

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

BETWEEN:

MORRIS J. WAXMAN
Applicant

– AND –

CHESTER WAXMAN, BAILEY WAXMAN, AARON WAXMAN, WAXMAN INDUSTRIAL
SERVICES CORP., WARREN WAXMAN and I. WAXMAN & SONS LIMITED

Respondents

**FIRST REPORT OF DELOITTE & TOUCHE INC.
IN ITS CAPACITY AS RECEIVER OF I. WAXMAN & SONS LIMITED**

April 19, 2007

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Introduction

1. By Order of this Honourable Court dated March 26, 2007 (the “Receivership Order”), Deloitte & Touche Inc. was appointed receiver (the “Receiver”) of all the assets, undertakings and properties of I. Waxman & Sons Limited (“IWS” or the “Company”) pursuant to sections 207 and 248 of the *Business Corporations Act* (Ontario) and section 101 of the *Courts of Justice Act* (Ontario). Attached hereto as Exhibit A is a copy of the Receivership Order.

Purpose of Report

2. This report is the Receiver’s first report (the “First Report”) to the Ontario Superior Court of Justice [Commercial List] (the “Court”).
3. The purpose of this First Report, is to:
 - i. Report on the activities of the Receiver since its appointment on March 26, 2007;
 - ii. Advise the Court of the sales process being conducted by the Receiver for the sale of certain assets of IWS, including certain real estate owned by Chester and Morris Waxman through their respective holding companies (the “Sales Process”);
 - iii. Advise the Court of claims being made by certain unsecured creditors arising from the role of Deloitte & Touche Inc. as Monitor pursuant to an Order issued by the Honourable Mr. Justice Farley on May 4, 2004 (the “Monitor Order”);
 - iv. Seek the approval of the Court to dispose of marketable securities, consisting of publicly traded shares and trust units (the “Marketable Securities”);
 - v. Seek advice and directions from the Court to make available sufficient funds from the property of the Company to satisfy certain creditor claims of former employees of IWS consisting of wages and vacation pay owing as at March 26, 2007 (the “Employee Creditor Claims”) and an Order directing that, except with respect to amounts owing to certain Executives (as defined below) such Employee Creditor Claims shall be paid net of statutory deductions and certain immaterial amounts for employee garnishees;
 - vi. Seek the approval of the Court to remit the statutory deductions to the Receiver General of Canada and the garnished amounts to the appropriate third parties;
 - vii. Seek advice and directions from the Court to make available sufficient funds from the property of the Company to satisfy the Employee Creditor Claims of the Executives and the approval of the Court to hold those amounts due to the Executives (as defined below) in trust pending the resolution of certain matters as described below and further Order of this Court; and
 - viii. Seek the approval of the activities of the Receiver as set out in the First Report.

Receiver's Activities to Date

4. The operations of IWS ceased as of March 26, 2007 and all employees were terminated as a result of the Receivership Order. Immediately following its appointment, the Receiver attended at the head office of IWS in Hamilton, Ontario to take possession and secure the assets of IWS located therein which included the following:
 - Meeting with the employees of IWS to advise of the receivership proceedings and the termination of their employment by the Receivership Order and to request an immediate cessation of the carrying on of operations;
 - Arranging for the changing of locks to the Company's premises;
 - Taking possession of the books and records of IWS;
 - Requesting that the bank accounts and investments of IWS be frozen and opening new bank accounts;
 - Arranging for security on week nights and throughout the weekends;
 - Arranging for the continuation of insurance;
 - Arranging for the continuation of utilities;
 - Entering into contracts with twelve (12) former employees to assist the Receiver in its administration including the updating of accounting records and sales process;
 - Conducting a physical count of equipment and bins located at the premises of IWS and at rented premises belonging to the Hamilton Port Authority;
 - Working with the contractors to estimate the net tonnage of scrap inventory by type located at the premises of IWS and at a third party location in London, Ontario.
 - Receiving and reviewing 30-day goods claims from suppliers;
 - Identifying third parties in possession of IWS assets, primarily scrap and waste bins (the "Bins") and contacting these third parties to make arrangements to either return these Bins or confirm that the Bins remain in their possession subject to the Receiver's direction;
 - Sending to all creditors on record the *Notice and Statement of Receiver* required under Section 245 (1) of the *Bankruptcy and Insolvency Act*; and
 - Completing a computer back-up of all the Company's electronic records.
5. The Receiver met with Chester Waxman on March 26th and 27th at the Company's premises to review with him the Receiver's powers and responsibilities pursuant to the Receivership Order and to get his input with respect to various matters related to the receivership proceedings including the pending sale process and names of prospective purchasers for the assets of IWS. Subsequently, the Receiver obtained input from Morris Waxman who represents approximately 94% of currently identified unsecured debt as at the date of the Receivership Order.

6. To keep creditors and all other stakeholders informed of the receivership proceedings, the Receivership Order and other general information have been posted on the Receiver's website at www.deloitte.ca under Insolvency and Restructuring. The Receiver has also established a toll-free telephone number (1-866-643-9916) in order to respond to inquiries.
7. It is the intention of the Receiver to seek the input of Morris Waxman on key matters throughout the receivership proceedings given his substantial creditor claim. This input is obtained through Mr. Waxman's legal counsel and his son, Michael Waxman.
8. Based on a review of the Company's records and a physical count of inventory, the Receiver has identified the following assets of the Company to be liquidated by the Receiver:

I. Waxman & Sons Limited
Estimated Book Value of Assets on hand as at March 26, 2007 (Notes 1, 2 and 3)

	(000's)
Cash in Bank Accounts of IWS	\$ 7,654
Cash Held in Trust by Ogilvy Renault	9,750
Marketable Securities	1,964
Accounts Receivable	4,931
Inventory	600
Prepaid Expenses	87
Due from Lighting Distribution	144
Fixed Assets (Equipment, office furniture and Bins)	1,762
	\$ 26,892

Note 1: Book value is based on the Company's internal financial statements prepared by management of IWS as at February 28, 2007 or based upon actual information available as at March 26, 2007. The Marketable Securities are at gross market value as at April 10, 2007.

Note 2: Cash in Bank Accounts of IWS is subject to a garnishee served on CIBC by the Ministry of Finance and a reserve of the bank to cover certain matters. The Receiver is investigating these matters.

Note 3: The amount due from Lighting Distribution is in dispute and may be significantly higher than \$144,000.

9. The Receiver's receipts and disbursements from March 26, 2007 to April 11, 2007 are as follows:

Deloitte & Touche Inc.,
Receiver of I. Waxman & Sons Limited
Statement of Receipts & Disbursements
March 26, 2007 to April 11, 2007

	(000's)
Receipts	
Collection of accounts receivable	\$ 1,555,507
Disbursements	
Official Receiver's fees	70
Changing of locks	428
Rent, Hamilton Port Authority	4,800
Contract consultants	15,514
Repairs and maintenance	687
Legal fees - Miller Thomson, legal counsel for the Monitor	9,115
Office supplies	100
GST/PST	900
	\$ 31,614
Cash on hand in the Receiver's account	\$ 1,523,893

Marketable Securities

10. At the date of the Receivership Order, IWS owned certain Marketable Securities held by CIBC Wood Gundy. These Marketable Securities and their estimated market values as at April 10, 2007 are as follows:

I. Waxman & Sons Limited Marketable Securities

Marketable Securities	Symbol	Units	Est. Market Value As at April 10, 2007
Russel Metals	RUS-T	62,800	\$ 1,791,056
Versacold Income Fund	ICE.UN-T	10,000	100,500
Global Strategy Master LP	LPV.UN-T	2,325	837
Superior Plus Income Fund	SPF.UN-T	5,500	71,775
Gross market value			\$ 1,964,168

11. With the approval of the Court, it is the Receiver's intention to request CIBC Wood Gundy, within five business days of the Court's approval, to sell the Marketable Securities at their then current market price. The Receiver estimates that the gross proceeds to be realized upon the sale of all Marketable Securities should be approximately \$1.9 million, subject to actual market prices and selling costs. Upon completion of the sale of these Marketable Securities, the amounts will be deposited into the Receiver's trust account.

Employee Creditor Claims

12. Paragraph 18 of the Receivership Order provided that, upon the making of the Order, all employees of the Company were terminated. This employee group, consisting of twenty-six (26) executive, salary and hourly employees (the "Employee Group"), had unpaid salaries, wages and vacation pay owing as at March 26, 2007. A summary of the Employee Group's claim as creditors for gross outstanding salaries, wages and vacation pay is as follows:

I. Waxman & Sons Limited Employee Creditor Claims

As at March 26, 2007				
Employee Group	No. of Employees per Group	Salaries / Wages Outstanding	Vacation Pay Outstanding	Total Wages and Vacation Pay
Chester, Warren and Gary Waxman	3	\$ 25,000.00	\$ -	\$ 25,000.00
Wayne Linton and Sheldon Kumer	2	9,692.31	36,346.16	46,038.47
Salary	8	8,576.55	22,996.69	31,573.24
Hourly	13	11,826.46	11,948.45	23,774.91
Total	26	\$ 55,095.32	\$ 71,291.30	\$ 126,386.62

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13. Certain of these former employees have entered into consulting contracts with the Receiver to assist with the updating of accounting records, the collection of accounts receivable and the identifying, counting and sale of the Company's assets. Their assistance is critical to the Receiver maximizing the realizable value of the Company's assets. The Receiver is not authorized to carry on the business of the Company. These former employees have been engaged solely as independent contractors/consultants for the purposes of the liquidation.
 14. These former employees were agreeable to assisting the Receiver on the understanding the Receiver would seek the approval of the Court to pay the Employee Creditor Claims with respect to all former employees who were not paid their final pay cheque.
 15. The total wages and vacation pay owing in respect of the Employee Creditor Claims is \$126,386.62 and is comprised of three components:
 - i. Chester Waxman, Warren Waxman, Gary Waxman, totalling \$25,000.00;¹
 - ii. The amount payable to Wayne Linton and Sheldon Kumer totalling \$46,038.47; and
 - iii. The amount payable to twenty-one (21) salary and hourly employees totalling \$55,348.15.
 16. For the purposes of this Report, Wayne Linton, Sheldon Kumer, Chester Waxman and Warren Waxman are referred to as the "Executives".
 17. The Receiver is seeking the approval of the Court to make available, upon receipt of the Court's approval, the amount of \$55,348.15 plus \$8,654.35 for Gary Waxman related to the creditor claims of the salary and hourly employees, less a deduction for statutory payroll deductions and certain immaterial amounts for employee garnishees. The Receiver is seeking the further approval of the Court to remit amounts in respect of these statutory payroll withholdings to the Receiver General of Canada and to remit the garnishees to the appropriate third parties.
 18. The Receiver is aware that the Executives (among others) are respondents in an oppression action that was commenced by Morris Waxman. Morris Waxman has taken the position that pending the outcome of that action, he may have a claim with respect to the amounts owed to the Executives. Morris Waxman has also advised the Receiver that he would oppose any immediate distribution to Chester Waxman and/or Warren Waxman in respect to wage arrears and/or vacation pay on the basis that each of them owes the Company significant amounts in respect to legal fees. In light of that claim, with respect to the amounts due to the Executives, the Receiver is seeking the Court's approval to hold these funds in trust, pending the resolution of these matters.
 19. This Receiver believes that these payments are justified on the basis that (a) there is no secured creditor with comprehensive security over the Company's assets and certain of these payments, including outstanding vacation pay, constitute a deemed trust outside of a bankruptcy; (b) wage arrears enjoy a preference under the *Bankruptcy and Insolvency Act* (Canada) and; (c) such

¹ Chester Waxman, Warren Waxman and Gary Waxman receive a combined salary and are owed collectively \$25,000. The Receiver has reviewed the historical division of funds among the three (3) of them and proposes to allocate funds for the purposes of this motion on that basis.

payments will help to ensure the ongoing cooperation and assistance with those former employees who have agreed to assist with the liquidation.

