directors; and (ii) the ability of any Person to proceed against Lanwest or any property shall be forever discharged and restrained.

7. **THIS COURT ORDERS** that Lanwest is authorized and directed to take all actions necessary or appropriate to enter into, adopt, execute, deliver, implement and consummate all matters contemplated under the Proposal and all agreements, transactions and documents contemplated by the Proposal.

8. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, directed and empowered to perform its functions and to fulfill its obligations under the Proposal to facilitate the implementation of the Proposal and distribution to Creditors thereunder.

9. **THIS COURT ORDERS** that the steps taken by Persons in implementing the Proposal, including without limitation, the making of any payments or distribution pursuant to the Proposal and the releases contained in the Proposal, shall not be void or voidable, nor constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, preference, transfer at undervalue or any other challengeable or voidable transaction under any applicable law, nor shall such constitute oppressive or unfairly prejudicial conduct.

10. **THIS COURT ORDERS** that the Proposal Trustee and Lanwest may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, or in any other foreign jurisdiction, to give effect to this Order and to assist the parties and their respective agents in carrying out the terms of the Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the parties and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to grant representative status to the Proposal Trustee in any foreign proceeding.

12. **THIS COURT ORDERS** that the Claims Bar Date of six (6) months from the Effective Date or thirty (30) days from the date on which the Proposal Trustee delivers the Notice of Final Dividend, whichever is earlier, is hereby approved.

A handwritten signature in blue ink, appearing to read "D. J. [unclear]", is positioned above a horizontal line.

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

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

- and -

**IN THE MATTER OF THE PROPOSAL OF
LANWEST MFG. TECHNOLOGIES INC.
OF THE TOWN OF CALEDONIA,
IN THE PROVINCE OF ONTARIO**

**PROPOSAL
October 10, 2014**

Lanwest Mfg. Technologies Inc. (the "Debtor"), hereby submits the following Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

In this Proposal, capitalized terms shall have the meanings set out in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended, save and except for the terms and definitions set out below:

- (a) "Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (b) "Administrative Fees and Expenses" means:
 - (i) the proper fees and expenses of the Proposal Trustee including its legal fees and disbursements; and
 - (ii) the legal and consulting fees and disbursements of the Debtor incurred on or incidental to negotiations in connection with these proposal proceedings and the preparation of the Proposal and the transactions and agreements contemplated hereby;
- (c) "Canada Pension Plan" means the *Canada Pension Plan*, R.S.C. 1985, c C-8, as amended;
- (d) "Claim" means collectively, each of the following:
 - (i) any right or claim of any Person against the Debtor, that may be made in whole or in part against the Debtor or any property or assets of the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind, which indebtedness, liability or obligation is in existence at the NOI Date or which is

In the Matter of the Proposal of Lanwest Mfg Technologies Inc.

- (A) based on an event, act or omission which occurred in whole or in part prior to the NOI Date, or
- (B) with respect to any agreements of the Debtor that have been disclaimed, repudiated or terminated after the NOI Date, based on such disclaimer, repudiation or termination,

whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim directly or which indirectly may result in a claim for contribution or indemnity or otherwise being made against the Debtor with respect to any matter, action, cause or chose in action, whether existing at present or commenced in future based in whole or in part on facts which exist prior to or at the NOI Date or, with respect to any agreements of the Debtor, that have been disclaimed, repudiated or terminated after the NOI Date, based in whole or in part on facts which exist prior to or at the time of such disclaimer, repudiation or termination; and

