

Terms and Conditions of Sale

Vendor

- 1 The vendor is KPMG Inc., solely in its capacity as Court-Appointed Receiver (the “Receiver”) of Universal Handling Equipment Company Limited (“Universal Handling”) and not in its personal capacity (hereinafter referred to as the “Vendor”).

Property Description

- 2 The assets which are subject to the invitation for proposals (hereinafter referred to as the “Assets”) are as follows:

Lot #	Schedule	Description
1	1	Misc. Sheet and Structural Steel
2	2	Nuts, Bolts, Hydraulic Fittings and Other Small Supplies
3	3	REL Body and Tailgate
4	4	Cylinders
5	5	Walking Floor Components
6	6	Trailer Components
7	7	Hydraulic Components
8	8	Electrical Components
9	9	Misc. Truck Components
10	10	Misc. Truck Steel Components
11	11	Misc. Steel and Aluminum Material

Proposals

- 3 Proposals must be sealed and marked “CONFIDENTIAL” and addressed to:

KPMG Inc.
21 King Street West
Suite 700,
Hamilton, ON L8P 4W7
Attention: Brad Newton

All proposals must be submitted by no later than **2:00 p.m. (EDT) on Wednesday February 18, 2015**. All proposals must be accompanied by a refundable deposit of 15% of the purchase price offered by certified cheque, bank draft or money order and be in the prescribed form as dictated by the Receiver. Nothing contained in this information package precludes the Vendor from entering into an agreement to sell any or all assets prior to **Wednesday February 18, 2015** and furthermore, nothing herein shall prevent the Vendor from withdrawing this invitation for proposals at any time and for any reason without liability to Vendor. This invitation for proposals is not a tender.

- 4 Each proposal shall be submitted in accordance with these Terms and Conditions which shall be deemed to form part of such proposal and shall be in the form of offer attached hereto.
- 5 The purchase price shall be allocated among each of the Lots being proposed on. Offers submitted for more than one Lot of the Assets would be considered as a separate offer for each Lot of the Assets unless the offeror specifically states that the acceptance of the offer on one Lot is conditional upon the acceptance of the offer made on one or more additional Lots (an "En Bloc Offer"). Unless otherwise specified, the Vendor may accept the proposal for one or more Lots, independent of proposals submitted for other Lots. En Bloc Offers may be given special consideration.
- 6 The highest or any proposal shall not necessarily be accepted. Upon receipt by the Vendor of any proposal, no persons shall be entitled to retract, withdraw, vary or countermand their proposal prior to acceptance or rejection thereof without the Vendor's consent in the Vendor's absolute discretion, for a period of 10 business days after the submission deadline. The party submitting the proposal acknowledges that any proposal accepted by the Vendor is subject to approval by the Ontario Superior Court of Justice in Bankruptcy and Insolvency (the "Court").
- 7 If a proposal is accepted, in whole or in part, the Vendor shall notify the successful party (hereinafter referred to as the "Proposer") of its acceptance by notice in writing delivered to the successful Proposer, subject to the Vendor obtaining an Order(s) of the Court approving the sale transaction(s) and vesting Universal Handling's title in the Assets to the purchaser(s) (the "Approval and Vesting Order"). The accepted proposal together with these Terms and Conditions shall constitute the Agreement of Purchase (the "Agreement"). The Agreement shall be completed on the first business day following the date upon which the time to appeal the Approval and Vesting Order has expired (the "Closing Date").
- 8 The Proposer acknowledges that KPMG Inc. shall have no personal or corporate liability under these Terms and Conditions and is acting solely in its capacity as Receiver. In the event that the sale of the Assets is enjoined by Order of a court of competent jurisdiction or where the Assets, or any part thereof, are removed from the control of the Vendor by any means or process, or where the Assets, or any part thereof, are redeemed by a party entitled thereto at law, on or prior to the Closing Date, the Agreement shall be terminated at the option of the Vendor without any penalty or liability whatsoever to the Vendor or Proposer.

As is, Where is

- 9 The Proposer acknowledges that, the description of the Assets and any other material provided by the Vendor describing the Assets have been prepared solely for the convenience of prospective Proposers and are not warranted or represented to be complete or accurate or correct and that the same are not a part of these Terms and Conditions. Proposals will be accepted and sales completed only on the basis that the Proposer has inspected and made its own investigations concerning the Assets and unless otherwise specifically stated in these Terms and Conditions, no representation, warranty or condition is expressed nor can be implied as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, quantity, condition, cost, size or quality thereof or in respect of any other matter or thing whatsoever and each Proposer shall be deemed to have relied

entirely on his own inspection and investigation. The Assets are being sold on an “as is where is” basis. No adjustment shall be allowed to the Proposer for changes in the condition of the Assets described in the Schedules herein from the date hereof to the Closing Date.

General

- 10** All stipulations herein as to time shall be of the essence.
- 11** The Assets shall be and remain at the risk of the Vendor as its interest may appear until closing. Pending completion of the sale, the Vendor shall hold all insurance policies or proceeds thereof in trust for itself, the Proposer and others as their respective interests may appear. In the event of loss or theft or of substantial damage to the Assets subject to a proposal, then the Vendor, at its option, may elect, by giving notice in writing to the Proposer, that it intends to take the proceeds payable under the existing insurance policies on the Assets and terminate the Agreement. In this event, the Agreement shall be automatically terminated and deemed null and void and the deposit returned without interest or deduction and the Proposer shall have no other claim or cause of action against the Vendor.

