

## MATERIAL CHANGE REPORT

1. **Reporting Issuer**

Vicwest Corporation  
1296 South Service Road  
Oakville, Ontario  
L6L 5T7

2. **Date of Material Change**

May 30, 2003

3. **Publication of Material Changes**

A press release was issued on May 30, 2003 through Canada Newswire.

4. **Summary of Material Changes**

Vicwest Corporation ("Vicwest") announced that it has sought and obtained from the Ontario Superior Court of Justice (the "Court") an order granting it and certain of its Canadian subsidiaries (the "Subsidiaries") an extension to June 13, 2003 of protection under Companies' Creditors Arrangement Act (the "CCAA"), and an extension to June 13, 2003 of the deadline for filing its restructuring plan.

Vicwest also announced that pursuant to a Court order obtained on May 26, 2003 it repaid its outstanding secured bank indebtedness of approximately \$30 million (all dollar amounts are in Canadian dollars) with the debtor-in-possession ("DIP") financing provided by Trilon Bancorp Inc. In addition to a term loan facility of \$30 million, the DIP financing includes a revolving operating credit facility of \$5 million which may be drawn upon in accordance with an approved cash flow budget.

The Court also accepted and approved the first report dated May 23, 2003 of Deloitte & Touche Inc. in its capacity as monitor of Vicwest (the "Monitor") and a second report of the Monitor dated May 29, 2003.

5. **Full Description of Material Change**

As previously announced, Vicwest and the Subsidiaries obtained an order on May 12, 2003 to begin Vicwest's restructuring under the CCAA.

Vicwest announced that it has sought and obtained from the Court an order granting it and the Subsidiaries an extension to June 13, 2003 of protection under the CCAA, and an extension to June 13, 2003 of the deadline for filing its restructuring plan.

Vicwest also announced that pursuant to a Court order obtained on May 26, 2003 it repaid its outstanding secured bank indebtedness of approximately \$30 million (all dollar amounts are in Canadian dollars) with DIP financing provided by Trilon Bancorp Inc. In addition to a term loan facility of \$30 million, the DIP financing includes a revolving operating credit facility of \$5 million which may be drawn upon in accordance with an approved cash flow budget. The DIP financing is guaranteed by the Subsidiaries and is secured by all of the assets of Vicwest and the Subsidiaries. All amounts borrowed under the DIP financing bear interest at the prime rate per annum plus 5%. A fee equal to 1.25% of the amount advanced has been paid with respect to the total amount of the committed DIP financing. There is a further standby fee equal to 0.75% of the unadvanced portion of the operating facility. The DIP facilities are repayable in full upon an enforcement event if there is a default or otherwise upon the earlier of September 26, 2003 and the implementation of the proposed plan of compromise or arrangement under the CCAA. Advances under the operating facility are available provided that various affirmative and negative covenants are complied with and there has been no material adverse change in the businesses, assets or financing condition of Vicwest or the Subsidiaries.

The Court also accepted and approved the first report dated May 23, 2003 of the Monitor. In that report, for the purpose of valuing the secured banks' security, the Monitor estimated the hypothetical liquidation value of certain assets of Vicwest and Westeel Limited. A copy of the first report is attached hereto as Annex A. The Court also approved the second report of the Monitor dated May 29, 2003. The second report supported the extension to June 13, 2003 of protection under the CCAA and the date for filing the restructuring plan. A copy of the second report is attached hereto as Annex B. The full text of both Monitor's reports should be reviewed and considered in their entirety as the contents of the reports are subject to qualifications and assumptions set out therein.

As previously announced, the preparation and filing of Vicwest's consolidated financial statements for the year ended December 31, 2002 and the quarter ended March 31, 2003 have been delayed as a result of Vicwest's restructuring activities under the CCAA. Vicwest anticipates that it will be able to comply with its financial statement filing requirements after completion of its restructuring process. At this time it is anticipated that Vicwest will emerge from its restructuring process in the summer of 2003.

6. **Confidentiality of Information**

This report is not being filed on a confidential basis.

7. **Omitted Information**

Not applicable.

8. **Senior Officer**

Inquiries in respect of the material change referred to herein may be made to:

Joshua Rizack  
Chief Restructuring Officer  
Vicwest Corporation  
1296 South Service Road  
Oakville, Ontario  
L6L 5T7  
Telephone: (905) 825-2252

9. **Statement of Senior Officer**

The information contained in this material change report accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 4<sup>th</sup> day of June, 2003.

"Joshua Rizack" (signed)

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Joshua Rizack  
Chief Restructuring Officer

## **Annex A**

### **First Monitor's Report**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
R.S.O. 1990, C.B.16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF VICWEST CORPORATION AND THOSE  
LISTED IN SCHEDULE "A" HERETO**

**FIRST REPORT OF DELOITTE & TOUCHE INC., MONITOR  
ASSESSMENT OF BANK SECURITY AND CERTAIN ASSETS OF  
VICWEST CORPORATION AND WESTEEL LIMITED**

May 23, 2003

**FIRST REPORT OF DELOITTE & TOUCHE INC., MONITOR**  
**ASSESSMENT OF BANK SECURITY AND CERTAIN ASSETS OF**  
**VICWEST CORPORATION AND WESTEEL LIMITED**

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## FIRST REPORT OF DELOITTE & TOUCHE INC., MONITOR

### ASSESSMENT OF BANK SECURITY AND CERTAIN ASSETS OF VICWEST CORPORATION AND WESTEEL LIMITED

#### **Purpose**

This report of Deloitte & Touche Inc. in its capacity as monitor (the "Monitor") of Vicwest Corporation ("Vicwest") and Westeel Limited ("Westeel") (collectively the "Companies") is the Monitor's first report (the "First Report") to the Ontario Superior Court of Justice [Commercial List] (the "Ontario Court") in connection with the restructuring proceedings of Vicwest and Westeel under the *Companies' Creditors Arrangement Act* ("CCAA"). As directed by the Ontario Court pursuant to the order dated May 12, 2003 in the CCAA proceedings (the "Payment Order"), the Monitor has undertaken an assessment of bank security by obtaining a legal opinion from the Monitor's counsel and preparing a hypothetical liquidation analysis of certain assets of Vicwest and Westeel (the "Hypothetical Liquidation Analysis") for the purpose of assessing if these assets, secured to Canadian Imperial Bank of Commerce, as administrative agent for the Canadian senior lenders to Vicwest and Westeel (the "Administrative Agent"), have an estimated liquidation value in excess of the Initial Bank Payment (as defined in the Payment Order). The Monitor understands that the Initial Bank Payment is estimated to be \$31 million or less, subject to the issue described in more detail below with respect to the claim for default interest.

