

June 18, 2015

**Via email**

Gina DiDiodato  
Deputy Registrar of Bankruptcy  
1601 Lower Water Street, 5th Floor  
Halifax, NS B3J 3P6

Dear Ms. DiDiodato,

**Subject: Tour Tech. East Limited – Estate No. 51-1963560; Court No. 38848**

Please find enclosed the Proposal Trustee's Fourth Report relating to the Tour Tech. East Limited motion to be heard on June 19, 2015 at 1:30pm by Registrar Creagan.

We trust you will find the enclosed to be in order. If you have any questions please feel free to contact the undersigned at your convenience.

Sincerely,

**DELOITTE RESTRUCTURING INC.**  
**Acting in its capacity as Proposal Trustee of**  
**Tour Tech. East Limited**  
**and not in its personal capacity**

Per:



Jean Goguen, CMA, CIRP  
Vice President

Enclosure (Proposal Trustee's Fourth Report)

**Estate No:** 51-1963560  
**Court No:** 38848  
**District No:** 02  
**Division No:** 01-Halifax

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF:  
TOUR TECH. EAST LIMITED**

**Fourth Report of the Trustee pursuant to sections 50.4(7)(b)(ii) and 50.4(9) of the  
Bankruptcy and Insolvency Act ("BIA")**

**1. INTRODUCTION AND BACKGROUND**

- 1.1 Tour Tech. East Limited ("Tour Tech" or the "Company") was incorporated in Nova Scotia on September 4, 1984. The shares of Tour Tech are 90% owned by Peter Hendrickson, President, and 10% owned by Robert Barrett.
- 1.2 Tour Tech is based in Dartmouth, Nova Scotia. The Company services the entertainment industry through the provision of professional audio, lighting and staging rentals, installation and distribution, servicing Canada and the eastern United States. The Company also services the film industry through its two large sound stages, which provide acoustically optimized recording space.
- 1.3 Tour Tech owned and operated its sound stage business out of a 40,445 square foot commercial facility located at 170 Thornhill Drive, Dartmouth, Nova Scotia (the "Property").
- 1.4 Tour Tech operates its production rental, installation, distribution and corporate operations out of a 213,389 square foot commercial facility located at 180 Thornhill Drive, Dartmouth, Nova Scotia. The property is owned and operated by 3258042 Nova Scotia Limited ("3258042"), a related entity.
- 1.5 On January 13, 2015, the Toronto Dominion Bank ("TD"), the operating lender for Tour Tech, received two Requirement to Pay notices from the Canada Revenue Agency ("CRA").
- 1.6 On January 28, 2015, Tour Tech received a notice of default on outstanding amounts owing and a Notice of Intention to Enforce Security from Roynat Lease Finance.
- 1.7 On February 19, 2015, Tour Tech received a demand for repayment of outstanding amounts owing and a Notice of Intention to Enforce Security from TD.
- 1.8 On February 19, 2015, Tour Tech received a demand for both Tour Tech and 3258042, for repayment of outstanding amounts owing and Notices of Intention to Enforce Security from the Business Development Bank of Canada ("BDC").
- 1.9 On February 20, 2015, Tour Tech filed a Notice of Intention to Make a Proposal ("NOI") pursuant to Section 50.4 of the BIA. Deloitte Restructuring Inc. ("Deloitte" or the "Proposal Trustee") was appointed as the trustee under the NOI.
- 1.10 On February 27, 2015, 3258042 filed a NOI pursuant to Section 50.4 of the BIA. Deloitte was appointed as the Proposal Trustee.

- 1.11 On March 4, 2015, the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (this “Court”) granted an order providing for an administrative charge (the “Administrative Charge”) and an interim financing charge (the “DIP Financing”) in favor of BDC (the “DIP Order”).
- 1.12 The DIP Order was amended and restated by this Court on March 20, 2015 with effect from March 4, 2015.
- 1.13 On March 20, 2015, this Court granted an order approving an extension of time to make a proposal to and including May 7, 2015.
- 1.14 On May 7, 2015, this Court granted an order approving an extension of time to make a proposal to and including June 19, 2015 (the “Second Extension Order”). A copy of the Second Extension Order is provided as Appendix A.