20. The Receiver has received the concurrence of Morris Waxman, the largest unsecured creditor, to pay these wage and vacation pay claims in the manner described above.

Marketing and Sales Process

21. On September 1, 2005, Deloitte & Touche Corporate Finance Canada Inc. was appointed as Marketing Agent (“Marketing Agent”) pursuant to an order of The Honourable Mr. Justice Farley, to identify a potential purchaser for the operating assets of IWS on a going concern basis. The Marketing Agent developed a Confidential Information Memorandum (“CIM”) that was presented to a number of potential purchasers including; Strategic (companies in the same or similar business of IWS), Financial (private equity and institutional) and Environmental (non-scrap).
22. The Marketing Agent used third party business directories, various financial databases, industry membership directories and practitioner’s contacts as a basis for identifying one hundred and thirty seven (137) potential purchasers. Of these potential purchasers, the Marketing Agent sent twenty-one (21) potential purchasers a copy of the CIM which ultimately resulted in the identification of one (1) strategic purchaser. The Marketing Agent advised the Court that the one (1) identified purchaser provided no greater return than a liquidation value.
23. The Marketing Agent concluded in its Fourth Report to the Court dated February 27, 2007 (“Marketing Agent’s Fourth Report”) that the sales process had not resulted in producing a purchaser that ascribed a value above liquidation value and recommended a liquidation of IWS and sale of IWS assets as follows:
 - i. The sale of the real estate (the “Windermere Property”) directly to a potential purchaser or through a real estate brokerage;
 - ii. The sale of the operating assets to a qualified appraisal firm; and
 - iii. The appointment of a receiver to collect all trade accounts, sell inventory, pay secured and other liabilities and to monitor the overall process.
24. Paragraph 8(c) of the Receivership Order empowered and authorized the Receiver to implement these recommendations contained in the Marketing Agent’s Fourth Report. The real estate referenced above is not owned by IWS, but by Chester Waxman and Morris Waxman (through their respective holding companies).
25. The Receiver has discussed the Marketing Agent’s recommendation with both Chester Waxman and Morris Waxman, and both agreed that, due to the diligent and exhaustive process pursued by the Marketing Agent over an eighteen (18) month period, the best course of action is to pursue an expedited sales process to liquidate the Company’s assets. Morris Waxman is content to include the Windermere Property in the sales process, as it was specifically included in their previous sales

process conducted by the Marketing Agent. We have not received a reply from Chester Waxman confirming his agreement to include the real estate. The Receiver is of the view that it is both commercially reasonable and expeditious to take advantage of the sale process in order to realize the best value from the sale of the Windermere Property and minimize the cost of a further process.

26. Accordingly, the Receiver has initiated the following sales process with respect to inventory, Bins, capital assets and office furniture and equipment:
 - i. Preparing a tender package listing the assets for sale by parcel, describing the sales process and setting out the terms and condition of sale. A copy of the Tender package is attached as Exhibit B.
 - ii. Sending the tender package to potential purchasers identified by the Marketing Agent, parties that have already approached the Receiver, Chester Waxman and Morris Waxman as being serious prospects;
 - iii. Arranging for site visits so prospective purchasers can view the assets being offered for sale.
27. The terms and condition of sale provide for a deadline of Tuesday, May 8, 2007 at 5:00 p.m. (EDT) for receipt of offers. It is hoped that Court approval of a sale transaction can be achieved by May 22, 2007 along with a closing shortly thereafter, or as may be agreed upon by the parties.

Trade Creditors

28. Since the issuance of the Receivership Order, certain creditors, mainly scrap steel suppliers (“Scrap Suppliers”) who supplied IWS with scrap inventory up to and including the date of the receivership, have contacted the Receiver to advise that the Receiver’s actions of freezing the Company’s bank accounts, resulting in outstanding cheques being returned, has caused them significant hardship. These Scrap Suppliers advised that they should be entitled to be paid for those amounts owing to them as at March 26, 2007 due to the fact that the cheques had been signed by Deloitte & Touche Inc. in its capacity as monitor of I. Waxman & Sons Limited (the “Monitor”). Pursuant to the Monitor Order, the Monitor had been monitoring the receipts and disbursements of IWS and, as required by the Monitor Order, co-signing all IWS cheques thereby indicating that the payment signified by the cheque appropriately arose in the course of the operations of IWS. The Monitor Order provided that at no time was the Monitor vested with the ownership, occupation, control, possession or management of IWS. The Monitor has advised that at no time did they have direct dealings with any of IWS suppliers or enter into any agreements with respect to payment of invoices. This would have been clearly beyond the scope and purpose of the Monitor Order.
29. The following analysis provides a comparison, on a summary basis, of amounts due to trade, scrap and waste suppliers as at February 28, 2007, a day prior to the filing of the motion to appoint a Receiver of IWS to the date the Receiver was appointed, March 26, 2007. The total owing to suppliers in aggregate decreased by approximately \$40,000 from February 28, 2007 to March 26, 2007.

I. Waxman & Sons Limited
Analysis of amounts owing to Trade, Scrap and Waste Suppliers

	28-Feb-07	26-Mar-07	Net Change
I. Trade suppliers			
Trade - Canadian	\$ 221,799	\$ 218,500	\$ (3,299)
Trade - US (converted to CDN)	12,564	26,356	13,792
Total Trade	<u>234,363</u>	<u>244,856</u>	<u>10,493</u>
II. Scrap suppliers			
Scrap - Canadian	1,294,010	1,187,087	(106,923)
Scrap - US (converted to CDN)	192,310	313,389	121,079
Total Scrap	<u>1,486,321</u>	<u>1,500,476</u>	<u>14,156</u>
III. Waste suppliers			
Waste - Canadian	192,047	134,000	(58,047)
Waste - US (converted to CDN)	16,814	10,294	(6,519)
Total Waste	<u>208,861</u>	<u>144,294</u>	<u>(64,567)</u>
Total	<u>\$ 1,929,545</u>	<u>\$ 1,889,626</u>	<u>\$ (39,919)</u>

30. With respect to Scrap Suppliers specifically, the aggregate balance owing to these suppliers increased by approximately \$14,000 from February 28, 2007 to March 26, 2007; however, when Scrap Suppliers set-offs against accounts receivable owing to IWS and/or security deposits paid by IWS to these Scrap Suppliers prior to March 26, 2007 are applied to the amount owing to Scrap Suppliers, the total owing to Scrap Suppliers in aggregate has decreased by approximately \$82,000 since February 28, 2007 as illustrated below.

I. Waxman & Sons Limited
Scrap Suppliers – Amounts Owing Adjusted for Set-offs and Deposits

Scrap Suppliers - Restated for Set-offs	28-Feb-07	26-Mar-07	Net Change
Total	\$ 1,486,321	\$ 1,500,476	\$ 14,156
Less: Set-offs			
Accounts receivable	(111,429)	(256,164)	(144,735)
Security deposits made by IWS	(140,000)	(91,000)	49,000
	<u>\$ 1,234,892</u>	<u>\$ 1,153,312</u>	<u>\$ (81,579)</u>

31. The Receiver has also received eleven (11) 30-day goods claims (“30 Day Claims”) in relation to scrap inventory sold to IWS by the Scrap Suppliers prior to March 26, 2007. The following is a summary of these eleven (11) claimants and the approximate value of their 30 Day Claim.

**I. Waxman & Sons Limited
30 Day Claims Summary**

No.	Supplier - 30 Day Goods Claimant	Potential Estimated Value of 30 Day Claim as at March 26, 2007 (Under Review)
1	Cherrymill Iron & Metal Ltd.	\$41,000
2	Attar Metals Inc.	75,800
3	Alternative Resources Management	13,900
4	Ben-Met Sheet & Metal Inc.	23,800
5	Odds Enterprises Inc.	5,500
6	Moffatt Scrap Iron & Metal inc.	26,100
7	Grizzly Enterprises	10,000
8	N.I.M. Disposals Limited	35,400
9	El-Met Parts	-
10	Stark Iron & Metal Inc.	12,200
11	Halton Regional Recycling	-
		\$243,700

32. The Receiver is currently reviewing all documentation provided to determine if the claimed inventory is in the possession of the Receiver and if the claims can be properly supported as 30 Day Claims. If the claims are determined to be valid, the Receiver will advise the supplier and make arrangements for the return of inventory. To the extent these claims are valid, the balance owing to Scrap Suppliers in aggregate would be further reduced as at March 26, 2007. In a number of specific instances, the balance owing by IWS to certain Scrap Suppliers increased from February 28, 2007 to March 26, 2007.
33. Two of the Scrap Suppliers with increased balances, Stark Iron & Metal Co. and Waxman Recycling Industries Limited have taken the position that the Monitor was effectively managing the business and have made demands on the Monitor and Receiver for a return of product or payment of either the outstanding balance owing or cheques returned NSF.
34. The Receiver has advised these two suppliers, as well as other suppliers, that they are entitled to file 30 day goods claims; otherwise, the balance owing ranks as an unsecured claim against IWS and entitled to share on a pro-rata basis in the distribution to unsecured creditors arising from the liquidation of the Company's assets.
35. The Receiver is bringing this matter to the Court's attention at this time for background information.

Conclusion

36. The Receiver respectfully requests that this Honourable Court grant an order which provides for the relief as outlined previously in this First Report.

Dated the 19th day of April, 2007.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Karen M. Cramm". The signature is written in a cursive, flowing style.

Karen Cramm, CA·CIRP, MBA
Senior Vice-President
Deloitte & Touche Inc.,
in its capacity as Receiver of
all of the assets, undertakings and properties of
I. Waxman & Sons Limited
and not in its personal capacity.

EXHIBIT A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**THE HONOURABLE MR.) MONDAY, THE 26TH DAY
JUSTICE GROUND) OF MARCH, 2007**

BETWEEN:

MORRIS J. WAXMAN

Applicant

-and-

**CHESTER WAXMAN, BAILEY WAXMAN, AARON WAXMAN, WAXMAN
INDUSTRIAL SERVICES CORP., WARREN WAXMAN and
I. WAXMAN & SONS LIMITED**

Respondents

APPLICATION under sections 207 and 248 of the *Business
Corporations Act* (Ontario)

ORDER

THIS MOTION, made by Morris Waxman ("Morris") for an Order pursuant to sections 207 and 248 of the *Business Corporations Act* (Ontario) R.S.O. 199, c. B 16, as amended (the "OBCA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended (the "CJA") appointing Deloitte & Touche Inc. as receiver (the "Receiver") without security, of all of the assets, undertakings and properties of I. Waxman & Sons Limited ("TWS") was heard this day at Toronto, Ontario.

ON READING the affidavit of Michael S. Waxman sworn February 28, 2007, and the Exhibits thereto, the Fourth Report of Deloitte & Touche Corporate Finance Inc. as court-appointed marketing agent (the "Marketing Agent"), the Fifth Report of Deloitte & Touche Inc. as Monitor, and on hearing the submissions of counsel for Morris, counsel for Chester Waxman and counsel for the Marketing Agent, no one else appearing although duly served as appears from the affidavit of service of Jennifer Tam, sworn March 1, 2007 and on reading the consent of Deloitte & Touche Inc. to act as Receiver:

SERVICE

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

RECEIVER APPOINTED - MARKETING AGENT AND MONITOR DISCHARGED

2. THIS COURT ORDERS that pursuant to sections 207 and 248 of the OBCA and section 101 of the CJA, Deloitte & Touche Inc. is hereby appointed Receiver, without security, of all of IWS's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

3. THIS COURT ORDERS AND DIRECTS THAT Deloitte & Touche Corporate Finance Inc. ("DTCFI") as Marketing Agent appointed pursuant to the Order of the Honourable Justice Farley made September 1, 2005 shall, within two Business Days of the date of this Order, pay over to the Receiver all funds in its hands which constitute Property, without prejudice to the

claims of Chesterton Investments Limited and Lightning Distribution Inc. in respect of a portion of the proceeds of the sale of 480-500 Centennial Parkway, Hamilton, Ontario.