- (ii) any right or claim of any Person against one or more of the Directors that relates to any Claim against the Debtor howsoever arising for which the Directors are by applicable law liable to pay in their capacity as Directors or in any other capacity, which shall exclude any Claims against Directors that cannot be compromised due to the provisions of Section 50(14) of the BIA;
- (e) "Claims Bar Date" has the meaning given to it in Section 4.1;
- (f) "Court" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (g) "Creditor" means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (h) "Convenience Claim" means a Proven Unsecured Claim with a value \$5,000 or less;
- (i) "Convenience Claim Holder" means the holder of a Proven Unsecured Claim of \$5,000 or less or the holder of a Proven Unsecured Claim of greater than \$5,000 who elects to reduce their Proven Unsecured Claim to the amount of \$5,000.
- (j) "Court Approval Date" means the date on which the Court finally and conclusively approves this Proposal;
- (k) "Debtor" means Lanwest Mfg. Technologies Inc.;
- (l) "Director(s)" means any person or persons who are, have previously been, or in future may be directors of the Debtor, including but not limited to Landry and those persons who, in the past, present or future:

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- (i) have or will act in the capacity of director of the Debtor, with or without being so named; or
 - (ii) have or will perform the functions of a director of the Debtor, with or without being so named; or
 - (iii) have been, are or may in future be deemed, de facto, acting, substitute or effective directors of the Debtor; or
 - (iv) have been, are or will be persons subject to director's statutory liabilities arising from any statute, act or regulation of Canada;
- (m) "Effective Date" means the date which is 11 days after the Court Approval Date, or the date on which the Proposal Approval Order becomes final, or such later date as the Debtor requests and the Proposal Trustee approves;
- (n) "Employment Insurance Act" means the *Employment Insurance Act*, S.C. 1996, c. 23
- (o) "Income Tax Act" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp), as amended;
- (p) "Landry" means John Landry;
- (q) "NOI Date" means July 28, 2014, the date on which the Notice of Intention to Make a Proposal was filed by the Debtor pursuant to the provisions of the Act;
- (r) "Notice of Final Dividend" means the notice made pursuant to Section 149 of the BIA to be sent by the Proposal Trustee to all known Persons having a Claim that have not yet filed a Proof of Claim with the Trustee, advising such Creditors that if their Claims are not proven within a period of 30 days after the sending of the notice, the Proposal Trustee will proceed to declare a dividend or final dividend without regard to that Creditor's Claim;
- (s) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (t) "Preferred Creditors" means Creditors with Proven Unsecured Claims which are required by the Act to be paid in priority to all other Claims under a proposal by a debtor (but only in respect and to the extent of such Proven Unsecured Claims) and including, without limitation:
- (i) Employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act on the NOI Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about the Debtor's businesses during the same period;

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- (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the NOI Date and are of a kind that could be subject to a demand under,
 - (A) subsection 224(1.2) of the Income Tax Act;
 - (B) any provisions of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (C) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (I) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act; or
 - (II) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (u) "Preferred Claims" means the Claims of the Preferred Creditors;
- (v) "Proof of Claim" shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;
- (w) "Proposal" means this Proposal dated October 10, 2014 made pursuant to the Act, as further amended or supplemented from time to time;
- (x) "Proposal Approval Order" means the Order of the Court approving this Proposal, substantially in the form attached hereto as Schedule 1, subject to any amendments as agreed to by the Debtor and the Proposal Trustee;
- (y) "Proposal Fund" means the amount of \$1 million to be borrowed by the Debtor from Landry and delivered to the Proposal Trustee;
- (z) "Proposal Trustee" means KPMG Inc.;
- (aa) "Proposed Assessed Value" means, in accordance with section 50.1 of the BIA, for each Secured Creditor, the amount set out on Schedule 2 hereto beside such Secured Creditor's name, being the amount determined by the Proposal Trustee to represent the expected recovery from the assets of the Debtor by the Secured Creditor if the assets of the Debtor had been liquidated in a bankruptcy as of

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September 30, 2014, or as otherwise determined by the Court in accordance with section 50.1(4) of the BIA;