## **2. TERMS OF REFERENCE**

- 2.1 In preparing this report (“the Fourth Report”), the Proposal Trustee has relied upon financial information of the Company, and discussions with the Company’s management (“Management”) and Boyne Clarke, the Company’s legal counsel.
- 2.2 The financial information of the Company has not been audited, reviewed or otherwise verified by the Proposal Trustee as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that the Fourth Report may not disclose all significant matters about the Company. Additionally, none of our procedures were intended to disclose defalcations or other irregularities. Were we to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to our attention. Accordingly, the Proposal Trustee does not express an opinion or provide any other form of assurance on the financial or other information presented herein. The Proposal Trustee may refine or alter its observations as further information is obtained or brought to its attention after the date of the Fourth Report.
- 2.3 The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of the Fourth Report. Any use which any party makes of the Fourth Report, or any reliance or decisions to be made on the Fourth Report, is the sole responsibility of such party.
- 2.4 All dollar amounts identified in the Fourth Report are expressed in or converted to Canadian dollars.
- 2.5 The purpose of the Fourth Report is to inform this Court on the status of:
  - i. the actual results to date against the forecasted statement of projected cash flows filed on May 4, 2015 with this Court (the “Second Extension Cash Flow”) and the revised forecasted cash flows (the “Third Extension Cash Flow”) for the remaining period of consideration;
  - ii. the Company’s DIP Financing;
  - iii. the Company’s progress in establishing a restructuring plan, including the sale of the Property and discussions with potential investors; and
  - iv. the Proposal Trustee’s position on the Company’s application for a 24 day extension to the stay of proceedings.

### **3. CASH FLOW PROJECTIONS AND PRELIMINARY RESULTS**

- 3.1 The Second Extension Cash Flow prepared by the Company for a 13-week period May 1 to July 24, 2015 was filed with this Court on May 4, 2015.
- 3.2 The Second Extension Cash Flow was prepared based on the following assumptions:
- i. customers, specifically event promoters, will continue to support the Company through the restructuring process;
  - ii. suppliers will continue to support the Company through the restructuring process on a cash on delivery basis;
  - iii. no payments will be made to creditors during the restructuring process outside of cash payments for post-filing obligations; and
  - iv. the Company will receive DIP Financing to provide sufficient liquidity to fund the Company's operations.
- 3.3 The Proposal Trustee has monitored the actual cash flow results for the seven week period ending June 12, 2015. The Company has experienced a favourable variance in net operating cash flows of \$65,873. The Company attributes the favorable variance to higher than anticipated operating revenues, lower than projected operating costs and compensation, and timing differences related to professional fees. A copy of the detailed actual to budget variance analysis is attached as Appendix B.
- 3.4 The Company has prepared and the Proposal Trustee has reviewed, the Third Extension Cash Flow, a nine week cash flow for the weeks ending June 19 to August 14, 2015 using similar assumptions as the Second Extension Cash Flow. A copy of the Third Extension Cash Flow is attached as Appendix C.
- 3.5 The Proposal Trustee confirms that all required post-filing employee and employer remittances have been made to CRA since the filing of the NOI.
- 3.6 The Company continues to maintain operating bank accounts at the Royal Bank of Canada ("RBC"). The Company has a US dollar and a Canadian dollar account at RBC and the cash flow analysis as presented is based on the activity in these accounts only.
- 3.7 The Proposal Trustee has reviewed the TD operating accounts since the NOI filing to confirm that no disbursements have been made from these accounts. Since the date of the NOI filing, \$2,393 of collections were received into the TD account. The amounts received in this account were set-off by TD.
- 3.8 The Proposal Trustee notes that post-filing Accounts Payable as at June 12, 2015 totaled \$27,037. A copy of the post-filing accounts payable is attached as Appendix D. The Company is paying post-filing obligations in the normal course of operations and within negotiated credit terms.

### **4. DIP FINANCING**

- 4.1 The Company entered into an agreement with BDC dated March 3, 2015 to provide DIP Financing (the "DIP Agreement"). A copy of the DIP Agreement was previously provided to this Court.
- 4.2 The DIP Agreement contained conditions precedent, underlying conditions and events of default (collectively, the "Covenants") that require the Company's compliance in order to access DIP Financing.