#### **Summary**

Subject to the qualifications and assumptions below, it appears from the Hypothetical Liquidation Analysis that the accounts receivable of Vicwest and Westeel, combined with their respective tangible personal property located in the Provinces of Quebec, Ontario, Manitoba and British Columbia (the "Assessed Assets") may be reasonably expected to have a value in excess of the Initial Bank Payment. Because the estimated liquidation value of the Assessed Assets exceeds the Initial Bank Payment, it was considered unnecessary to spend further time and expense assessing other assets of Vicwest and Westeel in detail and obtaining legal opinions in respect thereof.

The Monitor has obtained supporting legal opinions from counsel with respect to the principal security of the Administrative Agent in respect of the Assessed Assets, as discussed in more detail below. Subject to the qualifications and assumptions set out therein, the opinions confirm that the principal security of the Administrative Agent in respect of the Assessed Assets is valid and enforceable in British Columbia, Manitoba, Ontario and Quebec to the extent that each such jurisdiction is applicable to the Assessed Assets.

#### **Qualifications**

The Hypothetical Liquidation Analysis was limited to the Assessed Assets, and did not include other assets of Vicwest, Westeel or any of the other CCAA applicants over which the Administrative Agent holds security. The tangible personal property included in the Assessed Assets consists of inventory and equipment, machinery and office furniture.

The Hypothetical Liquidation Analysis assumes that the liquidation of the Assessed Assets would commence under the direction of a Court-appointed officer pursuant to formal insolvency proceedings and continue for a period of 12 months, during which time all the Assessed Assets would be liquidated and the cash proceeds, net of liquidation-related costs, would be available for distribution to the creditors of Vicwest and Westeel. The Hypothetical Liquidation Analysis assumes that Vicwest and Westeel would continue operations on a wind-down basis and complete a minimal amount of work in progress, where deemed appropriate, to maximize recoveries on inventories and accounts receivable.

## Qualifications (cont'd.)

Underlying the Hypothetical Liquidation Analysis are a number of estimates and assumptions regarding liquidation proceeds, that although developed and considered reasonable by the Monitor, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of Vicwest and Westeel, its management, and a Court-appointed officer. Accordingly, there can be no assurance that the estimates reflected in the Hypothetical Liquidation Analysis would be realized if Vicwest and Westeel did, in fact, undergo such a liquidation, and actual results could vary materially from those shown here.

The information contained in this Hypothetical Liquidation Analysis has been obtained from the records of Vicwest and Westeel and is based on discussions with, and representations made by, management of the Companies and other professional advisors retained in this matter.

The financial information of Vicwest and Westeel has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles. Accordingly, the Monitor does not express an opinion or any other form of assurance on the financial or other information provided by Vicwest and Westeel. The Monitor may refine or alter its estimates as further information is obtained or is brought to its attention after the date of this Hypothetical Liquidation Analysis.

## Hypothetical Liquidation Analysis

The Hypothetical Liquidation Analysis, prepared on a consolidated basis for Vicwest and Westeel, but excluding Dumbarton Construction Limited and the other applicants listed in Schedule A, estimates a liquidation value for the Assessed Assets of \$44.9 million, before estimated fees, expenses and priority claims, compared to the Initial Bank Payment estimated at \$31 million or less. Fees and expenses of a liquidation have been included in the analysis, although one could take the position that, for the purpose of valuing the Administrative Agent's collateral relative to the Initial Bank Payment, no deduction should be made for these amounts. In addition, certain of the estimated fees and expenses would not need to be incurred if the Administrative Agent elected to foreclose on the assets rather than liquidate them, and some government priority claims would lose priority if the assets were liquidated in bankruptcy proceedings. Nevertheless, even after deducting the full estimate for these amounts, the estimated liquidation value of \$32.2 million for Assessed Assets exceeds the Initial Bank Payment estimated at \$31 million or less. The estimated liquidation value of Assessed Assets excludes other assets of Vicwest and Westeel secured to the Administrative Agent, which have an estimated liquidation value of \$14.8 million, before estimated fees, expenses and priority claims, and \$9.2 million net of these expenses. These additional assets are described more fully in the following section of our report.

Vicwest Corporation (Consolidated) Hypothetical Liquidation Analysis											
	Note	Jurisdiction				Accounts			Amount	Recovery	Net Book Value
		British Columbia	Manitoba	Ontario	Quebec	Receivable	Subtotal	Other			
<b>Estimated Liquidation Value of Assessed Assets</b>											
Cash	(1)	\$ -	\$ 4,403	\$ -	\$ -	\$ -	\$ 4,403	\$ -	\$ 4,403	100.0%	\$ 4,403
Accounts receivable	(2)	-	-	-	-	25,854	25,854	-	25,854	63.5%	\$ 40,714
Inventories	(3)	952	3,133	3,344	2,148	-	9,577	2,062	11,639	65.1%	\$ 17,878
Prepaid expenses	(4)	-	-	-	-	-	-	-	-	0.0%	\$ 825
Machinery, equipment and office furniture	(5)	679	1,602	1,526	1,260	-	5,067	1,124	6,191	54.0%	\$ 11,467
Intercompany receivables	(4)	-	-	-	-	-	-	-	-	0.0%	\$ 15,230
Goodwill	(4)	-	-	-	-	-	-	-	-	0.0%	\$ 4,141
<b>Total proceeds, prior to items below:</b>		<b>\$ 1,631</b>	<b>\$ 9,138</b>	<b>\$ 4,870</b>	<b>\$ 3,408</b>	<b>\$ 25,854</b>	<b>\$ 44,901</b>	<b>\$ 3,186</b>	<b>\$ 48,087</b>	<b>50.8%</b>	<b>\$ 94,658</b>
Professional fees	(6)	\$ 146	\$ 1,141	\$ 460	\$ 369	\$ 2,521	\$ 4,637	\$ 363	\$ 5,000		
Inventory liquidation expenses	(7)	260	1,108	914	587	-	2,868	721	3,589		
Machinery liquidation expenses	(7)	48	112	107	88	-	355	79	434		
Accounts receivable / wind-down	(8)	-	-	-	-	1,500	1,500	-	1,500		
<b>Total liquidation expenses</b>		<b>\$ 454</b>	<b>\$ 2,361</b>	<b>\$ 1,481</b>	<b>\$ 1,043</b>	<b>\$ 4,021</b>	<b>\$ 9,360</b>	<b>\$ 1,162</b>	<b>\$ 10,523</b>	<b>11.1%</b>	
<b>Estimated government priority claims</b>	(9)	<b>\$ 239</b>	<b>\$ 733</b>	<b>\$ 1,143</b>	<b>\$ 1,173</b>	<b>\$ -</b>	<b>\$ 3,288</b>	<b>\$ 1,212</b>	<b>\$ 4,500</b>		
<b>Net proceeds (estimated liquidation value of Assessed Assets)</b>		<b>\$ 938</b>	<b>\$ 6,044</b>	<b>\$ 2,246</b>	<b>\$ 1,191</b>	<b>\$ 21,833</b>	<b>\$ 32,252</b>	<b>\$ 812</b>	<b>\$ 33,064</b>	<b>34.9%</b>	

As noted above, in the event the Assessed Assets were liquidated under a bankruptcy proceeding, government priority claims would be reordered in terms of their ranking with respect to other creditors' claims and would rank on a *pari passu* basis with other unsecured creditors. Government priority claims estimated at \$4.5 million in the above Hypothetical Liquidation Analysis would be reduced to an estimated \$3.3 million for source deductions; consequently, the estimated liquidation value of the Assessed Assets available to cover the Initial Bank Payment would increase by \$3.0 million to a total estimated liquidation value of \$35.2 million.

