

Action No. _____

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED;

AND IN THE MATTER OF THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED;

AND IN THE MATTER OF THE RECEIVERSHIP OF COVER-ALL HOLDING CORP.,
COVER-ALL BUILDING SYSTEMS INC. AND THOSE ENTITIES LISTED IN SCHEDULE
"A" HEREOF

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE
as administrative agent

Applicant

-and-

COVER-ALL HOLDING CORP., COVER-ALL BUILDING SYSTEMS INC. AND THOSE
ENTITIES LISTED IN SCHEDULE "A" HEREOF

Respondents

AFFIDAVIT OF GREGORY PRINCE
(Sworn 20 April 2010)

I, **GREGORY PRINCE**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice President at PricewaterhouseCoopers Inc. ("PwC"), financial advisor to Canadian Imperial Bank of Commerce ("CIBC") in respect of the insolvency proceedings of Cover-All Holding Corp. and the other entities listed in Schedule "A" hereto (the "Debtors"), and as such I have personal knowledge of the matters deposed hereto, save and except where stated to be based on information and belief, in which case I do verily believe the same to be true.

2. I am advised that CIBC, in consultation with the Debtors and other stakeholders, have determined that the most efficient way to move forward in the insolvency proceedings of

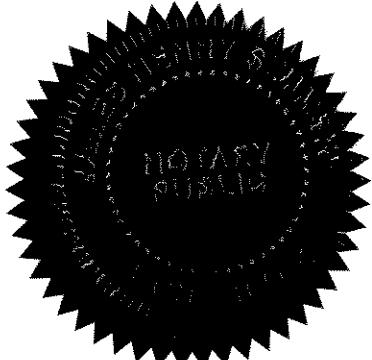
the Debtors is to appoint a receiver (the "Receiver") over all of the property, assets and undertakings of the Debtors (the "Property") and to conduct an orderly sale thereof. I understand that CIBC will bring an application before the Court of Queen's Bench of Alberta on 23 April 2010 seeking the appointment of PwC as Receiver.

3. This affidavit is filed in support of an application by CIBC for approval of an expedited sale process in respect of the Property (the "Sale Process").
4. PwC, as proposed Receiver, has prepared a report (the "Report") which outlines the proposed Sale Process, which PwC intends to follow if appointed as Receiver and if the proposed Sale Process is approved by this Court. A copy of the Report is attached hereto as **Exhibit "A"**.
5. To the best of my knowledge and belief, and subject to the qualifications set out in paragraph 5 of the Report, the contents of the Report are true and accurate.

SWORN before me at the City of Toronto, in)
the Province of Ontario, this 20th day of April,)
2010.)

A Notary Public in and for the Province of)
Ontario)

GREGORY PRINCE



SCHEDULE "A"
DEBTORS

Cover-All Holding Corp.

Cover-All Building Systems Inc.

Cover-All U.S. Holding Corp.

Summit Structures, LLC

Quick Structures, LLC

Cover-All Holdings U.S., LLC

Summit Structures U.S., LLC

Summit Management, LLC

Eastern Cover-All, Inc.

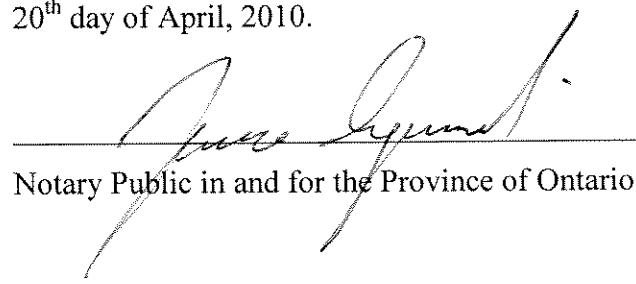
NorthStar Cover-All, LLC

NorthStar Cover-All, Inc.