- 4.3 In its report dated May 4, 2015, a copy of which was previously filed with this Court, the Proposal Trustee highlighted a number of violations of the Covenants. The Company has informed BDC of all Covenant violations in a timely fashion. As of the date of this report, BDC has not taken any action, but has advised the Company that it reserves all of its rights based on the Covenant violations.
- 4.4 On May 27, 2015, the Company made a request (the "Third Request") to access the DIP Financing in the amount of \$100,000. A copy of the Third Request is attached as Appendix E.
- 4.5 On May 28, 2015, the Proposal Trustee provided correspondence to BDC to support the Third Request of the Company.
- 4.6 On June 1, 2015, BDC disbursed the funds pursuant to the Third Request, less a holdback for payment of the monthly administrative fee and professional fees. A copy of the disbursement approval is attached as Appendix F. As of the date of the Fourth Report, BDC has disbursed \$250,000 of the approved \$300,000 DIP Financing.
- 4.7 The Third Extension Cash Flows, attached as Appendix C, project that the DIP Financing will be repaid during the week ending July 10, 2015.
- 4.8 On June 11, 2015, legal counsel to BDC advised the Company and the Proposal Trustee that it was not prepared to provide any further DIP Financing.

## **5. PRELIMINARY RESTRUCTURING PLAN**

- 5.1 The ability of the Company to file a viable proposal will largely be dependent on the following:
- i. continued support from customers and suppliers during the NOI period;
  - ii. closing the sale of the Property;
  - iii. Management's ability to implement a restructuring plan and make a proposal to creditors; and
  - iv. a successful restructuring of 3258042.
- 5.2 As demonstrated in the Proposal Trustee's review of the Company's preliminary results against cash flow projections, Tour Tech has continued to receive support from its customers and suppliers during the NOI period.
- 5.3 In the Proposal Trustee's Supplemental report dated May 6, 2015, the Proposal Trustee advised this Court that the Property was subject to a purchase and sale agreement scheduled to close on May 29, 2015. The Proposal Trustee advises this Court that the purchase and sale agreement closed on May 29, 2015 and the net proceeds were provided to BDC.
- 5.4 In its report dated May 4, 2015, the Proposal Trustee advised this Court that the Company, in conjunction with the Proposal Trustee, was holding investment discussions with the following parties:
- i. a strategic partner (the "Strategic Partner") who is involved in the industry; and
  - ii. a financial party (the "Financial Partner") who had previously expressed interest in an investment in the Company.
- 5.5 On or about May 19, 2015, the Company held discussions with a representative of the Strategic Partner. At this time it was determined that the Strategic Partner was not interested in pursuing an investment in Tour Tech.

- 5.6 On May 28, 2015, the Company advised the Proposal Trustee that another party (the “Financial Lender”) had been introduced to the Company as a potential financing source for Tour Tech.
- 5.7 Subsequent to the Second Extension hearing, the Proposal Trustee and the Company have expended significant time and effort working with the Financial Partner. On May 29, 2015, subsequent to a meeting held with the principals of Tour Tech and the Financial Partner, legal counsel to the Company provided an outline of a potential transaction that was acceptable to both parties. The potential transaction included a restructuring of 3258042.
- 5.8 On June 1, 2015, the Proposal Trustee held a conference call with representatives of the Financial Partner. Subsequent to this call, the Financial Partner provided the Company and the Proposal Trustee with an initial requirements listing to begin its due diligence.
- 5.9 On June 3, 2015, representatives from the Financial Partner met with the Proposal Trustee to obtain background information on Tour Tech in order to gain a better understanding of the process and to have general questions answered.
- 5.10 On June 4, 2015, representatives from the Financial Partner and the Proposal Trustee worked on site at the Company’s location to complete the due diligence. The due diligence period continued until June 10, 2015.
- 5.11 On June 12, 2015, subsequent to numerous communications between the Company, the Proposal Trustee and the Financial Lender, the Financial Lender signed an expression of interest letter (the “Expression Letter”). A copy of the Expression Letter is attached as Confidential Appendix G.