4. THIS COURT ORDERS that effective upon the making of the payment(s) by the Marketing Agent to the Receiver referred to in paragraph 3 above, the appointment of DTCFI Marketing Agent, be and is hereby terminated, and DTCFI be and is hereby discharged as Marketing Agent.

5. THIS COURT ORDERS that Deloitte & Touche Inc., as Monitor over the business and affairs of IWS, appointed by Order of Mr. Justice Farley dated May 4, 2004 in Court File No. 02-CL-4794 and confirmed by paragraph 2 of the Judgment of Mr. Justice Farley dated September 1, 2005 in Court File No. 02-CL-4794 (the "Monitor") be terminated and the Monitor shall be discharged and any claims of any nature whatsoever shall be forever barred and extinguished, save and except for gross negligence or wilful misconduct, and no proceeding alleging gross negligence or wilful misconduct shall be commenced against the Monitor without leave of the Court. The Receiver shall exercise any former duty of the Monitor pursuant to paragraph 3(d) of the September 1, 2005 Judgment, the June 28, 2006 Order of Spies J. and any further orders of the Court concerning legal fees.

6. THIS COURT ORDERS that Fourth Report of the Monitor, dated December 22, 2006, and the Fifth Report of the Monitor, dated March 12, 2007, be and the same is hereby accepted and the actions and activities of the Monitor as reported therein are hereby approved.

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal shall be commenced or continued by any of the parties affected by the sales process against the Marketing Agent with respect to the sales process (the "Sales Process") conducted by

it pursuant to the order of Mr. Justice Farley Order made September 1, 2005, any claims of any nature whatsoever shall be forever barred and extinguished, save and except for gross negligence or wilful misconduct, and no proceeding alleging gross negligence or wilful misconduct shall be commenced against the Marketing Agent without leave of the Court

RECEIVER'S POWERS

8. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized, but not obligated, to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to implement the recommendations contained in the Fourth Report of the Marketing Agent, dated February 27, 2007;
- (d) to engage, with the consent of Morris, consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise

of the powers and duties conferred by this Order. Without limiting the forgoing, the Receiver is expressly empowered and authorized, but not obligated to have access to and/or retain the services of the former Marketing Agent and the former Monitor of IWS;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of IWS or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to IWS and to exercise all remedies of IWS in collecting such monies, including, without limitation, to enforce any security held by IWS;
 - (g) to settle, extend or compromise any indebtedness owing to IWS;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of IWS, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of IWS;
 - (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to IWS, the Property or the Receiver, and to settle or compromise any such proceedings.
- The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction for the sale of IWS' inventory, not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000;

(ii) without the approval of this Court in respect of any transaction for the sale other than IWS' inventory, not exceeding \$75,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and

(iii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the

receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of IWS;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of IWS, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by IWS;
- (q) to exercise any shareholder, partnership, joint venture or other rights which IWS may have;
- (r) to pay to DTCFI and its counsel any unpaid amounts remaining owing on account of their reasonable fees and disbursements in respect of DTCFI's appointment as Marketing Agent;
- (s) to pay the Monitor and its counsel any unpaid amounts remaining owing on account of their reasonable fees and disbursements in respect of the Monitor's appointment;
- (t) to take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including IWS, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

9. THIS COURT ORDERS that (i) IWS, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

10. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of IWS, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

11. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

12. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST IWS OR THE PROPERTY

13. THIS COURT ORDERS that no Proceeding against or in respect of IWS or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of IWS or the Property are hereby stayed and suspended pending further Order of this Court, save and except (a) the motion for confirmation of, or to oppose confirmation of, the Reference Report of Master R.B. Linton concerning the liability of Chester Waxman, Warren Waxman, Robert Waxman and IWS in Court File no. 33234/88 and any appeals therefrom; (b) a motion by Chester Waxman for funding of the motion for confirmation of, or to oppose confirmation of, the Reference Report of Master R.B. Linton; ^{AND ANY APPEALS THEREFROM} (c) the assessment of the costs against Chester Waxman, Warren Waxman, Robert Waxman and IWS and related parties pursuant to the order of Sanderson J. dated January 10, 2003 (the "Costs Order") or to quantify the amounts owing by such parties in respect of costs pursuant to any other obligation or order; (d) any proceedings to quantify the amount that Chester Waxman, Warren Waxman, Robert Waxman and related parties owe to IWS in respect of legal fees and disbursements paid by IWS and ordered reimbursed to IWS pursuant to the Costs Order; (e) the appeal of the Order of Madam Justice Spies dated June 28, 2006 concerning Chester Waxman's ability to access certain funds to pay legal fees and disbursements; (f) any proceedings to quantify the amount owing to IWS by Lightning Distribution Inc. pursuant to the Judgment of Farley J. dated September 1, 2005; and (g) any motion by Chesterton Investments Limited or Lightning Distribution Inc. to seek payment of a portion of the proceeds of the sale of 480-500 Centennial Parkway, Hamilton (collectively, the "Main Proceedings").

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that, subject to the exceptions referred to in paragraph 9 above, all rights and remedies against IWS, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or IWS to carry on any business which IWS is not lawfully entitled to carry on, (ii) exempt the Receiver or IWS from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

15. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by IWS, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that all Persons having oral or written agreements with IWS or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, freight services, utility or other services to IWS are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required

by the Receiver, and that the Receiver shall be entitled to the continued use of IWS' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of IWS or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

17. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Receivership Accounts") and the monies standing to the credit of such Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court in these proceedings or in the Main Proceedings.

EMPLOYEES

18. THIS COURT ORDERS that, upon the making of this order, all employees of the Company are hereby terminated. Upon the termination of Chester Waxman, Warren Waxman or Gary Waxman, no further monies provided for in paragraph 1(d) of the Judgment of Farley J., dated September 1, 2005 in Court File No. 02-CL-4794 shall be paid to such person or expenses covered in respect of them or any member of the Chester Waxman family, without prejudice to

whatever rights, if any, such persons may have to any contractual or statutory severance pay, vacation pay or termination pay, or to reimbursement of reasonable and ordinary business expenses incurred prior to such termination. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

19. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by IWS, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or

collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

21. THIS COURT ORDERS that the Receiver 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 Receiver by any applicable legislation.

RECEIVER'S ACCOUNTS

22. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel both ⁱⁿ ~~is~~ respect of this application to date and hereafter,

incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

23. THIS COURT ORDERS the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

24. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver 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 normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

25. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges

thereon, in priority to all security interests, trusts, liens, charges and encumbrances; statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

26. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

27. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

28. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of IWS.

31. 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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

32. THIS COURT ORDERS that the Receiver 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.

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Mar 26/07
Order to cease
on above terms
as amended
J. D. [Signature]

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver (the "Receiver") of all of the assets, undertakings and properties of I. Waxman & Sons Limited appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 8th day of March, 2007 (the "Order") made in an action having Court file number 05-CL-5881, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the _____ day of each month after the date hereof at the rate of _____ per cent *per annum*.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2007.

Deloitte & Touche Inc., solely in its capacity as
Receiver of the Property (as defined in the
Order), and not in its personal capacity

Per: _____

Name:

Title:

MORRIS WAXMAN

- and -

CHESTER WAXMAN, et al
Respondent

Applicant

Court File No. 05-CL-5881

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

ORDER

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EXHIBIT B

I. WAXMAN & SONS LIMITED

TENDER PACKAGE

SALE PROCESS

ASSET LISTINGS

TERMS & CONDITIONS

April 17, 2007

Deloitte.

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I. NOTICE TO READER

Deloitte & Touche Inc., in its capacity as court appointed Receiver of the current and future assets, property and undertaking of I. Waxman & Sons Limited (“IWS” or the “Company”) and not in any personal or corporate capacity (the “Receiver” or “Deloitte”) has been authorized by the court to solicit proposals for the purchase of certain assets of I. Waxman & Sons Limited. The Receiver was appointed by an Order of the Ontario Superior Court of Justice (the “Court”) on March 26, 2007 (the “Receivership Order”).

This document has been prepared solely for the convenience of prospective purchasers to assist them in considering submission of a proposal to purchase any or all of the Company’s assets offered for sale.

Deloitte has acted solely in its capacity as the Receiver and has neither audited nor independently verified any of the information contained herein and makes no express or implied representation or warranty with respect to the accuracy or completeness of such information. Nothing contained in this document is, or should be relied upon as, a representation as to the present or future value, fitness, merchantability, or condition of the assets. Each prospective purchaser must rely upon its own inspection and investigation in order to satisfy itself as to title, merchantability, encumbrances, description, fitness for purpose, quantity, condition, existence, quality, value or any other matter or thing whatsoever relating to the assets to be purchased, and the Receiver shall not bear any responsibility for any inaccuracy, misrepresentation, error or omission in respect thereof.

The information contained herein has been prepared for the sole purpose of presentation to prospective purchasers of the Company’s assets offered for sale and is to be held in confidence and is not to be reproduced or used for any other purpose or disclosed to third parties without the prior written consent of the Receiver.

Neither this document, nor its delivery to any prospective purchaser, shall constitute an offer to sell.

II. SALE PROCESS

1. The Receiver will consider binding offers ("Offers") to purchase, on an "as-is, where-is" basis, IWS' right, title and interest, if any, in the assets of IWS offered for sale as set out herein, in accordance with the sale process described herein and the terms and conditions set out in the Agreement of Purchase and Sale attached as Exhibit "A" hereto (the "Agreement of Purchase and Sale").
2. The assets are available for inspection by contacting the Deloitte representative identified below to arrange for an appointment:

Mr. Paul van Eyk
Deloitte & Touche Inc.
79 Wellington Street West, Suite 1900
P.O. Box 29, TD Centre
Toronto, ON M5K 1B9

Telephone: (416) 601-6648
Facsimile: (416) 601-6690

3. Persons ("Prospective Purchasers") interested in making Offers on one or more parcels of assets (the "Parcels") must submit their Offers using the Agreement of Purchase and Sale, which must be received by Deloitte, to the attention of Mr. Paul van Eyk at the address set out above, on or before **5:00 pm EDT (Toronto time), Tuesday, May 8, 2007** (the "Offer Date"), although Prospective Purchasers are encouraged to submit their Offers as soon as possible, since the Receiver reserves the right to negotiate with any Prospective Purchaser at any time and to sell any or all assets at any time prior to the Offer Date. In addition, the highest Offer may not necessarily be accepted or any Offer which is accepted by the Receiver is subject to Court approval. Such Court approval contemplates a standard vesting order, vesting in the prospective purchaser IWS' right, title and interest in the purchased assets, free and clear of encumbrances as more particularly described in such order.
4. All Offers must be accompanied by a deposit in the form of a bank draft or certified cheque payable to Deloitte & Touche Inc., Receiver of I. Waxman & Sons Limited, in Trust"

(the "Deposit") in an amount equal to 10% of the gross purchase price offered for the Parcel(s). The Deposit shall be dealt with in accordance with the Agreement of Purchase and Sale.