### Assets not included in Hypothetical Liquidation Analysis

Assets of the additional applicants listed in Schedule A, other than Westeel, and certain assets of Vicwest and Westeel have not been included in this analysis, specifically personal property located in jurisdictions other than British Columbia, Manitoba, Ontario and Quebec and all real property (the "Excluded Assets"). Based on discussions with management of Vicwest and Westeel, property that is leased or subject to possible purchase-money security interests, is not included in either the Assessed Assets or the Excluded Assets including any property that, according to management, is the subject of a personal property security registration in British Columbia, Manitoba, Ontario or Quebec (other than a registration in favour of the Administrative Agent). A summary of such registrations prepared by the Monitor's counsel is attached as Schedule B.

The Excluded Assets have an estimated liquidation value, net of liquidation costs, of \$9.2 million as follows:

<b>Vicwest Corporation (Consolidated)</b>	
<b>Assets not included in Hypothetical Liquidation Analysis</b>	
	<b>Estimated Liquidation Value</b>
<b>Estimated Liquidation Value of Excluded Assets</b>	
<b>Dumbarton Property</b> consists of the book value of cash located in an Alberta bank account and accounts receivable of \$1,222, of which 33% is deemed collectible in a liquidation analysis.	
(i) Cash	\$399
(ii) Accounts receivable	403
	<u>802</u>
<b>Personal Property</b> located in provinces other than British Columbia, Manitoba, Ontario and Quebec, with proceeds (included in the column entitled "Other" in the preceding chart) estimated on same basis as described in Notes 3 and 5 below:	
(i) Inventories	\$2,062
(ii) Machinery, equipment and office furniture	1,124
	<u>3,186</u>
Less: Professional Fees and liquidation expenses	(1,162)
Government priority claims	<u>(1,212)</u>
	812
<b>Real Property</b> , including four properties appraised by Royal LePage from February 26, 2003 to March 11, 2003 totaling \$7,185 (market value of \$9,300 as appraised by Royal LePage less estimated selling, legal and occupancy costs) and three properties with estimated proceeds of \$425 (estimated market value of \$1,500 less estimated selling, legal and occupancy costs). Royal LePage has consented to the use of this appraisal by the Monitor in the Hypothetical Liquidation Analysis.	
	7,610
Prepaid expenses	-
Intercompany receivables	-
Goodwill	-
Net Proceeds (estimated liquidation value of Excluded Assets)	<u><u>\$9,224</u></u>

### Legal Opinions

The Monitor obtained legal opinions regarding the security held by the Administrative Agent in respect of the Assessed Assets. The Administrative Agent holds security over substantially all of the assets of Vicwest, Westeel and the other CCAA applicants pursuant to a variety of security agreements, debentures, pledges and other documents. However, with a view to limiting the costs of the security review, counsel was instructed to focus on the primary security held by the Administrative Agent (a guarantee and security agreement from Vicwest, Westeel and others and deeds of hypothec by Vicwest and Westeel) in respect of personal property of Vicwest and Westeel, unless it became necessary to broaden the scope of the review.

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With respect to the Administrative Agent's security over the tangible personal property included in the Assessed Assets, opinions were obtained from counsel in British Columbia, Manitoba, Ontario and Quebec.

With respect to the Administrative Agent's security over the accounts receivable included in the Assessed Assets, the Monitor has been advised by its counsel that personal property legislation in Ontario and certain other provinces provides that the perfection of accounts receivable security is governed by the jurisdiction in which the chief executive office of a debtor is located when the debtor has more than one place of business (some other provinces use the term "executive office" or "head office"). Attached, as Schedule C is a summary of information provided by Vicwest and Westeel regarding the management of their respective operations.

The information in Schedule C supports the view that Westeel's chief executive office is located in Manitoba. With respect to Vicwest, some of the information regarding the management and operation of its business supports the view that Ontario is the location of its chief executive office. On the other hand, other information shows some connections to the States of Alabama and Georgia (as well as to Quebec). For this reason, out of an abundance of caution, the Monitor understands that the Administrative Agent caused registrations of the Administrative Agent's security to be made in these States, as well as the District of Columbia (the U.S. jurisdiction in which the Administrative Agent was advised a security registration could possibly be needed in respect of the accounts of a foreign entity in these circumstances). Copies of such registrations are attached as Schedule D. Because the information in Schedule C is not inconsistent with the view that Vicwest's chief executive office is in Ontario, the Monitor did not incur the expense of obtaining US opinions on the Administrative Agent's registrations there.

Subject to the qualifications and assumptions set out therein, the opinions confirm that the principal security of the Administrative Agent in respect of the Assessed Assets is valid and enforceable in British Columbia, Manitoba, Ontario and Quebec to the extent that each such jurisdiction is applicable to the Assessed Assets.

### **Default Interest**

Based on information from Vicwest and the Administrative Agent, the Monitor understands that the Canadian senior banks have been paid and/or are claiming default interest since November 15, 2002. The amount of default interest as at May 26, 2003 is about \$350,000. The Monitor has been advised by its counsel that a claim for default interest is not enforceable in certain circumstances, including circumstances in which Section 8 of the *Interest Act* (Canada) applies, and that Vicwest is disputing the banks' entitlement to default interest. To provide an opportunity for further review and discussion of the issue among the principal stakeholders, the Monitor recommends that the amount of the claim for default interest be held back from the Initial Bank Payment, pending further order of the Court.

**RESPECTFULLY SUBMITTED,**

Dated the 23<sup>rd</sup> day of May, 2003.