## **6. STAY EXTENSION APPLICATION**

- 6.1 As discussed above, the ability of the Company to file a viable proposal is dependent on:
- i. continued support from customers and suppliers during the NOI period. The Proposal Trustee has held several discussions with Peter Hendrickson regarding conversations between the Company and special event promoters who have indicated that they will continue to support the Company during the NOI period;
  - ii. Management’s ability to attract an investment to recapitalize the Company; and
  - iii. a successful restructuring of 3258042.
- 6.2 The Proposal Trustee is of the opinion that the Company has acted and is acting in good faith and with due diligence in connection with the preparation of a restructuring plan and a proposal to creditors.
- 6.3 The Proposal Trustee believes that a 24 day extension will enhance the prospects of the Company filing a viable proposal to its creditors. As described in subsection 5, the Company has taken several meaningful steps in relation to a restructuring plan and, in conjunction with the Proposal Trustee, has estimated the required capital required to implement the plan. However, the Company requires adequate time to complete due diligence with the Financial Lender.
- 6.4 The Proposal Trustee is of the opinion that no creditor would be materially prejudiced by the extension as requested by the Company.
- 6.5 In the absence of an extension, the Company will not be in a position to file a proposal before June 19, 2015. The Proposal Trustee has performed preliminary realization schedules in a liquidation scenario and based on the appraised value of the Company’s assets and the quantum of secured indebtedness, it believes that realizations for unsecured creditors will be higher in a Proposal than in bankruptcy.

6.6 Based on the foregoing, the Proposal Trustee supports the Company's application for an Order extending the amount of time for the Company to file a proposal to creditors.

All of which is respectively submitted to this Court this 18<sup>th</sup> day of June, 2015.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Trustee under the Proposal of  
Tour Tech East Limited  
and not in its personal capacity.

Per:

A handwritten signature in blue ink, appearing to read 'J. Goguen', is written over a light blue horizontal line.

Jean Goguen, CMA, CIRP  
Vice President

**Appendix A: Supreme Court of Nova Scotia in Bankruptcy and Insolvency  
Extension Order**



2015



Estate No. 51- 1963560  
Court No. 38848  
District of Nova Scotia  
Division No. 01-Halifax

Court Administration

MAY 7 2015

Halifax, N.S.

**SUPREME COURT OF NOVA SCOTIA  
IN BANKRUPTCY & INSOLVENCY**

In the Matter of: **THE PROPOSAL OF TOUR TECH. EAST LIMITED**

**Order Approving Extension of Time to Make a Proposal**

Before the Honourable Richard W. Cregan, Q.C., Registrar in Bankruptcy

**Upon** Tour Tech. East Limited (the "Applicant"), having made motion for an Order to extend the time for the filing of a proposal pursuant to section 50.4(9) of the *Bankruptcy & Insolvency Act*;

**An Upon** reading the Third Report of Deloitte Restructuring Inc. (the "Trustee"), the Affidavit of Peter Hendrickson, and the other materials on file herein;

**And Upon** hearing from counsel for the Applicant, the Trustee, and such other counsel as appeared;

It is ordered that:

**SERVICE**

1. To the extent necessary any required notice periods with respect to this motion are hereby abridged;
2. Any lack or deficiency in service of this motion is hereby waived and excused;
3. Service on those persons set out in the Affidavit of Service filed on this motion shall be sufficient service for the purposes of this motion;

**EXTENSION OF TIME TO MAKE A PROPOSAL**


4. The time to file a Proposal in the proceeding is extended commencing from and including May 7, 2014, to and including June 19, 2015.

**EFFECTIVE TIME & DATE**

5. This Order and all of its provisions are effective as of 12:01 a.m. local time on the date of this

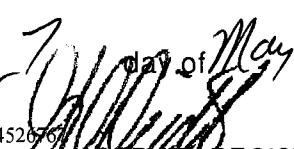
IN THE SUPREME COURT  
COUNTY OF HALIFAX, N.S.  
Issued May 7, 2015

I hereby certify that the foregoing is a true copy of the original order on file herein.