5. All assets and Parcels are to be sold on a strictly "as-is, where-is" basis. Prospective Purchasers are responsible for inspecting the assets described in each Parcel *in situ* and satisfying themselves as to the title, condition, fitness and all other matters relating thereto.
6. Documentation relating to the various Parcels may be obtained from the Receiver at the aforementioned address. Such documentation has been prepared or collected solely for the convenience of Prospective Purchasers and is not warranted to be complete or accurate. In the event of any inconsistency between any such documentation (including, without limitation, this Tender Package) and the Agreement of Purchase and Sale, the Agreement of Purchase and Sale shall govern.
7. Assets which are leased by IWS from various lessors are excluded from the sale process ("Excluded Assets"). A list of Excluded Assets is provided in Section IV of this Tender Package.
8. All Offers must be on the form of Agreement of Purchase and Sale signed by a duly authorized officer of the entity making the Offer and shall constitute a binding and irrevocable Offer by the Prospective Purchaser. However, the Agreement of Purchase and Sale shall not be binding upon the Receiver until it is formally accepted and duly executed by the Receiver and approved by the Court. The Receiver reserves its rights to accept an Offer which is not in the form of Agreement of Purchase and Sale, though preference will be given to those Offers made using the form of Agreement of Purchase and Sale.
9. If any Offer is accepted, the Receiver will notify the successful Prospective Purchaser (the "Purchaser") of such acceptance on or before **Thursday, May 10, 2007** by notice in writing either delivered or by prepaid registered mail addressed to the Purchaser at the address set forth in its Offer, such notice to be deemed effectively given and received when deposited in the post office or when delivered, as the case may be. Acceptance of any Offers by the Receiver shall be subject to the approval of the Court, which shall be sought by the Receiver in accordance with the Agreement of Purchase and Sale.
10. All Deposits in respect of Offers not accepted by the Receiver will be returned to the Prospective Purchasers by prepaid registered mail, addressed to the party at the address set forth in its Offer

on or before May 10, 2007 without interest thereon, unless such deposits have otherwise been forfeited pursuant to the Agreement of Purchase and Sale.

11. The Receiver reserves the right to amend or terminate the Sale Process at any time.

III. DESCRIPTION OF ASSETS AVAILABLE FOR SALE

IWS is located in Hamilton, Ontario, and carried on business as a ferrous scrap processor and broker from 1956 to March 26, 2007, the date of receivership. The Company offered a variety of scrap grades to meet the various needs of its customers, including number one bushelling, number one heavy metal, plate and structured scrap.

Certain assets of IWS are being offered for sale either as parcels, lots within a parcel or *en bloc*. The individual parcels are as follows:

<u>Asset Category</u>	<u>Parcel</u>
Scrap Inventory	1
Lugger, Roll-off and Dumper Bins	2-6
Automobile	7
Trailer - Lugger	8
Trailer Roll-off	9
Trailer – Walking Floor	10
Trailer - Dump	11
Trailer – Flatbed	12
4 Axle Trailer	13
Tractor	14
Tractor – Lugger with Trailer	15
Tractor - Roll-off with Trailer	16
Office Trailer	17
Liebherr Crane and Accessories	18
Fuchs Mobile Crane & Accessories	19
Magnet	20
Grapple	21
Loader	22
Above Ground Scale	23
Below Ground Scale	24
Floor Scale	25
Radiation Detection System	26
Camera System	27
Shear Stick	28
Office Furniture & Equipment	29
Real Estate	30

PARCEL 1 SCRAP INVENTORY

The majority of the Company's scrap inventories are located at 75 Windermere Road in Hamilton, Ontario and these scrap inventories consist of a variety of grades. While it is the desire of the Receiver to sell the entire scrap inventory *en bloc*, Prospective Purchasers may allocate their bid to specific inventory lots, by completing the "Per Unit Offer" column. Prospective Purchasers must indicate whether their bid for the inventory located at Windermere Road differs if they are required to load the inventory themselves. For inventory located at the third party in London, the bid must be based on the purchaser loading the inventory themselves.

For the purposes of this Sale Process, we have broken down the Company's scrap inventories into 21 lots, based on the grade and location of the inventory, as follows:

Lots 1 to 19 (Windermere Road Location)

Lot	Type of Inventory	Estimated Weight (Net Tons)	Loaded by Receiver		Loaded by Purchaser	
			Per Unit Offer (\$/Net Ton)	Total Amount Offered (CDN\$)	Per Unit Offer (\$/Net Ton)	Total Amount Offered (CDN\$)
1	3' Bushelling	535				
2	Low-Phos Bushelling	350				
3	2' Free Flowing Bushelling	210				
4	4' Rail	200				
5	Weld Slag	100				
6	Heavy Melt	85				
7	2' Plate & Structural	80				
8	Flashings	65				
9	Auto Cast	65				
10	Nuts & Bolts	50				
11	Coils	50				
12	Mixed Bailing	38				
13	Punchings (Coolant)	35				
14	5' Mixed Bushelling	35				
15	Bead Wire Bales	20				
16	#1 Bundles	12				
17	Oversize Plate (heavy beams, skeleton plates)	12				
18	Steel Turnings	5				
19	Shredding Steel	2				
Total per Windermere		<u>1,949</u>	\$	<u> </u>	\$	<u> </u>

Lots 20 to 21 (Third Party, London, Ontario)

Lot	Type of Inventory	Estimated Weight (Net Tons)	Per Unit Offer (\$CD/NT)	Total Amount Offered (CDN\$)
20	#1 Unprepared bushelling	23		
21	Steel cans	18		
Total per Third Party		<u>41</u>	\$	<u> </u>

The scrap inventories are listed above by grade and **estimated** weight by net ton.

The third party storing Lots 20 and 21 of Parcel 1, being an estimate of 41 net tons of scrap steel, may exert a claim for processing fees and refuse to release the inventory. It is the Receiver's position that any

such claim, if proven, may rank as an unsecured claim. In the event court proceedings are required to take possession of the inventory, the Receiver may not be in a position to conclude a sale by the closing date and would consequently be required to remove the Lots from the tender process.

All offers to purchase the scrap inventory must provide a purchase price in Canadian dollars per net ton (\$CD/NT) by lot.

All scrap inventories sold will be subject to final weighing by the Receiver. The Receiver has received 30-day goods claims from certain suppliers which are currently under review. In the event any or all of these 30-day goods claims are valid, the quantity of scrap available for sale by lot could vary materially upon final weighing by the Receiver.

Purchasers should specify whether they wish to utilize the crane and equipment for loading scrap. Preference will be given to those purchasers making their own arrangements for loading scrap.

PARCELS 2 – 6 LUGGER, ROLL-OFF AND DUMPER BINS

The Company has a significant number of bins varying by size and type which have been broken down into Parcels. These bins include *Lugger, Roll-off and Dumper* bins (the “Bins”). These Bins are either located at the Windermere yard or in the possession of scrap steel and waste customers. The following is a summary of Bins identified by the Receiver as at March 26, 2007 either by a physical count or a review of the Company’s records.

The Receiver has made best efforts to identify Bins in the possession of the Company’s scrap and waste customers. The Receiver will provide to the purchaser(s) the names and addresses of those customers identified as having Bins in their possession.

While it is the desire of the Receiver to sell each Parcel of Bins *en bloc*, Prospective Purchaser(s) may allocate their bid to specific assets by completing the “No. of Bins in Offer” & “Per Unit Offer” columns as per the table on the following page.

All offers to purchase any or all Bin lots must provide a purchase price quoted in Canadian dollars per Bin (\$CD/NT). All Bins sold will be subject to final count by the Receiver and confirmation by the respective purchaser(s). The Bins are being sold “as-is, where-is” and the successful purchaser is responsible for taking possession of the Bins wherever located at their own cost.

Purchasers should be aware that they will need to make their own arrangements for the removal of Bins purchased.

**PARCELS 2 – 6 (CONTINUED)
LUGGER, ROLL-OFF AND DUMPER BINS**

Parcel	Location	No. of customers	Description	Size	Total Bins	No. of Bins in Offer	Per Unit Offer (\$/Bin)	Total Amount Offered (CDN\$)
2	Steel Customers	14	Dumper	1/4 yd	8			
				1/2 yd	14			
				3/4 yd	26			
				1 yd	60			
				1 1/2 yd	3			
				2 yd	12			
				2 1/2 yd	1			
					124		\$	
	Steel Customers	37	Lugger	20 yd	5			
				12 yd	43			
				10 yd	3			
				6 yd	10			
					61		\$	
	Steel Customers	16	Roll-off	40 yd	25			
20 yd				6				
				31		\$		
Parcel 2 Total					216		\$	
3	Waste Customers	5	Dumper	2 yd	66			
	Waste Customers	7	Lugger	12 yd	16			
	Waste Customers	18	Roll-off	40 yd	36			
				20 yd	3			
Parcel 3 Total					121		\$	
4	Windermere Yard	N/A	Lugger	20 yd	45			
				12 yd	257			
				8 yd	46			
				6 yd	57			
Parcel 4 Total					405		\$	
5	Windermere Yard	N/A	Roll-off	60 yd	6			
				50 yd	1			
				40 yd	60			
				30 yd	21			
				20 yd	45			
				14 yd	12			
Parcel 5 Total					145		\$	
6	Windermere Yard	N/A	Dumper	1 yd	1			
				2 1/2 yd	5			
Parcel 6 Total					6		\$	
TOTAL BINS					893		\$	

**PARCEL 7
AUTOMOBILE**

Type	Description	Serial Number
Automotive	1996 Cadillac Fleetwood (white)	IG6DW52P2TR704825

**PARCEL 8
TRAILER-LUGGER**

Type	Description	Serial Number
Trailer - Lugger	Titan 5 Axle Lugger trailer	2K9LU1Z52XH035111
Trailer - Lugger	2002 Titan 5 Axle Lugger trailer	2K9LU1G5X2H035059
Trailer - Lugger	5 Axle Lugger Trailer	2K9LU1Z54XH035045
Trailer - Lugger	5 Axle Lugger Trailer	2K9LU1Z56XH035046
Trailer - Lugger	5 Axle Lugger Trailer	2K9LU1Z58XH035047

**PARCEL 9
TRAILER – ROLL-OFF**

Type	Description	Serial Number
Trailer - Roll-off	2001 Titan 4 Axle Roll-off trailer	2K9RF1Z441H035162
Trailer - Roll-off	1998 4 Axle Straight Deck Roll-off Trailer, Model CT80-48-4-TA - Super Roll Trailer	2C9SHIJDXWV05279
Trailer – Roll-off	5 Axle Roll-off Trailer	2K9RF1Z54XH035048
Trailer – Roll-off	5 Axle Roll-off Trailer	2K9RF1Z56XH035049

**PARCEL 10
TRAILER – WALKING FLOOR**

Type	Description	Serial Number
Trailer - Walking Floor	Universal Hauling Open Top Walking Floor Transfer Trailer	2U9D4804031004594

**PARCEL 11
TRAILER – DUMP**

Type	Description	Serial Number
Trailer - Dump	1995 Titan 4 axle dump trailer	2K9DP1J48RH035373
Trailer - Dump	1994 Titan 4 axle dump trailer	Unavailable
Trailer - Dump	1990 Titan 4 axle dump trailer	2K9DP1Z4XLM035144
Trailer - Dump	1998 Titan 4 axle dump trailer	2K9DP1Z45WH035217
Trailer - Dump	1998 Titan 4 axle dump trailer	2K9DP1Z43WH035216
Trailer - Dump	1998 Titan 4 axle dump trailer	Unavailable

**PARCEL 12
TRAILER – FLATBED**

Type	Description	Serial Number
Flat bed trailers	Two flat bed trailers	n/a

**PARCEL 13
4 AXLE TRAILER**

Type	Description	Serial Number
Trailer	1994 4 axle Titan trailer Located at a 3 rd Party – RIMS Corporation	2K9DP1Z49RH035385
Trailer	1995 4 axle Titan trailer Located at a 3 rd Party – RIMS Corporation	2K9DP1Z46SH035009
Trailer	1995 4 axle Titan trailer Located at a 3 rd Party – RIMS Corporation	2K9DP1Z47SH035118
Trailer	1995 4 axle Titan trailer	2K9DP1Z43SH035083
Trailer	1994 4 axle Titan trailer	2K9DP1Z44RH035374

**PARCEL 14
TRACTOR**

Type	Description	Serial Number
Tractor	1998 Mack tractor; Located at a 3 rd Party – Leclair Truck Repair Ltd.; water pump is not functioning	1M1AA18Y5WW086252