### **Deloitte & Touche Inc.**

In its capacity as Court-Appointed Monitor of  
**Vicwest Corporation, Westeel Limited,  
153810 Canada Inc., Cancom Equity Fund,  
CEF Limited Partnership No. 2,  
359856 Alberta Ltd., 745674 Ontario Limited and  
1466828 Ontario Inc.**



Per: Karen M. Cramm, MBA, CA  
Senior Vice-President

## Appendix 1: Notes to Hypothetical Liquidation Analysis

A summary of the assumptions used in preparing the Hypothetical Liquidation Analysis is set forth below. Unless otherwise stated, the book values used in the Hypothetical Liquidation Analysis are the preliminary unaudited book values as at May 2, 2003 and are assumed to be representative of the consolidated assets and liabilities of Vicwest and Westeel. All amounts are stated in thousands, Canadian dollars.

### Note 1 – Cash

The book value of cash is the balance on deposit in Westeel's bank account at the Portage Avenue branch of the TD Bank, Winnipeg, net of the overdraft in Vicwest's bank account at the Commerce Court branch of the CIBC Bank, Toronto. Cash consists of all cash in banks or operating accounts and is assumed to be fully recoverable.

### Note 2 – Accounts Receivable

Accounts receivable consist of third party trade accounts receivable. The accounts receivable analysis assumes that a Court-appointed officer would retain staff to process the collection of outstanding accounts receivable and to complete a minimal amount of work in progress where deemed appropriate to maximize recoveries. In assessing the collectibility of the accounts receivable, the balance of estimated collectible accounts as at May 2, 2003 was reduced by customer volume rebates estimated at \$1.5 million on a consolidated basis.

#### *Vicwest Accounts Receivable*

The estimated recovery of Vicwest's trade accounts receivable is based on discussions with management and a review of internally generated accounts receivable aging reports. Following is a breakdown of Vicwest's trade accounts receivable by business line.

Vicwest Corporation (Unconsolidated) Accounts Receivable as at May 2, 2003					
Business Line	Outstanding Accounts Receivable	% of Total	Estimated Collectible Amount	% Recovery	Estimated Uncollectible Amount
Total Building Products - Supply & Install	13,189	39%	4,352	33%	8,837
Total Building Products - Supply Only	9,621	29%	7,921	82%	1,700
Total Agri Division/Light Gauge	10,860	32%	8,211	76%	2,649
Total	33,670	100%	20,484	61%	13,186

The estimated collectible amount by business line was determined as follows:

- *Total Building Products – Supply & Install*

Individual accounts with outstanding balances in excess of \$200,000, and the balance of accounts in aggregate, were assessed based on percentage completion of the work and past credit history.

- *Total Building Products – Supply Only and Total Agri Division / Light Gauge*

Accounts were assessed in aggregate based primarily on past credit history, normal time for collection of accounts and aging.

## Appendix 1: Notes to Hypothetical Liquidation Analysis (cont'd.)

The aging of the accounts as at May 2, 2003 was as follows:

Vicwest Corporation (Unconsolidated) Accounts Receivable Aging as at May 2, 2003						
	Total A/R	Current	30 Days	60 Days	90 Days	Future Amounts Owing
Book Value	\$33,670	\$13,027	\$7,243	\$2,428	\$2,721	\$8,251
Aging Percent	100%	39%	22%	7%	8%	25%

The receivable balance described as "future owing", is made up of holdbacks, accounts with disputes and contract deficiencies and balances for customers in a delayed payment program. Invoices for certain materials sold to customers during January and February 2003 are not payable until either May 15 or June 15 of 2003.

The overall recovery rate on Vicwest's trade accounts receivable is estimated at 61%, with more weighting placed on the individual account assessments rather than on the aging resulting in a more conservative provision for the estimated uncollectible portion.

### *Westeel Accounts Receivable*

The estimated recovery from Westeel's trade accounts receivable is based on discussions with management, a review of internally prepared accounts receivable listings, consideration of past credit history and the current aging of these receivables. The aging of the accounts as at May 2, 2003 was as follows:

Westeel Limited Accounts Receivable Aging as at May 2, 2003					
	Total A/R	Current	30 Days	60 Days	90 Days
Book Value	\$7,044	\$4,622	\$1,875	\$287	\$260
Aging Percent	100%	66%	27%	4%	4%

As a result of the above considerations, the overall recovery rate on the above trade accounts receivable is \$5,370 or 76%.

### **Note 3 – Inventory**

The estimated liquidation proceeds for inventory has been based on appraised values provided by Danbury Industrial to Vicwest Corporation. The effective date of the appraisal is April 7, 2003 and was based on inventory on hand as at February 28, 2003. In carrying out the appraisals, Danbury Industrial visited the following sites during March 2003.

#### *Vicwest*

- Stratford and Oakville, Ontario
- Victoriaville, Quebec

#### *Westeel*

- Winnipeg, Manitoba

Danbury Industrial has consented to the use of this appraisal by the Monitor in the Hypothetical Liquidation Analysis.

**Appendix 1: Notes to Hypothetical Liquidation Analysis (cont'd.)**

Danbury Industrial appraised the inventory at the visited sites as follows:

<b>Vicwest Corporation (Consolidated)</b> <b>Danbury Industrial Appraisal of Inventory</b>			
	<b>Vicwest</b>	<b>Westeel</b>	<b>Combined</b>
Gross liquidation value	\$7,416	\$4,867	\$12,283
Inventory at cost as at February 28, 2003	\$11,354	\$7,516	\$18,870
Gross liquidation value as a percent of cost	65%	65%	65%

The above percentages were applied to the book value of inventory on hand as at May 2, 2003 in each jurisdiction.

**Note 4 – Prepaid Expenses, Intercompany Receivables and Goodwill**

These assets have a net book value of \$20,196 at May 2, 2003. There is assumed to be no recovery from these assets in a liquidation.

**Note 5 – Machinery, Equipment and Office Furniture**

The estimated liquidation proceeds for machinery, equipment and office furniture has been based on appraised values also provided by Danbury Industrial to Vicwest Corporation. The effective date of the appraisal is March 12, 2003. In carrying out the appraisal, Danbury Industrial visited the same sites listed above in Note 3 during March 2003.

Danbury Industrial appraised the machinery and equipment at the visited sites as follows:

<b>Vicwest Corporation (Consolidated)</b> <b>Danbury Industrial Appraisal of Machinery &amp; Equipment</b>		
	<b>Orderly Liquidation Value</b>	<b>Forced Liquidation Value</b>
<b>Vicwest</b>		
Victoriaville, Quebec	\$1,762	\$1,260
Stratford and Oakville, Ontario	2,146	1,526
<b>Westeel</b>		
Winnipeg, Manitoba	1,958	1,497
	<u>\$5,866</u>	<u>\$4,283</u>

The forced liquidation value is approximately 60% of net book value. Danbury Industrial has consented to the use of this appraisal by the Monitor in the Hypothetical Liquidation Analysis.

Management provided estimates for the remaining machinery and equipment at an estimated forced liquidation value of \$1,743, or 54% of net book value. Management also provided estimates of office furniture at an estimated forced liquidation value of \$165 or 15% of net book value.