  
GINA DIDIODATO  
Deputy Registrar in Bankruptcy

Dated the 7<sup>th</sup> day of May  
A.D., 2015

PL# 131700/452676

  
GINA DIDIODATO  
Deputy Registrar in Bankruptcy

**Appendix B: Actual to Second Extension Cash Flow Variance Analysis**

**Tour Tech East Limited**  
**Actual to Budgeted Analysis**  
**For the weeks ended May 1 to June 12, 2015**

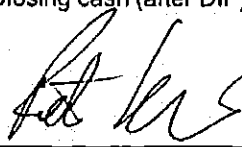
|   | May-01   |         | May-08   |          | May-15   |          | May-22   |          | May-29   |         | Jun-05   |           | Jun-12   |         | Cumulative |           |          | Notes |
|---|----------|---------|----------|----------|----------|----------|----------|----------|----------|---------|----------|-----------|----------|---------|------------|-----------|----------|-------|
|   | Budgeted | Actual  | Budgeted | Actual   | Budgeted | Actual   | Budgeted | Actual   | Budgeted | Actual  | Budgeted | Actual    | Budgeted | Actual  | Budgeted   | Actual    | Variance |       |
| Opening Cash  | 41,472   | 74,780  | 104,538  | 136,889  | 59,416   | 102,058  | 51,292   | 58,304   | 29,201   | 36,995  | 55,780   | 25,754    | 21,698   | 20,057  | 41,472     | 74,780    | 33,308   |       |
| Adjustment to Opening Cash due to Revised Cash Flow Dated June15 , 2015 | 33,310   |         |          |          |          |          |          |          |          |         |          |           |          |         | 33,310     |           |          |       |
| Operating Inflows   |          |         |          |          |          |          |          |          |          |         |          |           |          |         |            |           |          |       |
| Existing AR   | 87,015   | 87,015  | 42,337   | 4,705    | 8,169    | 35,678   | 21,566   | 19,093   | 8,661    | 4,914   | 24,748   | 5,587     | -        | 25,706  | 192,495    | 182,699   | (9,796)  |       |
| New sales   | 16,944   | 19,105  | 18,314   | 26,917   | 10,001   | 16,751   | 34,955   | 24,006   | 23,863   | 16,740  | 25,504   | 25,890    | 44,239   | 72,950  | 173,820    | 202,360   | 28,540   |       |
| Total Operating Inflows   | 103,959  | 106,120 | 60,651   | 31,622   | 18,170   | 52,429   | 56,521   | 43,100   | 32,524   | 21,654  | 50,252   | 31,477    | 44,239   | 98,656  | 366,315    | 385,059   | 18,744   | 1     |
| Operating Outflows  |          |         |          |          |          |          |          |          |          |         |          |           |          |         |            |           |          |       |
| Cost of goods sold  | 22,767   | 6,722   | 13,283   | 937      | 3,979    | 7,037    | 12,378   | 20,450   | 7,123    | -       | 11,005   | 28,211    | 9,688    | 8,280   | 80,223     | 71,637    | 8,586    | 2     |
| Operating expenses  | 8,695    | 1,715   | 5,050    | 7,461    | 15,750   | 12,753   | 15,395   | 8,389    | 5,250    | 4,349   | 8,850    | 11,025    | 13,410   | 1,440   | 72,400     | 47,130    | 25,270   | 3     |
| Compensation  | 27,736   | 27,386  | 40,440   | 27,632   | 19,565   | 39,071   | 40,839   | 28,254   | 18,573   | 25,546  | 54,479   | 36,106    | 19,062   | 21,820  | 220,692    | 205,815   | 14,877   | 4     |
| Professional fees   | 15,005   | 8,189   | 47,000   | 30,423   | 37,000   | 37,323   | 10,000   | 7,315    | 25,000   | -       | 10,000   | 61,833    | 15,000   | 15,525  | 159,005    | 160,609   | (1,604)  | 5     |
| Total Outflows  | 74,203   | 44,011  | 105,772  | 66,453   | 76,294   | 96,183   | 78,612   | 64,408   | 55,946   | 29,894  | 84,334   | 137,174   | 57,160   | 47,066  | 532,320    | 485,191   | 47,129   |       |
| Operating cash flow   | 29,756   | 62,109  | (45,121) | (34,831) | (58,124) | (43,754) | (22,091) | (21,308) | (23,421) | (8,241) | (34,082) | (105,697) | (12,921) | 51,590  | (166,005)  | (100,132) | 65,873   |       |
| Closing cash (before DIP)   | 104,538  | 136,889 | 59,416   | 102,058  | 1,292    | 58,304   | 29,201   | 36,996   | 5,780    | 28,754  | 21,698   | (79,943)  | 8,777    | 71,647  | (91,223)   | (25,352)  | 65,871   |       |
| DIP funding   | -        | -       | -        | -        | 50,000   | -        | -        | -        | 50,000   | (3,000) | -        | 100,000   | -        | (1,435) | 100,000    | 95,565    | 4,435    |       |
| Closing cash (after DIP)  | 104,538  | 136,889 | 59,416   | 102,058  | 51,292   | 58,304   | 29,201   | 36,995   | 55,780   | 25,754  | 21,698   | 20,057    | 8,777    | 70,212  | 8,777      | 70,212    | 61,436   |       |