**PARCEL 15
TRACTOR-LUGGER WITH TRAILER**

Type	Description	Serial Number
Tractor - Lugger	2002 Kenworth T800, with a Hammant Lugger unit, Model L604S (SN B1804)	INKDXBTX12J965463
Tractor - Lugger	1999 Kenworth T800, with a Hammant Lugger unit, Model L604S (Lease buy-out - contract #790-0652805-001) (SN 98A681)	INKDXBTX8XJ955455
Tractor - Lugger	1999 Kenworth T800, with a Hammant Lugger unit, Model L604S (Lease buy-out - contract #790-0652805-001) (SN 98A682)	INKDXBTX4XJ955453
Tractor - Lugger	1999 Kenworth T800, with a Hammant Lugger unit, Model L604S (Lease buy-out - contract #790-0652805-001) (SN 98A684)	INKDXBTX6XJ955454
Tractor - Lugger	1999 Kenworth T800, with a Hammant Lugger unit, Model L604S (Lease buy-out - contract #790-0652805-001) (SN 98A685); Located at a 3 rd Party – Leclair Truck Repair Ltd.; not movable, used as a parts truck	INKDXBTXXXJ955456

PARCEL 16
TRACTOR – ROLL-OFF WITH TRAILER

Type	Description	Serial Number
Tractor - Roll-off	1999 Kenworth T800; 1998 Chagnon Roll-Off System Model CR007524 (SN 92502); Located at a 3 rd Party – Leclair Truck Repair Ltd.; battery is dead	INKDXBTX1XJ955457
Tractor - Roll-off	1999 Kenworth T800; 1999 Chagnon Roll-Off System Model CR007524 (SN 92503)	INKDXBTX3XJ955458
Tractor - Roll-off	1999 Kenworth T800; 2000 Chagnon Roll-Off System Model CR007524 (SN 92515)	INKDXBTX5XJ955459

**PARCEL 17
OFFICE TRAILER**

Type	Description	Serial Number
Office trailer	Atco 12' X 50' long office trailer c/w tri axle; Located at a 3 rd Party – Pier 15 – Hamilton Port Authority; needs repair	25688261
Office trailer	3 room trailer (includes a bathroom)	n/a

**PARCEL 18
LIEBHERR CRANE AND ACCESSORIES**

Purchasers should be aware that the equipment may be required for a period of time following the tender deadline to facilitate scrap loading.

Type	Description	Serial Number
Scrap Master	Liebherr crane - R954HDW; with a 66" Walker Scrapmaster magnet (SN 1651)	569 1049
Maggrab Grapple	BR150-M44 Bateman 1-1/2 yd Maggrab Grapple (BM1835B) with spare hydraulic cylinder	n/a
Crane - Yoke	LD9446 Standard R954HDEW Yoke	n/a

PARCEL 19
FUCHS MOBILE CRANE & ACCESSORIES

Purchasers should be aware that the equipment may be required for a period of time following the tender deadline to facilitate scrap loading.

Type	Description	Serial Number
Crane	Fuchs Mobile Crane MHL360 with 16.5 loading attachment; with a Walker Scrapmaster II 66" magnet	3101100114

**PARCEL 20
MAGNET**

Type	Description	Serial Number
Magnet	Gensco LRD 67" magnet complete with field alumn. Wd. coil, cast steel shell, chains and connectors. 230V DC stock – for Sennebogen crane	n/a
Magnet	Gensco 67" Canmag type LR067magnet c/w chains and set of connectors 230V DC. for Sennebogen crane	n/a

**PARCEL 21
GRAPPLE**

Type	Description	Serial Number
Grapple	5CG17 Contractors Grapple for John Deere Excavator	508638

**PARCEL 22
LOADER**

Type	Description	Serial Number
Loader	John Deere Model TC44H Tool Carrier Loader with 2.5 CU YD GP Bucket Industrial Fork Frame with 54" Forks	DWTC44H564509

**PARCEL 23
ABOVE GROUND SCALE**

Type	Description	Serial Number
Above Ground Scale	10 x 80 steel deck #5144; concrete pier, pins, t-belting. Above ground scale, 77,000kg, Alectronic Scale King indicator; Class III; 3 pieces; Located at a 3 rd Party – Every Scale	54789/5144; SWA: AM5381

**PARCEL 24
BELOW GROUND SCALE**

Type	Description	Serial Number
Below-ground Truck Scale	Scale - Windermere	n/a

**PARCEL 25
FLOOR SCALE**

Type	Description	Serial Number
Floor Scale	Cardinal Floor Hugger 2075	C87571

**PARCEL 26
RADIATION DETECTION SYSTEM**

Type	Description	Serial Number
Radiation Detection System	Exploranium Radiation Detection system GR510 2x1100 NA Upgradeable to 4400	n/a
Radiation Detection System	Exploranium Radiation Detection system GR110 PRTBL SCNTLMTR	n/a

**PARCEL 27
CAMERA SYSTEM**

Type	Description	Serial Number
Camera system	Yard TV and security camera	CAA00297 / CFR00008

**PARCEL 28
SHEAR STICK**

Type	Description	Serial Number
Shear Stick	Shear Stick for Liebherr hydraulic excavator R962LC/133 (MSD70R Series II Mobile Shear)	70683

**PARCEL 29
OFFICE FURNITURE AND EQUIPMENT**

Lot	Type	Quantity	General Description
1	Server	1	Server
2	IT Equipment	6	Calculator
2	IT Equipment	11	Computer
2	IT Equipment	8	Keyboard
2	IT Equipment	14	Monitor
2	IT Equipment	5	Monitor - Flat Screen
2	IT Equipment	7	Printer
2	IT Equipment	1	Printer - Laser
2	IT Equipment	1	Printer - Multi-Function
2	IT Equipment	1	Printer - Photo
2	IT Equipment	1	Typewriter - Electronic
3	Telecom Equipment	16	Telephone
3	Telecom Equipment	1	Telephone - Cordless
4	Furniture	1	Bench - Van Seat
4	Furniture	2	Bookshelf
4	Furniture	3	Cabinet
4	Furniture	24	Chair
4	Furniture	4	Chair - Desk
4	Furniture	8	Chair - Leather
4	Furniture	12	Desk
4	Furniture	4	Desk - Computer
4	Furniture	5	Desk - Large
4	Furniture	5	Desk - Metal
4	Furniture	19	Filing Cabinet - Large
4	Furniture	4	Filing Cabinet - Medium
4	Furniture	6	Filing Cabinet - Portable
4	Furniture	12	Filing Cabinet - Small
4	Furniture	1	Hammock
4	Furniture	8	Locker
4	Furniture	2	Paper Cutter
4	Furniture	1	Sofa - Leather
4	Furniture	1	Sofa Chair
4	Furniture	7	Table
4	Furniture	1	Table - Conference
4	Furniture	1	Table - Glass
4	Furniture	2	Wood Bench
5	Appliances	3	Coffee Machine
5	Appliances	4	Fridge
5	Appliances	2	Fridge - Mini
5	Appliances	4	Microwave
5	Appliances	1	Stove
5	Appliances	1	Television
5	Appliances	3	Toaster
5	Appliances	2	Water Cooler

PARCEL 30 REAL ESTATE

The 75 Windermere Road property is jointly and equally owned by the holding companies of Morris and Chester (the “Parties”). The Receiver will be seeking confirmation from the Court as to its authority to sell the Windermere Property.

Property Profile

Address	75 Windermere Road, Hamilton, ON	
Date of Inspection	November 21, 2005	
Description	The property comprises an irregular parcel of land located to the east of the City’s major employers – Stelco and Dofasco. It is surrounded by industrial uses ranging from logistics and ancillary/support industries to Steel manufacturing/processing and chemicals production. Other than the industrial uses to the west of the site, the predominant land use to the west and north is a very large site used for the stockpiling of aggregates by Lafarge, which dominates the view from the QEW highway/Woodward interchange. The land is generally level and has frontage on Windermere Road, which runs parallel to Burlington St. Currently, there are several buildings on site used for the current process including two main industrial buildings and connected and freestanding sheds of varying condition.	
Current Use	Scrap metal salvage and processing	
Location	The property is located in East Hamilton in the heart of the city’s heavy industrial district. It is accessed via Burlington Street, which traverses the industrial area fronting on Hamilton Harbour, and which provides fast access to Hamilton’s major industries of Steel and Petrochemical manufacturing. Primary vehicle access is via Woodward Avenue from the QEW highway.	
Area Characteristics	Predominantly heavy industrial	
Adjoining uses	To the north:	Scrap metal recycler (ABP) and aggregate storage (Lafarge)
	To the south:	Windermere Road and Burlington Street, south of which is a single family residential district and industrial warehousing/distribution facility
	To the east:	Aggregate processing and storage yard (Lafarge)
	To the west:	Petro-Pass truck station, beyond which is a chemical plant (Columbian Chemicals)
Size	6.6 acres in total, 800 feet frontage, 675.84 feet total depth	
Legal Description	Concession BF, Part Lot 32, SLT, in the City of Hamilton.	
Property Assessment and Taxes	Assessment 2005:	\$1,236,000
	Assessment 2004:	\$1,236,000
	Property Taxes 2005:	\$59,276.16
	Property Taxes 2004:	\$59,546.62

PARCEL 30 (CONTINUED) REAL ESTATE

Traffic Count

Calculated on Burlington Street at Parkdale

Southbound – 24 hr volume – 7,726

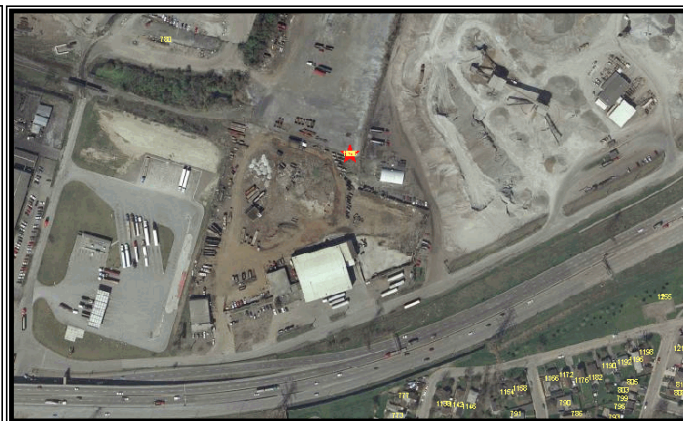
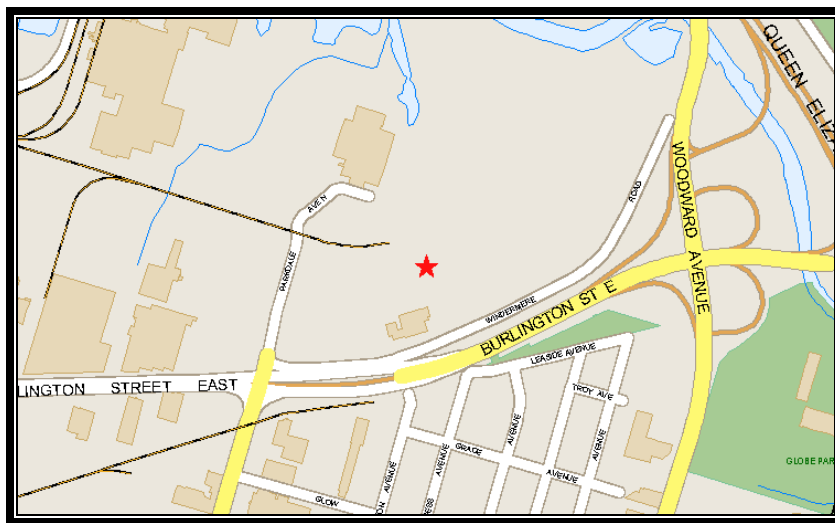
Northbound – 24 hr volume – 6,744

Total – 24 hr volume – 14,470

Potential Future Uses

The site is industrial in nature and the surrounding land uses support such use. These influences suggest that future land uses will remain industrial or heavy industrial and outside materials storage may well continue to be a component. The zoning however does provide for a wide range of uses within and outside these categories.