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**Appendix 1: Notes to Hypothetical Liquidation Analysis (cont'd.)**

Following is a summary of the appraised value and management estimates:

<b>Vicwest Corporation (Consolidated)</b>		
<b>Management Estimates of Machinery, Equipment and Office Furniture</b>		
	<b>Forced Liquidation Value</b>	<b>% of Net Book Value</b>
Machinery and equipment at appraised values; (Ontario, Quebec and Manitoba (Westeel))	\$4,283	60%
Estimated values (\$679 - Vicwest Surrey, \$679 - Vicwest Edmonton, \$105 - Vicwest Winnipeg, \$175 - Westeel Saskatoon, \$70 - Westeel Regina, \$35 - Westeel Olds)	1,743	54%
Office furniture at management's estimates	165	15%
	<b>\$6,191</b>	<b>54%</b>

**Note 6 – Professional fees**

Professional fees include the fees of the Court-appointed officer and their legal counsel to oversee a liquidation under formal insolvency proceedings. These costs have been allocated *pro-rata* based on gross liquidation proceeds.

**Note 7 – Inventory and Machinery Liquidation Expenses**

Inventory liquidation expenses are based on estimates provided in the Danbury Industrial appraisals dated April 7, 2003 and include occupancy costs, payrolls, utilities and liquidation management fees.

Machinery liquidation expenses are based on estimates provided in the Danbury Industrial appraisals dated March 12, 2003 and include occupancy costs, marketing, advertising, sale site preparation, removal supervision and liquidation commissions.

**Note 8 – Accounts Receivable / Wind Down Costs**

These costs include compensation for employees to collect outstanding receivables, complete minimal work in progress and assist the Court-appointed officer in the wind-down of the business and liquidation of assets.

**Note 9 – Government Priority Claims**

Government claims consist of source deductions, GST/HST, provincial sales tax, vacation pay, unpaid wages, employee expenses and workers' compensation and are estimated as at May 2, 2003.

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**Schedule A: Additional Applicants in CCAA Proceeding**

Westeel Limited

Dumbarton Construction Limited

153810 Canada Inc.

Cancom Equity Fund

CEF Limited Partnership No. 2

359856 Alberta Ltd.

745674 Ontario Limited

1466828 Ontario Inc.

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**Schedule B: Personal Property Security Registration Summaries**

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## VICWEST CORPORATION

### SUMMARY OF SEARCH CONDUCTED UNDER THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)

**Date of Search:** May 6, 2003

Registration Date	File No.	Secured Party	Collateral Description	Registration Period	Comments
March 10, 2000	8763062	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce as Canadian Administrative Agent	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Corporation Vicwest and Corporation/Corporation Vicwest added as debtors.
March 9, 2000	8758970	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce, as Canadian Administrative Agent (added on March 23, 2000)	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Originally registered only against Jannock Limited Vicwest Corporation, Corporation Vicwest and Corporation/Corporation Vicwest added as debtors.
March 9, 2000	8758967	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce, as Canadian Administrative Agent (added on March 23, 2000)	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Originally registered only against Delta Acquisition Corp. Vicwest Corporation, Corporation Vicwest and Corporation/Corporation Vicwest added as debtors.
December 11, 2002	775501A	Canport Industries Co. Ltd.	MV Serial no. 21F22134, Year 1990, Make/Model TCM FG25N2S Forklift	4 years	

**CORPORATION VICWEST**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)**

**Date of Search:** May 6, 2003

Registration Date	File No.	Secured Party	Collateral Description	Registration Period	Comments
March 10, 2000	8763062	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce as Canadian Administrative Agent	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Original debtor was Vicwest Corporation. Corporation Vicwest and Vicwest Corporation/Corporation Vicwest were added as debtors.
March 9, 2000	8758970	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce, as Canadian Administrative Agent (added on March 23, 2000)	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Originally registered only against Jannock Limited Vicwest Corporation, Corporation Vicwest and Corporation/Corporation Vicwest added as debtors.
March 9, 2000	8758967	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce, as Canadian Administrative Agent (added on March 23, 2000)	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Originally registered only against Delta Acquisition Corp. Vicwest Corporation, Corporation Vicwest and Corporation/Corporation Vicwest added as debtors.

**VICWEST CORPORATION/CORPORATION VICWEST**  
**SUMMARY OF SEARCH CONDUCTED UNDER THE**  
**PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)**

**Date of Search:** May 6, 2003

Registration Date	File No.	Secured Party	Collateral Description	Registration Period	Comments
March 10, 2000	8763062	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce as Canadian Administrative Agent	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Original debtor was Vicwest Corporation.  Corporation Vicwest and Corporation/Corporation Vicwest were added as debtors.
March 9, 2000	8758970	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce, as Canadian Administrative Agent (added on March 23, 2000)	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Originally registered only against Jannock Limited  Vicwest Corporation, Corporation Vicwest and Corporation/Corporation Vicwest added as debtors.
March 9, 2000	8758967	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce, as Canadian Administrative Agent (added on March 23, 2000)	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Originally registered only against Delta Acquisition Corp.  Vicwest Corporation, Corporation Vicwest and Corporation/Corporation Vicwest added as debtors.

**DELTA ACQUISITION CORP.**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)**

**Date of Search:** May 6, 2003

Registration Date	File No.	Secured Party	Collateral Description	Registration Period	Comments
March 9, 2000	8758967	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce, as Canadian Administrative Agent (added on March 23, 2000)	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land	7 years	Originally registered only against Delta Acquisition Corp.  Vicwest Corporation, Corporation Vicwest and Vicwest Corporation/Corporation Vicwest added as debtors

**JANNOCK LIMITED**  
**SUMMARY OF SEARCH CONDUCTED UNDER THE**  
**PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)**

**Date of Search:** May 6, 2003

Registration Date	File No.	Secured Party	Collateral Description	Registration Period	Comments
April 24, 1998	7617035	Newcourt Financial Ltd.	MV serial no. 10033, Year 1998, Make/Model Toyota 52-6FGA50, together with all attachments, accessories, additions and improvements thereto and all proceeds in any form derived directly or indirectly from any dealing with the collateral and a right to an insurance payment or any payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.	5 years	Additional debtors are Jannock Limitee and Jannock Limited/Jannock Limitee  The registration has expired.
March 9, 2000	8758970	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce, as Canadian Administrative Agent (added on March 23, 2000)	All of the present and after acquired personal property of the debtor, including, without limitation, fixtures, licences and an uncrystallized floating charge on land.	7 years	Originally registered only against Jannock Limited  Vicwest Corporation, Corporation Vicwest and Corporation/Vicwest added as debtors.