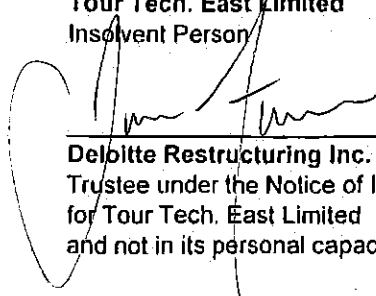
1. The variance in Operating Inflows is primarily attributable to additional unprojected sales and the early collection of an accounts receivable.
2. The variance in Costs of Goods Sold is primarily attributable to lower than projected sub-rentals.
3. The variance in Operating Expenses is primarily attributable to savings related to utilities and vehicle rental costs.
4. The variance in Compensation is primarily attributable to reduced staffing levels and cost management.
5. The variance in Professional Fees is primarily attributable to additional efforts relating to financial modelling and investor due diligence activities. There are approximately \$40,000 in professionals fees which have been incurred; but, not yet paid.

**Appendix C: Third Extension Cash Flow**

**Tour Tech East Limited**  
**Summary Cash Flow**  
**For the weeks ending June 19 to August 14, 2015**

|                           | 06/19    | 06/23   | 06/28    | 07/01     | 07/07   | 07/21   | 07/27    | 08/07   | 08/14    |
|---------------------------|----------|---------|----------|-----------|---------|---------|----------|---------|----------|
| Opening Cash              | 70,212   | 11,869  | 43,875   | 24,050    | 14,213  | 120,923 | 128,910  | 41,484  | 123,495  |
| Operating Inflows         |          |         |          |           |         |         |          |         |          |
| Existing AR               | 26,097   | 28,810  | 55,742   | 51,532    | 42,125  | 38,926  | -        | 18,308  | -        |
| New sales                 | -        | 81,843  | 21,615   | 321,125   | 205,058 | 30,298  | 15,685   | 140,086 | 73,138   |
| Total Operating Inflows   | 26,097   | 110,653 | 77,357   | 372,657   | 247,184 | 69,224  | 15,685   | 158,394 | 73,138   |
| Operating Outflows        |          |         |          |           |         |         |          |         |          |
| Cost of goods sold        | 5,715    | 24,233  | 16,941   | 81,612    | 54,133  | 15,160  | 3,435    | 34,688  | 16,017   |
| Operating expenses        | 5,050    | 7,450   | 9,099    | 13,410    | 7,250   | 5,050   | 8,999    | 15,910  | 5,050    |
| Compensation              | 48,675   | 21,964  | 54,142   | 31,907    | 69,090  | 26,027  | 64,176   | 10,785  | 89,555   |
| Professional fees         | 25,000   | 25,000  | 10,000   | 10,000    | 10,000  | 15,000  | 15,000   | 15,000  | 15,000   |
| HST payable               | -        | -       | 7,000    | -         | -       | -       | 11,500   | -       | -        |
| Total Outflows            | 84,440   | 78,647  | 97,182   | 136,929   | 140,473 | 61,237  | 103,110  | 76,383  | 125,622  |
| Operating cash flow       | (58,343) | 32,006  | (19,825) | 235,728   | 106,711 | 7,987   | (87,426) | 82,011  | (52,485) |
| Closing cash (before DIP) | 11,869   | 43,875  | 24,050   | 259,778   | 120,923 | 128,910 | 41,484   | 123,495 | 71,010   |
| DIP funding               | -        | -       | -        | (245,565) | -       | -       | -        | -       | -        |
| Closing cash (after DIP)  | 11,869   | 43,875  | 24,050   | 14,213    | 120,923 | 128,910 | 41,484   | 123,495 | 71,010   |