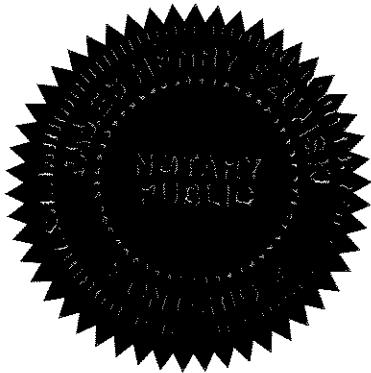
Summit Structures Limited

EXHIBIT A

This is the Exhibit marked "A" referred to in the
Affidavit of Gregory Prince sworn before me this
20th day of April, 2010.



Notary Public in and for the Province of Ontario



Cover-All Holding Corp., Cover-All Buildings Systems Inc., Cover-All U.S. Holding Corp., Summit Structures, LLC, Quick Structures LLC, Cover-All Holdings U.S., LLC, Summit Structures U.S., LLC, Summit Project Management, LLC, Eastern Cover-All, Inc., NorthStar Cover-All, LLC, NorthStar Cover-All, Inc.

REPORT OF THE PROPOSED RECEIVER

April 20, 2010

Action No. _____

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED;

AND IN THE MATTER OF THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED;

AND IN THE MATTER OF THE RECEIVERSHIP OF COVER-ALL HOLDING CORP., COVER-ALL BUILDING SYSTEMS INC. COVER-ALL U.S. HOLDING CORP., SUMMIT STRUCTURES, LLC, QUICK STRUCTURES LLC, COVER-ALL HOLDINGS U.S., LLC, SUMMIT STRUCTURES U.S., LLC, SUMMIT PROJECT MANAGEMENT, LLC, EASTERN COVER-ALL, INC., NORTHSTAR COVER-ALL, LLC, AND NORTHSTAR COVER-ALL, INC.

BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE
as administrative agent

Applicant

-and-

COVER-ALL HOLDING CORP., COVER-ALL BUILDING SYSTEMS INC. COVER-ALL U.S. HOLDING CORP., SUMMIT STRUCTURES, LLC, QUICK STRUCTURES LLC, COVER-ALL HOLDINGS U.S., LLC, SUMMIT STRUCTURES U.S., LLC, SUMMIT PROJECT MANAGEMENT, LLC, EASTERN COVER-ALL, INC., NORTHSTAR COVER-ALL, LLC, AND NORTHSTAR COVER-ALL, INC.

Respondents

**REPORT OF PRICEWATERHOUSECOOPERS INC.
AS PROPOSED RECEIVER
OF THE COVER-ALL GROUP OF COMPANIES**

APRIL 20, 2010

INTRODUCTION

1. Cover-All Holding Corp., Cover-All Buildings Systems Inc., Cover-All U.S. Holding Corp., Summit Structures, LLC, Quick Structures LLC, Cover-All Holdings U.S., LLC, Summit Structures U.S., LLC, Summit Project Management, LLC, Eastern Cover-All, Inc., NorthStar Cover-All, LLC, NorthStar Cover-All, Inc. (collectively “**Cover-All**” or the “**Company**”) are subject to a proceeding under the *Companies’ Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an order of the Honourable Mr. Justice LoVecchio granted on March 24, 2010 (the “**Initial Order**”), in Action No. 1001-04270, and referred to herein as the “**CCAA Proceedings**”. Ernst & Young Inc. was appointed as Monitor (the “**Monitor**”) in the CCAA Proceedings.
2. PricewaterhouseCoopers Inc. (“**PwC**” or the “**Proposed Receiver**”) understands that the Canadian Imperial Bank of Commerce (“**CIBC**” or the “**Bank**”), as administrative agent for a lending syndicate to the Company including the Bank, The Bank of Nova Scotia and Roynat Capital (collectively the “**Lenders**”), intend to make an application to the Court of Queen’s Bench of Alberta (the “**Court**”) for an order, *inter alia* (the “**Receivership Order**”) appointing a receiver pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 13(2) of the *Judicature Act* R.S.A. 2000, c. J-2, as amended (the “**Judicature Act**”) over all the assets, undertakings and property of the Company.
3. PwC is a licensed trustee within the meaning of section 2 of the BIA. PwC has consented to act as Receiver in these proceedings in the event that this Honourable Court makes the Receivership Order.