**JANNOCK LIMITEE**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)**

**Date of Search:** May 6, 2003

Registration Date	File No.	Secured Party	Collateral Description	Registration Period	Comments
April 24, 1998	7617035	Newcourt Financial Ltd.	MV serial no. 10033, Year 1998, Make/Model Toyota 52-6FGA50, together with all attachments, accessories, additions, replacements, substitutions, and improvements thereto and all proceeds in any form derived directly or indirectly from any dealing with the collateral and a right to an insurance payment or any payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.	5 years	Additional debtors are Jannock Limited and Jannock Limited/Jannock Limitee  The registration has expired.

**JANNOCK LIMITED/JANNOCK LIMITEE**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA)**

**Date of Search:** May 6, 2003

Registration Date	File No.	Secured Party	Collateral Description	Registration Period	Comments
April 24, 1998	7617035	Newcourt Financial Ltd.	MV serial no. 10033, Year 1998, Make/Model Toyota 52-6FGA50, together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto and all proceeds in any form derived directly or indirectly from any dealing with the collateral and a right to an insurance payment or any payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.	5 years	Additional debtors are Jannock Limited and Jannock Limitee  The registration has expired.
January 20, 1999	8066632	Onsct Capital Corporation	Phone system together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.	6 years	Original secured party was T&W / Accel Financial Company Inc.

Registration Date	File No.	Secured Party	Collateral Description	Registration Period	Comments
November 24, 1999	8580055	Ikon Office Solutions Inc.	All office equipment and goods manufactured or bearing the name of Can or Oce or Ricoh or Panasonic or Brother or Mita or Panafax or Riso or other brand of office equipment supplied by or on behalf of the secure party together with all attachments. Accessories, accessions, replacements, substitutions, additions and improvements thereto and rights to insurance payments or any other payments as indemnity or compensation for loss of or damage to the collateral or proceeds of the collateral.	4 years	Additional debtor is Vic West Steel

Searches conducted against predecessor names as of 1990 (the year of the enactment of the PPSA) disclosed no registrations.

**VICWEST CORPORATION/CORPORATION VICWEST**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY REGISTRY -- MANITOBA**

**File Currency:** May 12, 2003

<b>Registration Date</b>	<b>File No.</b>	<b>Secured Party</b>	<b>Collateral Description</b>	<b>Expiry Date</b>	<b>Comments</b>
March 10, 2000	000310116114	Canadian Imperial Bank of Commerce Canadian Imperial Bank of Commerce as CA	General Security (see registration for more details)	March 10, 2008	<b>Registered against: Corp Vicwest Vicwest Corp Vicwest Corp/Corp Vicwest</b>
March 10, 2000	000310116122	Canadian Imperial Bank of Commerce Canadian Imperial Bank of Commerce as CA	General Security (see registration for more details)	March 10, 2008	<b>Registered against: Corp Vicwest Vicwest Corp Vicwest Corp/Corp Vicwest</b>
November 22, 2002	200224753305	National Leasing Group Inc	Telephone Systems and Software (see registration for more details)	November 22, 2007	Registered as purchase money security interest. <b>Registered against Vicwest Corporation</b>

**WESTEEL LIMITED/WESTEEL LIMITÉE**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY REGISTRY -- MANITOBA**

**File Currency:** May 6, 2003

Registration Date	File No.	Secured Party	Collateral Description	Expiry Date	Comments
November 13, 1997	971113107044	Associates Capital Ltd.	Forklift trucks (see registration for more details)	November 13, 2003	Registered as purchase money security interest. Also registered against Jenisys Engineered Products <b>Registered against Westeel.</b>
July 29, 1998	980729107209	Associates Capital Ltd.	Computer equipment (see registration for more details)	July 29, 2003	Registered as purchase money security interest. Also registered against Jenisys Engineered Products <b>Registered against Westeel.</b>
April 8, 1999	990408103932	Newcourt Financial Ltd.	Serial numbered goods and all attachments thereto	April 8, 2004	Registered as purchase money security interest. Also registered against Jenisys Engineered Products <b>Registered against Westeel.</b>
March 10, 2000	000310116130	Canadian Imperial Bank of Commerce and Canadian Imperial Bank of Commerce as CA	General security (see registration for more details)	March 10, 2008	<b>Registered against Westeel Ltd., Westeel Ltee and Westeel Ltd./Westeel Ltee.</b>
July 7, 2000	000707116307	The Bank of Nova Scotia	See schedule of collateral lease date June 21, 2000	July 7, 2003	<b>Registered against Westeel Ltd.</b> Registered as purchase money security interest

Registration Date	File No.	Secured Party	Collateral Description	Expiry Date	Comments
March 28, 2001	200115827102	The Bank of Nova Scotia	Scotia leasing lease - fixed rate No. 4HP (see registration for more details)	March 27, 2005	Registered against Westeel Limited.
May 22, 2001	200119998300	The Bank of Nova Scotia	One 16 HP Omnibook (see registration for more details)	May 16, 2004	Registered against Westeel Limited.
July 6, 2001	200123620100	Bodkin Capital Corporation	Computer hardware and software	July 6, 2005	Registered as purchase money security interest. Registered against Westeel Limited.
July 9, 2001	200123727605	Bodkin Capital Corporation	Phone equipment	July 9, 2005	Registered as purchase money security interest. Registered against Westeel Limited.
September 17, 2001	200128872905	Citicorp Vendor Finance, Ltd.	Electric sweeper (see registration for details)	September 17, 2004	Registered as purchase money security interest. Registered against Westeel Limited.
January 23, 2002	200201692309	Bodkin Capital Corporation	CISCO router and ancillary equipment	January 23, 2006	Registered as purchase money security interest. Registered against Westeel Limited.
March 20, 2002	200205780806	De Lage Landen Financial Services Canada Inc.	Photocopiers and printers (see registration for more details)	March 20, 2008	Registered as purchase money security interest. Registered against Westeel Limited.
April 10, 2002	200207229600	National Leasing Group Inc.	Postage machines (see registration for more details)	April 10, 2007	Registered as Purchase-Money Security Interest Registered against Westeel Limited.