- (bb) **"Proven Claim"** means the amount of the Claim of any Creditor finally determined in accordance with the provisions of the Act;
- (cc) **"Proven Secured Claim"** of a Secured Creditor means the amount of the Claim of such Secured Creditor finally determined in accordance with the provisions of the Act, being the lesser of (i) the amount of the Proven Claim of such Secured Creditor; or (ii) the Proposed Assessed Value of such Secured Creditor, and for certainty, excludes all Unaffected Claims;
- (dd) **"Proven Unsecured Claim"** of an Unsecured Creditor means the amount of the Claim of such Unsecured Creditor finally determined in accordance with the provisions of the Act and for a Secured Creditor means the amount if any by which the Proven Claim of such Secured Creditor exceeds the Proposed Assessed Value of such Secured Creditor, and for certainty, excludes all Unaffected Claims;
- (ee) **"Secured Creditor"** means any person or persons holding a valid mortgage, hypothec, pledge, charge, lien or privilege on or against any property of any person or persons as security for a Claim or a person whose Claim is based upon, or secured by a negotiable instrument held as collateral security upon which the Debtor is only indirectly or secondarily liable, but excluding the Unaffected Creditor;
- (ff) **"Secured Creditor Claims"** means the Claims of the Secured Creditors; and
- (gg) **"Superintendent's Levy"** means the levy exigible on certain amounts distributed by the Proposal Trustee under this Proposal in accordance with Section 147 of the BIA;
- (hh) **"Unaffected Claims"** means all Claims of the Unaffected Creditor;
- (ii) **"Unaffected Creditor"** means Royal Bank of Canada;
- (ij) **"Unsecured Creditors"** means, collectively, the Creditors who are not Secured Creditors or Unaffected Creditors.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

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In the event that any date on which any action is required to be taken hereunder is not a business day, such action will be required to be taken on the next succeeding day that is a business day.

1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified the time shall be deemed to be 5:00 pm local time in Toronto, Ontario, Canada.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and vice versa and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successor and Assigns

The Proposal will be binding on and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

**ARTICLE 2
GENERAL INTENT**

2.1 Purpose of Proposal

The purpose of this Proposal is to effect a compromise of the Claims of the Creditors of the Debtor, including statutory claims against Directors, strictly in accordance with subsections 50(13) to 50(15) of the Act, but excluding Unaffected Claims, in the expectation that all Creditors will derive a greater benefit from a Proposal to Creditors than would result from the liquidation of the Debtor's assets.

Notwithstanding the terms and conditions of all arrangements or other arrangements with creditors entered into before the NOI Date, for so long as an event of default in the Proposal has not occurred, or if it has occurred, has been waived or cured, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern.

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2.2 Persons Affected

This Proposal will, as of the Effective Date, be binding on the Debtor and on all Creditors (except for the Unaffected Creditor), including the Crown, to whom this Proposal is made.

2.3 Assets Remain Vested In Debtor

The assets of the Debtor shall not vest in the Proposal Trustee, but shall, remain vested in the Debtor subject to KPMG Inc.'s appointment as limited receiver, and the Proposal Trustee shall have no liability whatsoever for the Claims of Creditors arising before, on or after the NOI Date.

**ARTICLE 3
CLASSIFICATION AND TREATMENT OF CREDITORS**

3.1 Unaffected Creditors

This Proposal is not being made to the Unaffected Creditor and does not impact Unaffected Claims.

3.2 Secured Creditors

Each Proven Secured Creditor shall, at the option of the Debtor, be provided with either (i) a promissory note from the Debtor in the amount of its Proven Secured Claim and security over the assets of the Debtor substantially similar to that held by the Proven Secured Creditor prior to the NOI Date, both, on such terms as the Debtor and the applicable Proven Secured Creditor may agree; or (ii) a payment in cash in the amount of the Proven Secured Claim within 60 days of a final determination of such amount.

3.3 Classes of Creditors

For the purposes of voting on the Proposal, the Creditors of the Debtors shall be comprised of two classes, as follows:

- Secured Creditors
- Unsecured Creditors

3.4 Preferred Creditors

The Proven Unsecured Claims of the Preferred Creditors are to be paid by the Debtors in full in priority to all other Proven Unsecured Claims in accordance with the scheme of distribution set forth in the Act.