4. This report has been prepared by the Proposed Receiver in support of an application to be brought by the Bank, for an order approving a sales and marketing process (the “**Sale Process**”) as hereinafter described, in respect of the Property, which if appointed as receiver, the Proposed Receiver would implement.
5. In preparing this report, the Proposed Receiver has relied upon unaudited and draft, internal financial information of the Company, including information provided to it by the Bank. The Proposed Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information provided to it and expresses no opinion, or other form of assurance, in respect of the information contained in this report.
6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
7. Capitalized terms not defined herein are as defined in the Initial Order.

BACKGROUND

8. The Company manufactures and sells pre-engineered membrane building systems for non-residential use. A detailed description of the Company’s business and operations is set out in the Affidavit of Nathan Stobbe, sworn March 24, 2010 (the “**Stobbe Affidavit**”) in support of the Company’s application to the Court for the Initial Order. The CCAA Proceedings were initiated by the Company on March 24, 2010 in response to a variety of business issues facing the Company, as more particularly described in the Stobbe Affidavit.

SALE PROCESS AND THE PROPOSED RECEIVER’S RECOMMENDATION

EVENTS OCCURRING IN CCA A PROCEEDINGS

9. Subsequent to the commencement of the CCAA Proceedings, the Proposed Receiver has attended at the Company’s head office in Saskatoon, Saskatchewan

and has been working with the Company and the Monitor, as financial advisor to the Lenders, in order to review and understand the Company's business, operations, financial condition and future prospects, in order to advise the Lenders as to the Company's financial position.

10. The Proposed Receiver has been reviewing financial information prepared by the Company and provided to it by the Company and the Monitor, including cash flow forecasts, and details with respect to the Company's assets and operations.
11. In connection with its review of the Company's operations and financial position, the Proposed Receiver has had numerous discussions with certain of the Company's management, including senior management in Saskatoon, Saskatchewan ("Senior Management") and staff responsible for managing sales and marketing efforts in large territories, including the Province of Alberta, the Province of Ontario, and the States of Minnesota and Iowa ("Divisional Management"). In addition, the Proposed Receiver has also met with three of the Company's independent dealers in the United States (the "Dealers"), who, the Company advised, are influential with other independent dealers in the Company's network. The primary purpose of these meetings was to assess, on behalf of the Lenders, the aforementioned parties' commitment to a re-start of the Company's business, on a going concern basis, in some form.
12. Based on its discussions with Divisional Management and the Dealers, the Proposed Receiver has determined that there is interest among both of these groups in exploring opportunities to acquire some or all of the Property.
13. The Proposed Receiver understands that the Company and the Monitor have been approached by certain parties who have expressed an interest in possibly acquiring some or all of the Property. In addition, certain members of Senior Management have advised the Lenders, the Monitor and the Proposed Receiver that they, too, may have an interest in possibly acquiring some or all of the Property.

14. To date, potentially interested parties have been dealt with on an “ad-hoc” basis in the CCAA Proceedings. Active marketing of the Company’s assets has not been undertaken and a formal sale process has not been put before the Court for approval in the CCAA Proceedings, as the Receiver understands that once the Lenders determined that proceeding with the Sale Process was advisable, they had concluded that it was also advisable to do so in the context of a receivership, in order that an independent officer of the Court have control over the Company’s decision making. The Proposed Receiver understands that the Lenders have determined that it would be preferable to organize a focused, transparent and expedited sale process, to bring structure to the efforts that have been undertaken so far in the CCAA Proceedings.

LIQUIDITY

15. As of the date of this Proposed Receiver’s report, the Company had approximately \$360,000 of cash on hand and its most recent cash flow forecast, provided to the Proposed Receiver by the Monitor on April 15, 2010, (the “**Cash Flow Statement**”, attached hereto as Appendix “A”) indicates that the Company will run out of cash during the week ended April 30, 2010.
16. The Proposed Receiver has been advised by the Lenders that they support a short-term sale process and will commit an amount of up to \$1 million, if required, of additional funding (the “**Receiver’s Borrowings**”) in order to run a sale process to determine whether a going concern sale is possible.