Registration Date	File No.	Secured Party	Collateral Description	Expiry Date	Comments
October 31, 2002	200223163008	AB021- Citicorp Vendor Finance Ltd.	One new 2002 Haulotte (see registration for details) Serial numbered goods	October 31, 2007	Registered as purchase money security interest. <b>Registered against Westeel Limited.</b>

**VICWEST CORPORATION/CORPORATION VICWEST**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY SECURITY ACT (ONTARIO)**

**File Currency:** May 5, 2003

Registration Date	File No.	Secured Party	Collateral Classification	Collateral Description	Registration Period	Comments
October 30, 1997	835578675	G.N. Johnston Equipment Co. Ltd.	Equipment Other Motor Vehicle	(2) C&D Battery, Model 18v125-13, S/N 7v04821, 7v04822  (1) Rebuilt Charger, S/N 83970  Motor Vehicle described	5 years	Renewed for 1 year  Registered against Jannock Limited and Vicwest
July 2, 1998	842276304	OE Financial Services Inc.	Equipment	Canon Equipment and Accessories	5 years	Originally registered against Jannock Limited  Amendment on April 18, 2000 to change name of debtor to Vicwest Corporation
March 8, 2000	859821282	Montreal Trust Company of Canada  The Bank of Nova Scotia Trust Company of New York	Accounts Other	None	8 years	Originally registered against incorrect debtor name  Amendment on March 10, 2000 to amend name of debtor to Vicwest Corporation on March 10, 2000

Registration Date	File No.	Secured Party	Collateral Classification	Collateral Description	Registration Period	Comments
March 8, 2000	859813083	Canadian Imperial Bank of Commerce Canadian Imperial Bank of Commerce, as Canadian Administrative Agent	Inventory Equipment Accounts Other Motor Vehicle	None	7 years	Originally registered against Delta Acquisition Corp. Amendment on March 22, 2000 to amend debtor's name to Vicwest Corporation Amendment filed March 22, 2000 to add Canadian Imperial Bank of Commerce as Administrative Agent as additional Secured Party Amendment on July 14, 2000 to reflect new Debtor name: Vicwest Corporation, Corporation Vicwest, Corporation/Corporation Vicwest
March 10, 2000	859909437	Canadian Imperial Bank of Commerce Canadian Imperial Bank of Commerce, as Canadian Administrative Agent	Inventory Equipment Accounts Other Motor Vehicle	None	7 years	Originally registered against Jannock Luxembourg, S.A. Amendment on November 10, 2000 to amend name of Debtor. Amendment on October 2, 2002 to amend name of Debtor to include Vicwest Corporation/Corporation Vicwest, Vicwest Corporation, Corporation Vicwest

Registration Date	File No.	Secured Party	Collateral Classification	Collateral Description	Registration Period	Comments
March 10, 2000	859909428	Canadian Imperial Bank of Commerce Canadian Imperial Bank of Commerce, as Canadian Administrative Agent	Inventory Equipment Accounts Other Motor Vehicle	None	7 years	Originally registered against Jannock Ireland. Amendment on October 2, 2002 - to add additional debtors: Vicwest Corporation/Corporation Vicwest, Vicwest Corporation, Corporation Vicwest
March 10, 2000	859903038	Montreal Trust Company of Canada The Bank of Nova Scotia Trust Company of New York	Accounts Other	None	8 years	Registered against Vicwest Corporation
March 22, 2000	860212215	Canadian Imperial Bank of Commerce Canadian Imperial Bank of Commerce, as Canadian Administrative Agent	Inventory Equipment Accounts Other Motor Vehicle	None	7 years	Originally registered against Vicwest Corporation; on July 6, 2000 registered financing change statement to amend the name of the Debtor to include Corporation Vicwest, Vicwest Corporation/Corporation Vicwest
May 25, 2000	862150212	GE Capital Canada Inc.	Equipment Other	None	5 years	Registered against Vicwest Corporation
June 7, 2001	873255834	OCE - Canada Inc.	Equipment	OCE 9600 S/N 3763 / 13632 / 2443 / 6624 / 7531 Purchase Money Security Interest	6 years	Registered against Vicwest Corporation

**DELTA ACQUISITION CORP.**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY SECURITY ACT (ONTARIO)**

**File Currency:** May 5, 2003

Registration Date	File No.	Secured Party	Collateral Classification	Collateral Description	Registration Period	Comments
March 8, 2000	859821264	Montreal Trust Company of Canada  The Bank of Nova Scotia Trust Company of New York	Accounts Other	None	8 years	

Registration Date	File No.	Secured Party	Collateral Classification	Collateral Description	Registration Period	Comments
March 8, 2000	859813083	Canadian Imperial Bank of Commerce Canadian Imperial Bank of Commerce, as Canadian Administrative Agent	Inventory Equipment Accounts Other Motor Vehicle	None	7 years	Originally registered against Delta Acquisition Corp. Amendment filed on March 22, 2000 to change name of Debtor to Vicwest Corporation Amendment filed on March 22, 2000 to add Canadian Imperial Bank of Commerce, as Canadian Administrative Agent as an additional Secured Party Amendment filed on July 14, 2000 to change Debtor's name to include Vicwest Corporation, Corporation Vicwest, Vicwest Corporation/Corporation Vicwest

**JANNOCK LIMITED**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY SECURITY ACT (ONTARIO)**

**File Currency:** May 5, 2003

Registration Date	File No.	Secured Party	Collateral Classification	Collateral Description	Registration Period	Comments
October 30, 1997	835578675	G.N. Johnston Equipment Co. Ltd.	Equipment Other Motor Vehicle	Batteries and chargers described. Motor Vehicle described	5 years	Also registered against Viewest
July 2, 1998	842276304	OE Financial Services Inc.	Equipment	Canon Equipment and accessories	5 years	Date of Maturity: July 2, 2003 Amendment on April 18, 2000 to change Debtor name to Viewest Corporation
July 28, 1998	843117174	G.N. Johnston Equipment Co. Ltd.	Equipment Other Motor Vehicle	Batteries and chargers described. Motor Vehicle described	5 years	
November 13, 1998	846077922	Leasetec Canada Ltd.	Equipment Other	Lease Agreement No. L172598	4 years	Renewed for 1 year

Registration Date	File No.	Secured Party	Collateral Classification	Collateral Description	Registration Period	Comments
October 1, 1999	855424782	G.N. Johnston Equipment Co. Ltd.	Equipment Other Motor Vehicle	Batteries and chargers described.  Motor Vehicle described	5 years	
May 21, 2002	883404657	Leggat National Leasing, a Div. of Leggat Pontiac Buick Cadillac Limited	Consumer Goods Motor Vehicle	Reperfection of original registrations  Motor Vehicle described	1 year	Date of Maturity: March 31, 2003

Searches conducted against **Jannock Limitée** disclosed no registrations in addition to those disclosed in searches conducted against Jannock Limited as set out above.

Searches conducted against predecessor names as of 1976 (the date the PPSA came into force) either disclose no registrations or have registrations that appear to relate to unrelated entities.