Location Map and Aerial Photographs



**PARCEL 30 (CONTINUED)
REAL ESTATE**

Land Use Regulations

Zoning	K – Heavy Industry etc.
Permitted Uses	<p>Correctional facility</p> <p>Emergency medical or surgical</p> <p>Day nursery</p> <p>Corrections residence</p> <p>Residential for maintenance staff</p> <p>Public garbage dump, public incinerator or other use permitted in an “I” district</p> <p>Lumber yard, salvage yard, stock yard, fuel storage tank, spray paint shop</p> <p>Gun shop, billboard sign, race track, roller coaster, dry cleaning, solid fuel supply yard, fuel storage tank, storage of raw hides, scrap metals storage in containers inside a building, lumber yard etc, grain elevator, carpet cleaning shop, spray painting or other commercial uses as permitted in an “I” district</p> <p>Class “H” adult entertainment parlour</p> <p>Vegetable oils manufacture</p> <p>Slaughterhouse, tannery, glue factory etc.</p> <p>Textile factory</p> <p>Wood products factory etc.</p> <p>Small metal wares factory etc.</p> <p>Ceramics factory etc.</p> <p>Pharmaceuticals factory etc.</p> <p>Brush manufacture etc.</p> <p>Any industrial use permitted in an “I” District</p>
Height Requirements	In a “K” District, no building shall exceed 10 storeys or 37 metres (except a blast furnace or other industrial structure).
Other Requirements or Limitations	<p>A maximum of 85% lot coverage by buildings</p> <p>4.5 metre side and rear yard setback</p>
Adjacent Zoning	K – Heavy Industry etc.
Other	While every effort has been made to determine and summarize the current zoning and permitted uses, the descriptions are condensed. The reader should therefore not rely on the above information as being comprehensive and should conduct his/her own enquiries with the City of Hamilton.

**PARCEL 30 (CONTINUED)
REAL ESTATE**

Photographs



IV. EXCLUDED ASSETS

EXCLUDED ASSETS - EQUIPMENT LEASES

COMPANY	TERM	EQUIPMENT	SERIAL NUMBER	EFFECTIVE	EXPIRY
GE Capital Canada #120004918971	66 Mo	1999 John Deere Excavator, model #330LC with customer supplied grapple; 12,978 working hours logged	FF0330X080363	September 23, 2003	March 23, 2009
GE Capital Canada #120004842576	66 Mo	2004 Kenworth Truck, model T800, c/w chagnon roll-off hoist (model CR007524)	1NKDXBTX34J971526	April 28, 2003	October 28, 2008
GE Capital Canada #120004842576	66 Mo	2003 Titan 5 axle roll-off trailer	2K9RF1Z593H035198	April 28, 2003	October 28, 2008
GE Capital Canada #120004491374	65 Mo	1998 Liebherr Hydraulic Excavator c/w All Attachments, model # R954B-HD; 12,790 working hours logged	629 5050	7/9/2002	12/9/2007
GE Capital Canada #120005229274		2005 New Labounty Shear, model MSD 4500	645026	Unavailable	Unavailable
GE Capital Canada #120005078578	65 Mo	2004 Sennebogen, model 835-R-HD; (200 KW; 40000KG); 6,325 working hours logged	835.5.511	May 11, 2004	October 11, 2009
Key Equipment Finance Canada #CM0447	60 Mo	2004 Mack CV713 Granite, 4 Axle Chassis c/w Chagnon Roll Off Body	1M2AG10C44M014462	April 23, 2004	April 23, 2009
Key Equipment Finance Canada #CM0447	60 Mo	2004 Mack CV713 Granite, 4 Axle Chassis c/w Chagnon Roll Off Body	1M2AG10C24M014461	April 23, 2004	April 23, 2009
Key Equipment Finance Canada #CM0447	60 Mo	2004 Mack CV713 Granite, 4 Axle Chassis c/w Hammant Car Luggage Body	1M2AG10C44M014459	April 23, 2004	April 23, 2009
Key Equipment Finance Canada #CM0447	60 Mo	2004 Mack CV713 Granite, 4 Axle Chassis c/w Hammant Car Luggage Body	1M2AG10C44M014460	April 23, 2004	April 23, 2009
Lift Capital Corporation #2154	36 Mo	Used 1997 Toyota 6FGCU25 Lift Truck	70588	August 17, 2004	August 17, 2007
Image Financial Services Inc. #440831	48 Mo	1 Canon IR5020 Copy/Print 1 Canon IR2010F Copy/Print/Fax	Unavailable Unavailable	May 1, 2004	May 1, 2009
CBSC Capital Inc.	36 Mo	1 Canon IR2270 Copy/Print/Fax	KGJ07243	August 1, 2005	August 1, 2008

***EXHIBIT A: AGREEMENT OF
PURCHASE AND SALE***

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made as of May •, 2007

BETWEEN

[Insert name of purchaser], a corporation incorporated under the laws of **[insert jurisdiction of incorporation]** (the “Purchaser”),

- and -

Deloitte & Touche Inc., Receiver of the current and future assets, property and undertaking of I. Waxman & Sons Limited, a corporation incorporated under the Canada Corporations Act (the “Vendor”).

RECITALS:

- A. On March 26, 2007, I. Waxman & Sons Limited was placed into receivership by Order of the Ontario Superior Court of Justice (“Receivership Order”).
- B. Deloitte & Touche Inc. was appointed as the Court-appointed Receiver of the current and future assets, property and undertaking of I. Waxman & Sons Limited (the “Receiver”) pursuant to the Receivership Order.
- C. This Agreement is subject to the approval of the Court.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“**Applicable Law**” means

- (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, and
 - (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law.
-

“Approval and Vesting Order” means an order of the Court substantially in the form of Schedule "F" hereof.

“Business Day” means a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario.

“Claims” means all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), interest, penalties, costs, claims, complaints and demands of whatever nature or kind including all legal fees and costs on a solicitor and client basis.

“Closing Date” means **Tuesday, May 22, 2007**, or such other date as may be agreed to in writing between the Vendor and the Purchaser, or as may be extended by the Vendor pursuant to Section 6.01.

“Court” means the Ontario Superior Court of Justice.

“Excluded Assets” means the assets listed on Schedule “B” attached hereto.

“Facility” means the Company’s leased premises (Windermere property in Hamilton, Ontario)

“Governmental Authority” means any domestic or foreign legislative, executive, judicial or administrative body or person having or purporting to have jurisdiction in the relevant circumstances.

“Indemnified Parties” has the meaning set out in Section 4.02(3).

“Lands” means the property municipally known as 75 Windermere Road, Hamilton, Ontario.

“Licence of Occupation” means the licence of occupation in the form attached as Schedule “E” hereto between the Vendor, the Purchaser and the Take-Out Contractor required to effectuate the Take-Out Agreement.

“Purchased Assets Documents” means records, logs, manuals, inspection records and other books and documents which are in the possession of the Vendor and which are necessary for the operation or maintenance of the applicable Purchased Assets.

“Receivership Order” means the order obtained from the Court dated March 26, 2007, commencing the Receivership Proceedings.

“Take-Out Agreement” means a plan acceptable to the Receiver and the Purchaser and the Take-Out Contractor, if any, each acting reasonably, detailing the process, procedures, security and timeline for the dismantling and removal of the Purchased Assets from the Facility and the Lands.

“Take-Out Contractor” means a contractor satisfactory to the Vendor, acting reasonably.

“Tax Act” means the *Income Tax Act* (Canada).

“Time of Closing” means 2:00pm EDT (Toronto Time)

“Transfer Taxes” has the meaning set out in Section 2.04.

1.02 **Headings**

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.03 **Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing”.

1.04 **Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.05 **Currency**

All references to currency herein are to lawful money of Canada.

ARTICLE 2 - SALE AND PURCHASE

2.01 **Assets to be Sold and Purchased**

(1) Upon and subject to the terms and conditions hereof, the Vendor will sell to the Purchaser and the Purchaser will purchase from the Vendor, as of and with effect from the Time of Closing, all of the right, title, benefit and interest of IWS in and to the assets enumerated in Schedule A attached hereto but excluding, for greater certainty, the Excluded Assets (collectively, the “Purchased Assets”). The Purchaser must attach as Schedule "A" the schedules (available from the Receiver) describing all of the Parcels and the lots it is seeking to purchase.

(2) Should a Purchaser wish to include Excluded Assets among the Purchased Assets, the Purchaser hereby acknowledges and agrees that, to the extent that any of the Purchased Assets be subject to the terms of any lease, licence or consent of any licensor or lessee, it is the responsibility of the Purchaser to make the necessary arrangements with any such lessee or licensor in order to effectuate the transfer of the Purchased Assets.

2.02 **Purchase Price**

The purchase price payable to the Vendor for the Purchased Assets (such amount being hereinafter referred to as the "Purchase Price") will be \$[•].

2.03 **Allocation of Purchase Price**

The Purchase Price will be allocated among the Purchased Assets by the Purchaser and the Vendor and such allocations will be attached as Schedule C. The Vendor and the Purchaser will make and file all tax returns and filings on a basis which is consistent with the amount and allocation of the Purchase Price set out in Schedule C. The purchase price for Parcels 1 and 2 to 6 will be based on a price per net ton and per bin and estimated quantities for each respective parcel and lot and will be subject to adjustment at the time of closing based on a physical count by the Receiver prior to the closing.

2.04 **Payment of Taxes**

Subject to Section 2.05 hereof, the Purchaser will be liable for and will pay, or cause to be paid, any applicable federal and provincial sales taxes, goods and services taxes, excise taxes, all transfer, land transfer, value added, *ad-valorem*, use, consumption, harmonized sales, retail sales, social services, or other similar taxes, registration fees or duties (other than income taxes of the Vendor) payable under any Applicable Law on or with respect to the sale and purchase of the Purchased Assets under this Agreement (collectively, "Transfer Taxes"). At the Time of Closing, the Purchaser will either pay the Transfer Taxes to the Vendor or deliver to the Vendor evidence confirming the Purchaser's payment of or exemption from payment of the Transfer Taxes in form and substance acceptable to the Vendor. The Purchaser will prepare and file any affidavits or returns required in connection with the foregoing at its own cost and expense. To the extent that any Transfer Taxes are required to be paid by or are imposed upon the Vendor, the Purchaser will reimburse to the Vendor such taxes within five Business Days of payment of such taxes by the Vendor. The Purchaser will indemnify and hold the Vendor harmless in respect of any Transfer Taxes, penalties, interest and other amounts that may be assessed against the Vendor under any Applicable Law as a result of the sale of the Purchased Assets.

2.05 **Elections**

(1) The Vendor and the Purchaser will on or before the Time of Closing jointly execute an election, if available, in the prescribed form and containing the prescribed information, to have subsection 167(1.1) of the *Excise Tax Act* (Canada) apply to the sale and purchase of the Purchased Assets hereunder so that no tax is payable in respect of such sale and purchase under Part IX of the *Excise Tax Act* (Canada). The Purchaser will file such election with the Minister of National Revenue within the time prescribed by the *Excise Tax Act* (Canada).

(2) The Vendor and the Purchaser agree to make, execute and file with the appropriate taxing authorities such other elections or purchase exemption certificates as the parties hereto agree are mutually desirable, if any, in prescribed form and within the prescribed time.