  
**Tour Tech. East Limited**  
**Insolvent Person**

  
**Deloitte Restructuring Inc.**  
**Trustee under the Notice of Intention to File a Proposal**  
**for Tour Tech. East Limited**  
**and not in its personal capacity**

**Appendix D: June 12, 2015 Post-Filing Accounts Payable Listing**

**TOUR TECH EAST LIMITED**  
**Vendor Aged Summary As at Jun 12, 2015**

| <u>Name</u>                       | <u>Current</u>          |
|-----------------------------------|-------------------------|
| DELOITTE RESTRUCTURING INC.       | 25,000.00               |
| EASTLINK TELEPHONE                | 561.18                  |
| HALIFAX WATER COMMISSION (443239) | 331.90                  |
| HALIFAX WATER COMMISSION (556495) | 506.40                  |
| HALIFAX WATER COMMISSION (596028) | 630.84                  |
| VERIFONE                          | 6.55                    |
| <b>Total outstanding:</b>         | <u><u>27,036.87</u></u> |

**Generated On: Jun 15, 2015**

**Appendix E: Company Third Request for DIP Financing**



DRAW NOTICE

To: Business Development Bank of Canada  
Business Restructuring  
70 York Street, Suite 1202  
Toronto, Ontario  
M5J 1S9 \*-

**RE: Debtor-in-Possession Financing**

Dear Sir or Madam,

We refer you to the Letter of Offer of debtor-in possession financing entered into on March 3, 2015 between for Tour Tech East Limited, as Borrower, and BDC, as DIP Lender. Capitalized terms which are used but not defined in this draw notice have the meaning given to them in the Letter of Offer.

We confirm our draw notice concerning a disbursement as follows:


Amount of disbursement: \$100,000

Disbursement date: May 27, 2015

As of the date hereof, we confirm that the representations made or given in the DIP Loan are still true and accurate in all material respects, that the said disbursement falls within the Cash Flow Projection and that no Event of Default has occurred.

We also confirm the execution of the previous draw by each of the parties.

**TOUR TECH EAST LIMITED**

Per:   
Name: Peter Hendrickson  
Title: President

**Appendix F: Business Development Bank of Canada Disbursement Agreement**



May 29<sup>th</sup>, 2015

Mr. Peter Hendrickson  
Tour Tech. East Limited  
170 THORNHILL DRIVE  
DARTMOUTH, NS  
B3B 1V3

**Re: Loan Account No. 329747-22**

Dear Mr. Hendrickson:

Please be advised that funds from the above mentioned BDC loan will be disbursed as follows:

On June 1st, 2015, funds in the amount of \$88,510.05 will be deposited electronically to the account you have indicated to BDC. Please note that the amount of \$4,209.95 has been retained to be applied against the PWC fees, \$6,780 has been retained to be applied against outstanding legal fees and \$500 has been retained to be applied against the May 2015 monthly management fee. A wire processing fee may be charged by your financial institution upon receipt of the funds, in which case the amount of the fee will be deducted from the amount wired.

This is the 3<sup>rd</sup> disbursement on this Loan, leaving an undisbursed balance of \$50,000.00.

We confirm your agreement that all borrowed funds shall be used in accordance with the "Loan Purpose and Funding" set out in the Letter of Offer.

We trust the foregoing is satisfactory. Should you have any questions or concerns, please do not hesitate to contact the undersigned.

Yours truly,

Sophie Gauthier  
Director, Business Restructuring  
Phone: (506) 851-3638  
1-888-INFO BDC (463-6232)  
Sophie.Gauthier@bdc.ca

Russell French  
Assistant Vice-President, BRU

c.c. James Foran, Senior Manager, Deloitte via email [jforan@deloitte.ca](mailto:jforan@deloitte.ca)

Enclosure