3.5 Unsecured Creditors

The Proven Unsecured Claims will be satisfied in accordance with Article 9 herein.

3.6 Different Capacities

Persons who are affected by this Proposal may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person is entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

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ARTICLE 4 PROCEDURE FOR VALIDATION OF CLAIMS

4.1 Filing of Proofs of Claim

In order to vote on, or to receive a distribution under, the Proposal, each Secured Creditor and each Unsecured Creditor shall file a Proof of Claim in accordance with the BIA and as instructed in the Proposal Trustee's mailing to the Creditors with respect to the Proposal.

However, to be eligible to receive a distribution in accordance with Article 9.2 herein, Creditors must have filed a Proof of Claim such that it is actually received by the Proposal Trustee in accordance with the BIA and by no later than the earlier of (i) six months from the Effective Date; or (ii) 30 days from the date on which the Proposal Trustee delivers the Notice of Final Dividend (the "Claims Bar Date").

Creditors that fail to file their Proof of Claim with the Proposal Trustee before 5:00 p.m. EST on the Claims Bar Date will not be eligible for participation in the proposed distribution from the Proposal Fund and their Claims will be forever barred as against the Debtor.

4.2 Classes of Creditors

Upon receipt of a completed Proof of Claim, the Proposal Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the Act. The procedure for valuing Claims of Secured Creditors and the Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the Act and in this Proposal. The Debtor and/or Proposal Trustee reserves the right to seek the assistance of the Court in valuing the Claim of any Secured Creditor or any Unsecured Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Secured Creditor or such Unsecured Creditor under the Proposal, as the case may be.

4.3 Set Off

The law of set-off shall be applied to all Claims.

ARTICLE 5 MEETING OF CREDITORS

5.1 Creditors' Meeting

The Proposal Trustee shall hold a meeting of the Secured Creditors and the Unsecured Creditors in order for the Secured Creditors and the Unsecured Creditors to consider and vote upon the Proposal.

5.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the meeting of the Secured Creditors and the Unsecured Creditors shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the Proposal Trustee's notice of meeting to be mailed pursuant to the Act.

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5.3 Conduct of Meetings

The Official Receiver or the nominee thereof, shall preside as the chair of the meeting of the Creditors and will decide all matters relating to the conduct of the meeting. The only Persons entitled to attend the meeting of Creditors are those Persons, including the holders of proxies, entitled to vote at the meeting, and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the meeting only.

5.4 Adjournment of Meetings

Meetings of the Creditors may be adjourned in accordance with Section 52 of the Act.

5.5 Voting by Creditors

To the extent provided for herein, each Secured Creditor and each Unsecured Creditor will be entitled to vote to the extent of the amount that is equal to their respective Proven Secured Claim and Proven Unsecured Claim.

5.6 Approval by Creditors

In order that the Proposal be binding on all of the Secured Creditors and the Unsecured Creditors of the Debtors in accordance with the Act, it must first be accepted by the Proven Secured Creditors and the Proven Unsecured Creditors by a majority in number of each of the Proven Secured Creditors and the Proven Unsecured Creditors who actually vote upon the Proposal (in person or by proxy or by voting letter) at the meeting of Creditors, representing two-thirds in value of the Proven Secured Claims of the Proven Secured Creditors and the Proven Unsecured Claims of the Proven Unsecured Creditors who actually vote upon the Proposal (in person or by proxy or by voting letter) at the meeting of Creditors.

5.7 Appointment of Inspectors

At the meeting of Creditors, the Creditors may appoint up to five Inspector(s) whose powers will be limited to:

- (a) advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims, and
- (b) advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them.

Any decision, direction or act of the Inspector(s) may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspector(s) will terminate upon the discharge of the Proposal Trustee or such earlier time if the inspector resigns by notifying the Proposal Trustee of such resignation in writing.