LIQUIDATION VALUES

17. According to internal, draft consolidated financial statements as at February 27, 2010, which the Company provided to the Proposed Receiver during the course of its review, the Company had total assets of \$133 million, \$43 million of which were “tangible” assets, and \$90 million of which related to “intangible assets” including \$55 million of goodwill.

18. In order to assist the Lenders in understanding their position with respect to their loans to the Company, the Proposed Receiver, as advisor to the Lenders, has commenced a liquidation analysis in respect of the tangible Property. The current appraisal of the Company's land and buildings in Saskatoon has not yet been finalized and, accordingly, this analysis is not yet complete. However, as advisor to the Lenders, the Company provided the Proposed Receiver with an appraisal of the Company's Saskatoon real property, done in 2007, which the Proposed Receiver understands is the most recent such appraisal available (the "**2007 Appraisal**").
19. The Proposed Receiver has received an appraisal from a professional liquidation firm in respect of the Company's inventories and its capital assets and equipment located in Saskatoon, which comprise approximately 80% of the net book value of the Company's capital assets, excluding real estate. The Proposed Receiver has also reviewed, in detail, the Company's accounts receivable. Based on its analysis to date, and subject to the receipt of the final report of the real estate appraiser engaged by the Proposed Receiver in support of its review of the Company, the Proposed Receiver expects the Lenders would realize a significant shortfall on their security, in the event of a forced liquidation of the Property. The Proposed Receiver, as advisor to the Lenders, has calculated the estimated liquidation value of the tangible Property, employing the values set out in the 2007 Appraisal, for illustrative purposes. On this basis, as well, the Lenders would be expected to suffer a significant shortfall on their security.
20. The Proposed Receiver has been advised by counsel to the Monitor that an independent review of the Lenders' security has not yet been undertaken in the CCAA Proceedings. It is the Proposed Receiver's intention, if appointed as receiver of the Company, to undertake such review forthwith.
21. Accordingly, the Lenders have advised the Proposed Receiver that they support an expedited, focused sale process, in order to attempt to find a going concern buyer for the business, while maximizing value.

SALE PROCESS OUTLINE

22. In its discussions with Senior Management, Divisional Management and the Dealers, there is consensus that if a “going concern” sale of the Company is available, in the circumstances, a transaction must occur as quickly as possible as the attractiveness of the opportunity will diminish with the passage of time and the risks associated with a re-start increase.
23. Based on its discussions with the Monitor, Senior Management, Divisional Management and the Dealers, the Proposed Receiver is of the view that there are considerable risks associated with further, lengthy delays in re-starting the business, including:
 - i) Customers are making enquiries about the when jobs in progress will be completed and, in some cases, customers are asking for the Company’s permission to engage their own consultants to complete construction in process;
 - ii) New orders are not capable of being accepted or filled, and customers with current needs will soon look for alternative supply to fill demand;
 - iii) The risk of independent dealers establishing and furthering relationships with competitors is significant and increases with the passage of time; and
 - iv) Employees laid off in late March 2010 shortly after the commencement of the CCAA Proceedings may not be available to a buyer. In this respect, the Proposed Receiver has been advised by the Company that certain of the employees have already sought and obtained alternative employment.
24. For the reasons summarized above, it is the Proposed Receiver’s view that the salability of the Company, on a going concern basis, with the prospect for ongoing, future operations and employment, will be adversely impacted by the passage of time and that, in the circumstances, an expedited, transparent and focused sale process is required.