2.06 **Payment of Purchase Price**

(1) The Purchase Price will be payable as follows:

- (a) **[\$[Insert deposit amount]**, representing at least 10% of the Purchase Price, upon execution of this Agreement by the Purchaser, by certified cheque or bank draft delivered to the Vendor together with the Purchaser's executed version of this Agreement and payable to "Deloitte & Touche Inc., Receiver for I. Waxman & Sons Limited, in trust" and payable at par in Toronto, **[or by wire transfer of immediately available funds to an account specified by the Vendor, in trust,]** as a deposit (the "Deposit") to be held in an interest-bearing account and paid as provided in Section 2.06(2); and
 - (b) the balance, on the Closing Date, by the delivery to the Vendor of a certified cheque or bank draft payable to the Vendor at par in Toronto or by wire transfer of immediately available funds to an account specified by the Vendor.
- (2) The Deposit will be dealt with as follows:
- (a) If, within five Business Days after May 22, 2007, the sale and purchase of the Purchased Assets provided for herein is not completed in accordance with the terms and conditions hereof unless such non-completion is due to the Purchaser having rescinded this Agreement pursuant to Section 5.01(2)(a) or Section 6.04(3), the Vendor shall be entitled to keep the Deposit, together with any accrued interest thereon, as liquidated damages and not as a penalty; or
 - (b) If within five Business Days after May 22, 2007, the sale and purchase of the Purchased Assets provided for herein is not completed in accordance with the terms and conditions hereof and such non-completion is due to the Purchaser having rescinded this Agreement pursuant to Section 5.01(2)(a) or Section 6.04(3), the Deposit, together with any accrued interest thereon, shall be returned to the Purchaser.
- 2.07 In connection with an Offer to purchase real property (Parcel 30) all property taxes accruing or due in the Post-Filing Period imposed on or with respect to the Purchased Assets for the tax year that includes the Closing Date will be prorated between the Vendor and the Purchaser as of the Closing Date. The Vendor will be liable for the portion of such taxes based on the number of days in the year occurring prior to the Closing Date, and the Purchaser will be liable for the portion of such taxes based on the number of days in the year occurring on and after the Closing Date. For any year in which an apportionment is required, the Purchaser will file all required tax returns incident to these taxes assessed for the year in which the Closing Date occurs that are not paid by the Vendor as of the Closing Date.

ARTICLE 3 - REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS

3.01 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchaser that:

- (a) The Vendor is a corporation duly incorporated, organized and subsisting under the laws of the Province of Ontario and, subject to receipt of the Approval and Vesting Order, the Vendor has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder.
- (b) Except for this Agreement, there are no outstanding options, agreements or rights capable of becoming an agreement obligating the Vendor to sell the Purchased Assets or any of them to any person other than the Purchaser.
- (c) The Vendor is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 10254 5936 RT0002 [to be confirmed on completion of transaction].
- (d) The Vendor is not a non-resident person within the meaning of section 116 of the *Tax Act*.

3.02 **Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendor that:

- (a) The Purchaser is a corporation duly incorporated, organized and subsisting under the laws of [●] and has all the necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder.
 - (b) The Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Purchaser contemplated hereunder.
 - (c) This Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms.
 - (d) Neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Purchaser will result in a violation of:
 - (i) any of the provisions of the constating documents or by-laws of the Purchaser;
 - (ii) any agreement or other instrument to which the Purchaser is a party or by which the Purchaser is bound; or
 - (iii) any Applicable Law.
 - (e) The Purchaser is registered under Part IX of the *Excise Tax Act* (Canada) with registration number ●.
 - (f) The Purchaser has, or prior to the Closing Date will have, sufficient unencumbered funds to enable it to pay the Purchase Price and all other amounts payable by it in connection with this Agreement and the transactions contemplated hereby.
 - (g) The Purchaser acknowledges that it or its representatives have been furnished with all information regarding the Purchased Assets that the Purchaser requires to enable it to enter into this Agreement.
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3.03 **“As Is, Where Is”**

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges and agrees that it is purchasing the Purchased Assets on an “as is, where is” basis and on the basis that the Purchaser has inspected the Purchased Assets and will accept the same at the Time of Closing in their then current state, condition and location and subject to all Permitted Encumbrances. Except as otherwise expressly provided in this Agreement, no representation, warranty or condition whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) and the *International Sale of Goods Act* (Ontario) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including the *United Nations Convention on Contracts for the International Sale of Goods*), expressed or implied, oral or written, legal, equitable, conventional, collateral or otherwise has been or will be given by the Vendor as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, quantity, condition, quality, suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded. The Purchaser acknowledges and agrees that it has inspected the Purchased Assets and has relied on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets pursuant to this Agreement. The description of the Purchased Assets contained herein (including in the Schedules hereto) is for the purpose of identification only and the inclusion of any item in the description of the Purchased Assets does not confirm the existence of any such items or that such item is owned by the Vendor.

ARTICLE 4 - COVENANTS

4.01 **Covenants of the Vendor**

(1) The Vendor will ensure that the representations and warranties of the Vendor set out in Section 3.01 are true and correct at the Time of Closing and that the conditions of closing set out in Section 5.01(1) and 5.02(1) over which the Vendor has reasonable control have been performed or complied with by the Time of Closing.

4.02 **Covenants of the Purchaser**

(1) The Purchaser will ensure that the representations and warranties of the Purchaser set out in Section 3.02 over which the Purchaser has reasonable control are true and correct at the Time of Closing and that the conditions of closing set out in Section 5.01(1) and 5.02(1) over which the Purchaser has reasonable control have been performed or complied with by the Time of Closing.

(2) The Purchaser will remove the Purchased Assets in accordance with the Take-Out Agreement. Purchasers must attach, as Schedule "D", a detailed plan which will include the process and procedures to be employed in connection with the dismantling and removal of the Purchased Assets, a schedule regarding the timing for the dismantling and removal of the Purchased Assets, details of the insurance and other security or performance bond to be posted by the Vendor or by the Take-Out Contractor, if any, all of which must be acceptable to the Vendor.

(3) In addition to any other provision for indemnification by the Purchaser contained in this Agreement, the Purchaser will indemnify and save harmless the Vendor and the Receiver and their respective directors, officers, employees, agents, legal counsel and other advisors (collectively, the

“Indemnified Parties”) from and against: all Claims incurred by the Indemnified Parties directly or indirectly resulting from and arising out of or relating to any breach of any covenant of the Purchaser contained in this Agreement or from any inaccuracy or misrepresentation in any representation or warranty set forth in this Agreement including all Claims incurred by or alleged against the Indemnified Parties directly or indirectly as a result of: (i) the Vendor not collecting or remitting any tax under Part IX of the *Excise Tax Act* (Canada) in respect of the sale of the Purchased Assets, or because of the Purchaser’s failure to file the elections referred to in Section 2.05 in a timely fashion; (ii) in connection with the removal by the Purchaser of the Purchased Assets, including but not limited to, any Claims arising from any damage, environmental spills or discharge, any Claims resulting on account of a failure by the Purchaser or the Take-Out Contractor, if any, to comply with the terms of the Take-Out Agreement; (iii) in connection with any Claim which may arise in connection with Section 4.02(4); and (iv) failure of the Purchaser to assume, fulfil, perform or pay any liabilities of the Vendor assumed by the Purchaser pursuant to this Agreement. The provisions of this Section 4.02 will enure to the benefit of the parties executing this Agreement and the other persons referred to in this Section 4.02, and their respective successors and assigns.

(4) The Purchaser shall for itself and shall cause any Take-Out Contractor and any other contractors, subcontractors, agents, employees or affiliates of such parties to comply with the provisions of the *Construction Lien Act* (Ontario), the *Repair and Storage Lien Act* (Ontario) and any other Applicable Laws relating to any lien claim, and to keep the Facility, the Lands and all other Vendor assets, free and clear from any liens and encumbrances created by any such parties or any of their employees, affiliates, agents or sub-contractors until such time as the Purchased Assets have been dismantled and removed. If any lien arises, the Purchaser shall immediately cause it to be discharged and any registration thereof discharged or vacated, and if the Purchaser does not do so within a period of three (3) Business Days after receiving notice requiring it to do so, the Vendor shall be entitled to make such payment or take such action as may be necessary or expedient to discharge or vacate such lien and registration thereof.

(5) The Purchaser agrees to be bound by the Licence of Occupation.

4.03 **Cooperation on Tax Matters**

The Vendor and the Purchaser will furnish or cause to be furnished to each other, at the expense of the requesting party, as promptly as practicable, such information and assistance, and provide additional information and explanations of any material provided, relating to the Purchased Assets as is reasonably necessary for the filing of any tax returns, for the preparation of any audit, and for the prosecution or defence of any claim, suit or proceeding relating to any adjustment or proposed adjustment with respect to taxes.

ARTICLE 5 - CONDITIONS

5.01 **Conditions for the Benefit of the Purchaser**

(1) The sale by the Vendor and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Vendor set forth in Section 3.01 will be true and correct at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Vendor will have performed or complied with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Vendor at or prior to the Time of Closing;
- (c) the Vendor will have delivered or caused to be delivered to the Purchaser each of the items listed in Section 6.05;
- (d) no action or proceeding will be pending to restrain, enjoin or prohibit the purchase and sale of the Purchased Assets; and
- (e) the Approval and Vesting Order will have been granted by the Court and such order will not have been stayed, varied, set aside or appealed at the Time of Closing and no motion seeking any relief from the Approval and Vesting Order will have been served or be pending as of the Time of Closing.

(2) In case any material term or covenant of the Vendor or material condition to be performed or complied with for the benefit of the Purchaser at or prior to the Time of Closing has not been performed or complied with at or prior to the Time of Closing, the Purchaser, without limiting any other right that the Purchaser has, may at its sole option, acting reasonably, either:

- (a) rescind this Agreement by notice to the Vendor, and in such event the Purchaser will be released from all obligations hereunder; or
- (b) waive compliance with any such term, covenant or condition in whole or in part on such terms as may be agreed upon without prejudice to any of its rights of rescission in the event of non-performance of any other term, covenant or condition in whole or in part;

and, if the Purchaser rescinds this Agreement pursuant to Section 5.01(2)(a), the Vendor will also be released from all obligations hereunder unless the term, covenant or condition for which the Purchaser has rescinded this Agreement was one that the Vendor had covenanted, pursuant to Section 4.01, to ensure had been performed or complied with, in which event the Vendor will be liable to the Purchaser for any Claims incurred by the Purchaser directly or indirectly as a result of such breach, and the Deposit shall be returned to the Purchaser in accordance with Section 2.06(2)(b).

5.02 **Conditions for the Benefit of the Vendor**

(1) The sale by the Vendor and the purchase by the Purchaser of the Purchased Assets is subject to the following conditions, which are for the exclusive benefit of the Vendor and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Purchaser set forth in Section 3.02 will be true and correct at the Time of Closing with the same force and effect as if made at and as of such time;
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- (b) the Purchaser will have performed or complied with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Purchaser at or prior to the Time of Closing;
- (c) the Purchaser will have delivered or caused to be delivered to the Vendor each of the items listed in Section 6.06;
- (d) no action or proceeding will be pending to restrain, enjoin or prohibit the purchase and sale of the Purchased Assets; and
- (e) the Approval and Vesting Order will have been granted by the Court and such order will not have been stayed, varied, set aside or appealed and no motion seeking any relief from the Approval and Vesting Order will have been served or be pending as of the Time of Closing.