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**ARTICLE 6
PAYMENT OF ADMINISTRATIVE FEES AND EXPENSES**

- 6.1 Payment of Administrative Fees and Expenses for this Proposal shall be paid under the terms of this Proposal.

**ARTICLE 7
CONDITIONS PRECEDENT AND
PAYMENT OF THE THIRD PARTY FUNDS**

- 7.1 The performance of this Proposal by the Debtor shall be conditional upon the fulfillment or satisfaction of the following conditions:
- (a) the receipt by the Proposal Trustee of the Proposal Fund;
 - (b) the acceptance of this Proposal by the Creditors; and
 - (c) the Proposal Approval Order Court being entered and not having been appealed, set aside, varied or stayed;

**ARTICLE 8
EVENTS OF DEFAULT**

- 8.1 The non-fulfillment or satisfaction of any conditions precedent in Article 7 shall constitute a default under the Proposal for the purposes of section 62.1 of the Act and otherwise under this Proposal.
- 8.2 In the event that this Proposal shall be annulled, any costs of this Proposal and the Proposal Trustee shall be paid out of the bankruptcy estates of the Debtor in priority to all other unsecured claims against the Debtor.

**ARTICLE 9
PROPOSAL TO CREDITORS**

- 9.1 The amount to be paid to the Creditors on account of their Proven Claims shall be as set out in this section. The Creditors' shall accept the amounts set out herein in full satisfaction of their Claim and the Creditors' shall have no other recourse to any other property.
- 9.2 The Proposal Trustee will remit payments (less the *pro rata* portion of the total amount of the Superintendent's Levy required by the BIA to be paid in respect of such payments) to the Creditors in the following manner and order of priority:
- (a) The Proven Secured Claims are to receive a distribution in accordance with the provisions of Article 3.1 of this Proposal; and
 - (b) The Proposal Fund will be distributed in the following order of priority:
 - (i) First, to the Administrative Fees and Expenses;
 - (ii) Second, to the Proven Unsecured Claims of the Preferred Creditors, without interest, to be paid in full in accordance with the provisions of Article 3.4 of this Proposal. The Proven Unsecured Claims under

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subsection 224(1.2) of the *Income Tax Act* or similar act and legislation will be paid within six (6) months after the Court Approval Date;

- (iii) Third, to the Convenience Claim Holders up to the amount necessary to fully satisfy, without interest, the Convenience Claims;
- (iv) Fourth, *pro rata* to the remaining Unsecured Creditors, other than John Landry, having Proven Unsecured Claims, up the amount necessary to satisfy all such remaining Unsecured Creditor Claims in full, but without interest; and
- (v) Fifth, to Landry to satisfy any Proven Unsecured Claim of Landry.

ARTICLE 10

RELEASE OF CLAIMS AGAINST DIRECTORS AND SECTIONS 95-101 OF THE ACT

- 10.1 Upon implementation of this Proposal on the Effective Date, each and every Director (as herein defined) of the Debtor shall be released from any and all demands, claims, debts, judgments, liens and other recoveries on account of any potential, contingent or actual statutory liability of whatsoever nature which any person may be entitled to assert against such Director(s) as at the NOI Date, including without limitation, any and all Claims howsoever related to any obligations of the Debtor where the Director(s) are or may be liable at law in their capacity as Director(s) for the payment of such obligations, whether known or unknown, existing or hereafter arising, based in whole or in part on any act of omission, transaction, dealing or other occurrence existing or taking place prior to the NOI Date or, with respect to any agreements of the Debtor that have been disclaimed, repudiated or terminated after the NOI Date in whole or in part which exist prior to or at the time of such disclaimer, repudiation or termination.
- 10.2 Notwithstanding Article 10.1, nothing in this Proposal shall release or discharge any of the Directors from the exceptions set out in Section 50(14) of the Act and Article 10.1 shall be strictly interpreted so that it complies with Section 50(13) of the Act.
- 10.3 Any release contemplated in Article 10.1 shall not be obtained or be valid in case of any uncured default in the performance of this Proposal.
- 10.4 Sections 95 to 101 of the Act and any provincial statute relating to preference, settlement, fraudulent conveyance or the like shall not apply to any dealings by the Debtor during the period prior to the NOI Date. The release of Directors contemplated in this Article 10 shall include a release of all claims, actions and remedies available pursuant to Sections 95 to 101 of the Act and any provincial statute related to preference, settlement, fraudulent conveyance or the like.