25. If the Court is inclined to grant the Lenders' application for a receiver, and approve an expedited sale process, the principal elements of the proposed Sale Process that is proposed are as follows:

- i) No later than four business days after the Sale Process is approved by the Court the Receiver would:
 - a) advertise the Sale Process in the national edition of the **Globe & Mail**; and
 - b) send a teaser document to all parties that the Receiver identifies as potentially having interest in the Company and / or the Property, which will include, among other prospects identified by the Proposed Receiver, Senior Management, Divisional Management, Dealers, and parties that have directly approached the Monitor or the Company during the CCAA Proceedings (collectively "**Prospective Purchasers**".)
- ii) Parties expressing an interest in participating in the Sale Process would be required to execute a confidential agreement or non-disclosure agreement ("**NDA**"). Upon receiving an executed NDA, Prospective Purchasers would be provided access to a data room containing information for Prospective Purchasers to conduct due diligence;
- iii) Prospective Purchasers would have until 5 p.m. Mountain time, on May 12, 2010 (the "**Bid Deadline**"), to submit written, non-binding expressions of interest (a "**Bid**");
- iv) After reviewing the Bids the Receiver would consult with the Lenders and would proceed to negotiate a binding agreement of purchase and sale, subject only to Court approval, (an "**APA**") in respect of one or more of the Bids, if any Bids are received. The Proposed Receiver understands that the Lenders have not committed to providing additional funding in excess of the Receiver's Borrowings. Accordingly, the Proposed Receiver is of the view

that if Bids are not received by the Bid Deadline, the Company will be liquidated.

- v) The deadline for negotiating APAs would be May 21, 2010, at 5 p.m. Mountain time (the “**APA Deadline**”). It is anticipated that a receiver’s proposed form of APA would be used. Immediately following the APA Deadline, the Receiver would consult with the Lenders and will determine which, if any, of the Prospective Purchasers’ APAs it would put before this Honourable Court for approval, if any, and would seek the approval of same, forthwith after the APA Deadline, by applying to the Court within two business days of the APA Deadline for the approval of the APA, on reasonable notice to parties on the service list at that time. If an APA is not capable of being finalized on mutually agreeable terms as between the Receiver and a Prospective Purchaser, the Receiver will terminate the Sale Process and the Receiver will proceed with one of the Liquidation Offers and Listing Proposals (as hereinafter defined).
- vi) If an APA is approved by this Honourable Court, the Receiver and the successful Prospective Purchaser would meet to close the APA within three business days of the date of such approval.
- vii) Concurrent with the Sale Process, the Receiver would solicit expressions of interest from professional liquidators in respect of the Company’s inventory and non-real estate capital assets (the “**Liquidation Offers**”) and would solicit proposals for listing agreements with real estate agents in respect of the Company’s real estate (the “**Listing Proposals**”). The deadline for submission of Liquidation Offers would be May 10, 2010 at 5:00 p.m. Mountain time. The deadline for submission of Listing Proposals would be May 17, 2010 at 5:00 p.m. Mountain Time.

26. The Proposed Receiver is of the view that the timing associated with the Sale Process is very aggressive. Prospective Purchasers will have only a short period of time to undertake limited due diligence prior to the Bid Deadline. However,

the Company will be out of cash and unable to carry on operating within the next one to two weeks, absent additional funding, according to the Cash Flow Statement.

27. Although the Sale Process has very aggressive timelines, the alternative would appear to be a complete shut-down of the business and an immediate liquidation of the Property.

28. The Proposed Receiver believes that although the Sale Process timeline is very aggressive, in the circumstances and given the likely alternative of a liquidation of the Company, the timeline is justifiable in the circumstances and recognizes the significant risks associated with customer, independent dealer and employee retention, while providing some time for interested parties to investigate the Property and submit a Bid for consideration.

CONCLUSION

29. The Proposed Receiver is filing this report in support of the Lenders' application for the approval of the Sale Process.

All of which is respectfully submitted on this 20th day of April, 2010.

PricewaterhouseCoopers Inc.
as Proposed Receiver of the Company



Greg Prince
Senior Vice President

Appendix "A"

Cover-All - CCAA
Revised Cash-Flow Statement
For the period of April 16, 2010 to June 4, 2010 (the "Reporting Period")
(in CDN Dollars)

No: _____

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
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COVER-ALL HOLDING CORP., COVER-ALL
BUILDING SYSTEMS INC. AND THOSE ENTITIES
LISTED IN SCHEDULE "A" HEREOF

AFFIDAVIT OF GREGORY PRINCE

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