(2) In case any material term or covenant of the Purchaser or condition to be performed or complied with for the benefit of the Vendor at or prior to the Time of Closing has not been performed or complied with at or prior to the Time of Closing, the Vendor, without limiting any other right that the Vendor has, may at its sole option acting reasonably, either :

- (a) rescind this Agreement by notice to the Purchaser, and in such event the Vendor will be released from all obligations hereunder, or
- (b) waive compliance with any such term, covenant or condition in whole or in part on such terms as may be agreed upon without prejudice to any of its rights of rescission in the event of non-performance of any other term, covenant or condition in whole or in part,

and, if the Vendor rescinds this Agreement pursuant to Section 5.02(2)(a), the Purchaser will also be released from all obligations hereunder unless the term, covenant or condition for which the Vendor has rescinded this Agreement was one that the Purchaser had covenanted, pursuant to Section 4.02(1), to ensure had been performed or complied with, in which event the Purchaser will be liable to the Vendor for any Claims incurred by the Vendor directly or indirectly as a result of such breach. In that event, the Purchased Assets may be resold by the Vendor and all money paid by the Purchaser under this Agreement, including the Deposit, plus interest, will be forfeited on account of liquidated damages (and not as a penalty), but such forfeiture will not be deemed to constitute the full extent of liquidated damages (and not as a penalty), payable by the Purchaser as a result of the Vendor's rescission pursuant to Section 5.02(2)(a). The Purchaser also hereby agrees that, as a result of the Vendor's rescission pursuant to Section 5.02(1)(a), the Purchaser will pay, on account of liquidated damages (and not as a penalty), (a) an amount equal to the amount, if any, by which the Purchase Price exceeds the proceeds received by the Vendor in connection with any re-sale of such Purchased Assets, and (b) an amount equal to all costs and expenses incurred by the Vendor in connection with the Purchaser's failure to complete the purchase of the Purchased Assets.

ARTICLE 6 - CLOSING ARRANGEMENTS

6.01 Closing

The sale and purchase of the Purchased Assets will be completed at the Time of Closing at the offices of the Vendor, being 79 Wellington Street West, Suite 1900, P.O. Box 29, Toronto Dominion Centre, Toronto, Ontario, M5K 1B9. In the event that the Vendor is unable to obtain the Approval and Vesting Order by the Closing Date, the Vendor shall be at liberty to unilaterally extend the Closing Date by up to ten Business Days.

6.02 Examination of Purchased Assets Documents and Purchased Assets

(1) The Vendor will forthwith make available to the Purchaser and its authorized representatives for examination the Purchased Assets Documents. The Vendor will, where possible, give the Purchaser and its authorized representatives every reasonable opportunity to have access to and to inspect the Purchased Assets. The exercise of any rights of access or inspection by or on behalf of the Purchaser under this Section 6.02(1) will not affect or mitigate the covenants, representations and warranties of the Vendor in this Agreement which will continue in full force and effect as provided in this Agreement.

6.03 Title

All of the right, title and interest of IWS in and to the Purchased Assets will pass from the Vendor to the Purchaser at the Time of Closing. At the Time of Closing, the Purchaser will take possession of the Purchased Assets where situated.

6.04 Risk of Loss

(1) Until the Time of Closing the Purchased Assets will remain at the risk of the Vendor. The Vendor will maintain first party all risk property insurance and boiler and machinery insurance in accordance with the form and extent of coverage that it has in place from time to time in its usual business activities in respect of loss or damage in respect of the Purchased Assets. Such insurance provides for loss settlement on a replacement cost basis if the Purchased Assets are repaired or replaced and on an actual cash value basis if the Purchased Assets are not repaired or replaced in accordance with the terms of the policies in place at any given time. In the event of any loss, damage or claim in respect of any risk for which insurance is carried as aforesaid arising before the Time of Closing, the Purchaser, as an additional condition of closing, will be entitled to be satisfied that the Vendor has put the applicable insurers on written notice of the loss. From and after the Time of Closing, the Vendor will not be an insurer of the Purchased Assets, nor will it have the liabilities and duties of a warehouseman, bailee or trustee of the Purchased Assets.

(2) If any destruction or damage occurs to the Purchased Assets on or before the Time of Closing or if any or all of the Purchased Assets are appropriated, expropriated or seized by Governmental Authority on or before the Time of Closing, and in the event that the Proceeds (as defined below) in respect of such destruction, damage, appropriation, expropriation or seizure are estimated by the Vendor, acting reasonably, to be less than the Purchase Price, the Vendor will forthwith give notice thereof to the Purchaser and the Purchaser will have the option, exercisable by notice to the Vendor on or before the Time of Closing, to reduce the Purchase Price by an amount equal to the proceeds of insurance (and, if any such policy provided for a deductible amount, by an amount equal to such deductible amount) if the

said proceeds of insurance are to be paid to the Vendor, in which case, the Purchaser will provide any consents that may be required to authorize the insurers to pay in this manner to the Vendor, or compensation for destruction or damage or appropriation, expropriation or seizure with respect thereto and, for greater certainty, excluding any proceeds in connection with business interruption insurance (in this Section 6.04 referred to as the "Proceeds"), and to complete the purchase.

(3) If any destruction or damage occurs to the Purchased Assets on or before the Time of Closing, or if any or all of the Purchased Assets are appropriated, expropriated or seized by Government Authority on or before the Time of Closing, and in the event that the Proceeds in respect of such destruction, damage, appropriation, expropriation or seizure are estimated by the Vendor, acting reasonably, to be greater than the value of the Purchase Price, the Vendor may, at its option, terminate this Agreement. In the case of such termination, the Deposit, together with interest accrued thereon, will be returned to the Purchaser and the Purchaser waives and releases any and all Claims that it may have against the Purchaser or the Vendor as a result of such termination.

(4) With respect to any insurance claim adjustment wherein the Vendor receives the proceeds of insurance, the Purchaser will allow the Vendor and its insurers and their agents reasonable access to the Books and Records that may be in the possession of the Purchaser arising from the sale so as to complete the insurance recovery.

(5) The Purchaser will obtain and maintain from and after the Time of Closing customary property, liability and other insurance with respect to the Purchased Assets that contains coverage, limits, and deductibles, and other terms and conditions satisfactory to the Vendor, both acting reasonably and shall ensure that the Vendor (and its mortgagees) is added as loss payees and/or additional insured(s), as applicable.

6.05 **Vendor's Closing Deliveries**

On or before the Time of Closing, the Vendor will deliver or cause to be delivered to the Purchaser the following:

- (a) a certificate executed by a senior officer of the Vendor confirming that the representations and warranties of the Vendor in Section 3.01 are true and correct as of the Time of Closing and that the obligations of the Vendor to be performed prior to the Time of Closing have been performed;
 - (b) a copy of the issued and entered Approval and Vesting Order;
 - (c) the tax election as contemplated by Section 2.05(1) executed by the Vendor; and
 - (d) such deeds, documents of title, conveyances, transfers, assignments, indentures and instruments necessary or desirable in the opinion of the parties hereto and their respective counsel, acting reasonably, to effect the assignment, transfer and sale of the Purchased Assets to the Purchaser and such other documents, instruments or indemnities as contemplated or required to be delivered by the Vendor pursuant to this Agreement.
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6.06 **Purchaser's Closing Deliveries**

On or before the Time of Closing, the Purchaser will deliver or cause to be delivered to the Vendor the following:

- (a) the payment of the Purchase Price as contemplated by Section 2.06;
- (b) a certificate executed by a senior officer of the Purchaser confirming that the representations and warranties of the Purchaser in Section 3.02 are true and correct as of the Time of Closing and that the obligations of the Purchaser to be performed prior to the Time of Closing have been performed;
- (c) evidence, satisfactory to the Vendor, of the payment of Transfer Taxes as contemplated by Section 2.04;
- (d) the performance bond or security contemplated by the Take-Out Agreement;
- (e) the tax election contemplated by Section 2.05(1) executed by the Purchaser; and
- (f) such other deeds, documents of title, conveyances, transfers, assignments, indentures and instruments necessary or desirable in the opinion of the parties hereto and their respective counsel, acting reasonably, to effect the assignment, transfer and sale of the Purchased Assets to the Purchaser and such other documents, instruments or indemnities as contemplated or required to be delivered by the Purchaser pursuant to this Agreement.

ARTICLE 7 - GENERAL

7.01 **Further Assurances**

Each of the Vendor and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

7.02 **Binding Offer**

This Agreement shall, upon execution of this Agreement by the Purchaser, form a binding and irrevocable Offer by the Purchaser to purchase the Purchased Assets, but shall not bind nor create any obligation or liability on the part of the Vendor until it has been duly authorized and executed by the Vendor and approved by the Court.

7.03 **Time of the Essence**

Time is of the essence of this Agreement.

7.04 **Fees and Commissions**

Each of the Vendor and the Purchaser will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and

all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement. For greater clarity, the Purchaser shall be responsible for the cost of any commissions, broker's or finder's or placement fees in connection with a transaction under this Agreement.

7.05 **Public Announcements and Confidentiality**

Except as required by law, no public announcement or press release concerning the sale and purchase of the Purchased Assets may be made by the Vendor or the Purchaser without the prior consent and joint approval of the Vendor and the Purchaser. The Purchaser hereby agrees that it will submit to the Vendor for approval no later than five (5) Business Days prior to any proposed advertisement or announcement in connection with the purchase and sale of the Purchased Assets, all such advertisements or announcements which the Purchaser intends to make.

7.06 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

7.07 **Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and such agreements cancel and supersede any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement. In the event of any inconsistency between this Agreement and any other document provided to the Purchaser by or on behalf of the Vendor or the Receiver, this Agreement shall govern.

7.08 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

7.09 **Assignment**

This Agreement may not be assigned by either party without the prior written consent of the other.

7.10 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the Vendor:

Deloitte & Touche Inc.
79 Wellington Street West, Suite 1900
P.O. Box 29, TD Centre
Toronto, ON M5K 1B9

Fax: (416) 601-6690

Attention: Paul van Eyk

With a copy to:

Ogilvy Renault LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
Toronto, Ontario M5J 2Z4

Fax: (416) 216-3930

Attention: Mario Forte

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

7.11 **Remedies Cumulative**

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

7.12 **No Third Party Beneficiaries**

Except as provided in Section 4.02(2), this Agreement is solely for the benefit of

- (a) the Vendor, and its successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement; and
- (b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Vendor under this Agreement,

and this Agreement will not be deemed to confer upon or give to any other person any remedy, claim, liability, reimbursement, cause of action or other right.

7.13 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

7.14 **Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The Vendor and the Purchaser each attorns to the jurisdiction of the courts of the Province of Ontario.

7.15 **Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision will not affect the validity or enforceability of any other provision of this Agreement, all of which will be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction will not affect such provision validity or enforceability in any other jurisdiction.

7.16 **Acknowledgements**

The Purchaser acknowledges that Deloitte & Touche Inc. has consented to this Agreement solely acting in its capacity as the court-appointed Receiver of I. Waxman & Sons Limited and not in its personal or corporate capacity.

7.17 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

7.18 **Facsimiles**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the date first set out above.

DELOITTE & TOUCHE INC., in its capacity as Receiver of the current and future assets, property and undertaking of I. Waxman & Sons Limited and not in its personal capacity

Per: _____
I have authority to bind the corporation
Name
Title:

Per: _____
[NAME OF PURCHASER]

Per: _____
I have authority to bind the corporation
Name:
Title

Per: _____
I have authority to bind the corporation
Name:
Title

SCHEDULE "A"

PURCHASED ASSETS

Prospective Purchasers to include the Parcel lists (available from the Receiver) of all assets which are sought to be purchased.

SCHEDULE "B"
EXCLUDED ASSETS

SCHEDULE "C"

ALLOCATION OF PURCHASE PRICE

SCHEDULE "D"

TAKE-OUT AGREEMENT

The Purchaser covenants and agrees that the Purchased Assets shall be removed in accordance with the following terms:

Purchasers must attach, as Schedule "D", a detailed plan which will include the process and procedures to be employed in connection with the dismantling and removal of the Purchased Assets, a schedule regarding the timing for the dismantling and removal of the Purchased Assets, details of the insurance and other security or performance bond to be posted by the Vendor or by the Take-Out Contractor, if any, all of which must be acceptable to the Vendor.

SCHEDULE "E"
LICENCE OF OCCUPATION

SCHEDULE "F"

APPROVAL AND VESTING ORDER