ARTICLE 11

PROPOSAL TRUSTEE

- 11.1 KPMG Inc., corporate trustee, and not in its personal capacity, shall be the Proposal Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Proposal Trustee who shall make payment of all distributions in accordance with the terms of this Proposal.
- 11.2 Any payments made by the Proposal Trustee to Creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

In the Matter of the Proposal of Lanwest Mfg Technologies Inc.

- 11.3 The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in respect of the business activities or liabilities of the Debtor.
- 11.4 The Proposal Trustee shall have no liability whatsoever for the Claims arising before, on or after the NOI Date.

**ARTICLE 12
FULL PERFORMANCE OF PROPOSAL**

- 12.1 All obligations of the Debtor under this Proposal will commence as of the Effective Date. This Proposal will be fully performed upon full payment to the Proposal Trustee of the Proposal Fund and when all other obligations of the Debtor set out herein have been satisfied.
- 12.2 When the Proposal has been fully performed by the Debtor, the Proposal Trustee will issue to the Debtor and the Official Receiver the Certificate of Full Performance as provided for in Section 65.3 of the Act
- 12.3 During the currency of this Proposal and until the Certificate of Full Performance referred to in Article 12.2 is issued by the Proposal Trustee, the Debtor shall not merge, amalgamate, rollover or otherwise change or reorganize its corporate structure, without the approval of the Inspectors, unless the new or successor entity agrees to be bound by all terms and conditions of this Proposal.
- 12.4 The provisions of this Proposal will be binding on the Creditors of the Debtor (excluding the Unaffected Creditor), and its respective heirs, executors, administrators, successors and assigns.


**ARTICLE 13
AMENDMENT OF PROPOSAL**

- 13.1 The Debtor may at any and all meetings of the Creditors and at any time and from time to time, vary, amend, modify or supplement this Proposal.
- 13.2 If there are any variations, amendments, modifications or supplements to the Proposal made at or prior to the final meeting of the Creditors held to consider the Proposal which the Proposal Trustee determines are for the general benefit of the Creditors, the Proposal Trustee shall be entitled to approve such variations, amendments, modifications or supplements by exercising all voting rights it receives from Creditors who have voted in favour of the Proposal and by counting all "yes" votes and "no" votes which have not, to the time the variations, amendments, modifications or supplements are made, been changed, as "yes" votes and "no" votes for the amended or supplemental Proposal.

In the Matter of the Proposal of Lanwest Mfg Technologies Inc.

DATED at the City of Hamilton, in the Province of Ontario this 10th day of October, 2014.

LANWEST MFG TECHNOLOGIES INC.


Name: John Landry
Office: President

In the Matter of the Proposal of Lanwest Mfg Technologies Inc.