If the Vendor does not exercise the above noted option, the Proposer may either have the proceeds of the insurance, if any, and complete the purchase and sale, or may cancel the Agreement and have all moneys paid returned without interest, but shall have no other claim or cause of action against the Vendor.

- 12** After the Approval and Vesting Order is obtained, if the successful Proposer defaults in completing the transaction, all payments made to the Vendor shall be forfeited, and the Assets may be sold or resold by the Vendor in such manner and on such terms and conditions as the Vendor, in its sole discretion, determines, and the deficiency, if any, on such sale or resale, together with all charges attending the same or occasioned by the defaulting Proposer, shall be the responsibility of such Proposer and shall be paid forthwith by such Proposer to the Vendor.
- 13** The Vendor shall remain in possession of the Assets and operations until the purchase is completed and title to the Assets shall not pass to the Proposer, nor shall it be entitled to possession of the same, until the purchase price and taxes, respectively, have been paid in full.
- 14** From and after the time of closing on the Closing Date, the Assets purchased shall be at the risk of the Proposer.
- 15** Any notices, requests, demands or other communications to be given under this Agreement (herein referred to as “Notice”) shall be in writing and shall be either hand delivered, emailed, faxed or mailed (prepaid registered mail) and addressed as follows:

As to the Proposer: at the address set forth in its proposal.

As to the Vendor:

KPMG Inc.
21 King Street West. Suite 700,
Hamilton, ON L8P 4W7
Attention: Brad Newton
bradnewton@kpmg.ca
905-523-2200

Notice shall be effective upon personal delivery or, if mailed, on the date of deposit with the post office.

- 16** Each Proposer, if so requested by the Vendor prior to closing, will represent and warrant to the Vendor that it is not a “non-resident person” as defined in the Investment Canada Act, nor is it a “non-resident person” of Canada within the meaning of S. 116 of the Income Tax Act (Canada).
- 17** Any term and condition herein which the Vendor might otherwise insist upon may be waived at the sole discretion of the Vendor, in whole or in part, and a Proposer will be bound by any such waiver.
- 18** Unless otherwise specifically stated herein, all obligations of the parties contained in these Terms and Conditions shall survive the completion of the sale(s).
- 19** The validity and interpretation of these Terms and Conditions, and of each provision and part thereof, and the Agreement shall be governed by the laws of the Province of Ontario.
- 20** In the case of a sale, the Proposer agrees to have the Assets purchased removed from the premises 100 Burland Crescent, Hamilton, Ontario L8H 7T5 (the “Property”), by no later than thirty (30) days after the completion of the sale and agrees to take responsibility for and make reparations for any damage caused to the Property when removing the purchased assets and shall indemnify the Vendor for any liability or expenses incurred or arising from the removal or failure to remove the Assets. The Property shall be left in a clean, broom swept condition.

In the case of an auction, the Proposer agrees to impose the following terms and conditions on any successful auction bidder: (i) the purchased assets must be removed from the Property, by no later than fifteen (15) days after the completion of the auction sale of the Assets purchased and the successful bidder must take responsibility for and make reparations for any damage caused to the Property when removing the Assets purchased and shall indemnify the Vendor for any liability or expenses incurred or arising from the removal or failure to remove Assets purchased. The Property shall be left in a clean, broom swept condition; (ii) sales will be completed only on the basis that the successful bidder has inspected and made its own investigation of the assets and unless otherwise specifically stated herein, no representation, warranty or condition is expressed nor can be implied as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, quantity, condition, cost, size or quality thereof or in respect of any other matter or thing whatsoever and each successful bidder shall be deemed to have relied entirely on its own inspection and investigation; (iii) title passes only on payment in full; (iv) from and after the time of purchase, the assets purchased shall be at the risk of the successful bidder; (v) taxes are the responsibility of the successful bidder; (vi) if the Vendor is unable to deliver any Assets, for any reason, the only recovery is the return of the purchase price.

- 21** All applicable federal and provincial taxes in connection with the sale including harmonized sales tax, if any, shall be over and above the offered purchase price and shall be in all cases the responsibility of the Proposer and payable together with the balance of the purchase price at the time of closing on the Closing Date by certified cheque, bank draft or money order payable to the Vendor or as the Vendor may direct.
- 22** The Receiver shall not be required to pay any commission, finder’s fee or the like, with respect to a sale pursuant to the Agreement.
- 23** The Vendor is acting solely as Receiver, and neither the Receiver, nor its agents, officers, partners, employees nor solicitor shall have any personal liability as a result of the Agreement or the sale hereunder. It is further acknowledged that if any offer is not accepted, or any agreement is rescinded, terminated, delayed or enjoined for any reason whatsoever the Receiver, nor its agents, officers, partners, employees nor solicitor shall not be liable for any losses, expenses or damages suffered or alleged to be suffered.