**SCHEDULE 1
PROPOSAL APPROVAL ORDER**

Court File No. 32-1895126
Estate No. 32-1895126

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

THE HONOURABLE
JUSTICE

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●, THE ●
DAY OF ●, 2014

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

- and -

**IN THE MATTER OF THE PROPOSAL OF
LANWEST MFG. TECHNOLOGIES INC.
OF THE TOWN OF CALEDONIA,
IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by Lanwest Mfg. Technologies Inc. ("Lanwest") and KPMG Inc. in its capacity as proposal trustee of Lanwest (the "Proposal Trustee"), for an order: (a) if necessary, abridging the time for, and validating service of this notice of motion and the materials filed in support of this motion and dispensing with further service thereof such that this motion is properly returnable on ●, 2014; (b) approving the Second Report of the Proposal Trustee (the "Second Report"), in its capacity as the proposal trustee of Lanwest ("Proposal Trustee"); and (c) approving the proposal filed by Lanwest with the Official Receiver on October ●, 2014, which was accepted by the requisite majorities of creditors, a copy of which is attached as Schedule "A" (the "Proposal"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the notice of motion, the Affidavit of John Landry sworn on August 14, 2014 (the "Landry Affidavit"), the Second Report, and on hearing the submissions of counsel for Lanwest, counsel for the Proposal Trustee, counsel for Grand River Enterprises Six Nations Ltd., ●, no one else appearing although served as evidenced by the affidavit of ● sworn ●, filed,

Service

1. **THIS COURT ORDERS** that the time and method of service of the motion record be and is hereby abridged and validated and that the motion is properly returnable today.

Approval of the Second Report

2. **THIS COURT ORDERS** that the Second Report, and activities of the Proposal Trustee as set out therein, be and are hereby approved.

Approval of Proposal

3. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Proposal.
4. **THIS COURT ORDERS** that the Proposal be and is hereby approved.

5. **THIS COURT ORDERS** that as of the Effective Date (i) the Proposal and all associated steps, compromises, settlements, satisfactions, releases, discharges, transactions and arrangements set out therein are approved, binding and effective in accordance with the provisions of the Proposal and the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the "BIA"); and (ii) the treatment of all Claims under the Proposal shall be final and binding for all purposes and inure to the benefit of Lanwest, the Creditors, the past and present Directors and officers of Lanwest and all other Persons named or referred to in the Proposal or their respective heirs, executors, administrators and other legal representatives, successors and assigns.

6. **THIS COURT ORDERS** that pursuant to and in accordance with the Proposal, on the Effective Date, other than in accordance with the promissory note(s) delivered by Lanwest and the replacement security granted to Secured Creditors by Lanwest in accordance with the Proposal: (i) Claims of whatever nature with respect to or in connection with or relating to any and all Claims shall be forever compromised, settled, satisfied, released and discharged as against Lanwest and the Directors; and (ii) the ability of any Person to proceed against Lanwest or any property shall be forever discharged and restrained.

7. **THIS COURT ORDERS** that Lanwest is authorized and directed to take all actions necessary or appropriate to enter into, adopt, execute, deliver, implement and consummate all matters contemplated under the Proposal and all agreements, transactions and documents contemplated by the Proposal.

In the Matter of the Proposal of Lanwest Mfg Technologies Inc.

8. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, directed and empowered to perform its functions and to fulfill its obligations under the Proposal to facilitate the implementation of the Proposal and distribution to Creditors thereunder.

9. **THIS COURT ORDERS** that the steps taken by Persons in implementing the Proposal, including without limitation, the making of any payments or distribution pursuant to the Proposal and the releases contained in the Proposal, shall not be void or voidable, nor constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, preference, transfer at undervalue or any other challengeable or voidable transaction under any applicable law, nor shall such constitute oppressive or unfairly prejudicial conduct.

10. **THIS COURT ORDERS** that the Proposal Trustee and Lanwest may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, or in any other foreign jurisdiction, to give effect to this Order and to assist the parties and their respective agents in carrying out the terms of the Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the parties and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to grant representative status to the Proposal Trustee in any foreign proceeding.

In the Matter of the Proposal of Larwest Mfg Technologies Inc.



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LANWEST MFG. TECHNOLOGIES INC.

Court File No. 32-1895126

Estate No. 32-1895126

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

**PROCEEDING COMMENCED AT
TORONTO**

ORDER

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Trustee of Lanwest Mfg. Technologies Inc.