**WESTEEL LIMITED**

**SUMMARY OF SEARCH CONDUCTED UNDER THE  
PERSONAL PROPERTY SECURITY ACT (ONTARIO)**

**File Currency:** May 5, 2003

Registration Date	File No.	Secured Party	Collateral Classification	Collateral Description	Registration Period	Comments
March 8, 2000	859813101	Canadian Imperial Bank of Commerce Canadian Imperial Bank of Commerce, as Canadian Administrative Agent	Inventory Equipment Accounts Other Motor Vehicle	None	7 years	March 22, 2000 registered financing change statement to add Canadian Imperial Bank of Commerce as Administrative Agent as additional Secured Party  Originally registered against Westeel Limited/Westeel Limitée; October 2, 2002 added Westeel Limited and Westeel Limitée as additional debtors

Searches conducted against **Westeel Limited, Westeel Limitée and Westeel Limited/Westeel Limitée**

SCHEDULE 3

SEARCH RESULTS

REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS

VICWEST CORPORATION AND/OR CORPORATION VICWEST

[Please note that, for your information, we have also included registrations granted by Vicwest Canada a Division of Vicwest Corporation]

I- HYPOTHECS

	Nature of right	Date and Registration N°	Parties	Summary of Charge and Information
A)	Conventional hypothec without delivery	March 15, 2000 at 12:19 p.m. 00-0062547-0011	<p><b>Secured Party:</b> Canadian Imperial Bank of Commerce</p> <p><b>Grantor:</b> Vicwest Corporation</p>	<p><b>Charged property:</b> The universality of all movable property, corporeal and incorporeal, present and future (including property in stock, claims, securities, equipment and road vehicles and intellectual property rights).</p> <p><b>Amount:</b> \$200,000,000</p> <p><b>Expiry date:</b> March 10, 2007</p> <p><b>Comments:</b> Change of name from Vicwest Corporation to Vicwest Corporation/Corporation Vicwest registered on October 26, 2000 under number 00-0324943-0001. Change of name from Vicwest Corporation to Vicwest Corporation/Corporation Vicwest registered on July 31, 2000 under number 00-0214869-0001.</p>

	Nature of right	Date and Registration N°	Parties	Summary of Charge and Information
B)	Conventional hypothec without delivery	March 15, 2000 at 12:19 p.m. 00-0062547-0002	<p><b>Secured Party:</b> Canadian Imperial Bank of Commerce</p> <p><b>Grantor:</b> Vicwest Corporation [Delta Acquisition Corp.]</p>	<p><b>Charged property:</b> The universality of all movable property, corporeal and incorporeal, present and future (including property in stock, claims, securities, equipment and road vehicles and intellectual property rights).</p> <p><b>Amount:</b> \$200,000,000</p> <p><b>Expiry date:</b> March 10, 2007</p> <p><b>Comments:</b> Change of name of Vicwest Corporation for Vicwest Corporation/Corporation Vicwest registered on October 26, 2000 under number 00-0324943-0001. Change of name of Jannock Limitée/Jannock Limited and Delta Acquisition Corp. for Vicwest Corporation registered on October 10, 2000 under number 00-0304664-0001. Change of name of Delta Acquisition Corp. for Vicwest Corporation registered on April 27, 2000 under number 00-0105864-0001.</p>

## II- OTHER REGISTRATIONS

	Nature of right	Date and Registration N°	Parties	Information
1.	Rights resulting from a lease	January 10, 2003 at 12:08 p.m. 03-0011204-0001	<p><b>Lessor:</b> Amada Canada Lée</p> <p><b>Lessees:</b> Corporation Vicwest Vicwest doing business under the name Corporation Vicwest Vicwest Corporation</p>	<p><b>Property:</b> Specific equipment <b>Expiry date:</b> January 6, 2013</p>
2.	Right of ownership of	October 29, 2002 at 9:00 a.m.	<p><b>Lessor:</b> Citicorp Vendor Finance, Ltd.</p>	<p><b>Property:</b> Specific equipment (1998 Yale GLC120 MG Forklift) with all attachments,</p>

Nature of right	Date and Registration N°	Parties	Information
the Lessor (Leasing agreement)	02-0483472-0003	Citicorp Finance Vendeur Ltée Lessee: Vicwest Corporation	accessories and proceeds thereof including insurance proceeds and indemnities. <b>Expiry date:</b> October 28, 2004
3. Rights resulting from a lease	July 22, 2002 at 1:34 p.m. 02-0318558-0001	Lessor: Roy Foss Motors Ltd. Lessee: Vicwest Canada a division of Vic West Corporation	<b>Property:</b> Specific equipment (Deloupe Trailer 481, 2002) <b>Expiry date:</b> July 8, 2008
4. Rights resulting from a lease	February 25, 2003 at 1:57 p.m. 03-0085394-0006	Lessor: Roy Foss Motors Ltd. Lessee: Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific vehicle (Pontiac Grand Prix GT Sedan, 2003) <b>Expiry date:</b> February 18, 2005
5. Rights resulting from a lease	February 11, 2003 at 2:53 p.m. 03-0062450-0006	Lessor: Roy Foss Motors Ltd. Lessee: Vicwest Canada a division of Vicwest Corporation Assignee: Macro Trust The Canada Trust Company (Trustee)	<b>Property:</b> Specific vehicle (Chevrolet Venture Regular Wheel Base, 2003) <b>Expiry date:</b> August 6, 2004 <b>Comments:</b> Assignment of rights registered on May 2, 2003 under number 03-0212908-0001 by Roy Foss Motors Ltd. in favour of Macro Trust (Assignee) and The Canada Trust Company, as trustee for Macro Trust.
6. Rights resulting from a lease	January 27, 2003 at 2:35 p.m. 03-0036647-0010	Lessor: Roy Foss Motors Ltd. Lessee: Vicwest Canada a division of Vicwest Corporation Assignee: Macro Trust The Canada Trust Company (Trustee)	<b>Property:</b> Specific vehicle (Dodge Caravan SE, 2003) <b>Expiry date:</b> May 31, 2005 <b>Comments:</b> Assignment of rights registered on May 2, 2003 under number 03-0212908-0001 by Roy Foss Motors Ltd. in favour of Macro Trust (Assignee) and The Canada Trust Company, as trustee for Macro Trust.

	Nature of right	Date and Registration N°	Parties	Information
7.	Rights resulting from a lease	January 15, 2003 at 2:50 p.m. 03-0018605-0011	<b>Lessor:</b> Roy Foss Motors Ltd. <b>Lessee:</b> Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific vehicle (Dodge Caravan SE, 2003) <b>Expiry date:</b> May 30, 2004
8.	Rights resulting from a lease	November 15, 2002 at 10:16 a.m. 02-0516905-0001	<b>Lessor:</b> Roy Foss Motors Ltd. <b>Lessee:</b> Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific vehicle (Dodge Caravan SE, 2003) <b>Expiry date:</b> October 31, 2004
9.	Rights resulting from a lease	September 6, 2002 at 9:00 a.m. 02-0394379-0003	<b>Lessor:</b> Roy Foss Motors Ltd. <b>Lessee:</b> Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific vehicle (Ford F150 4x2 Styleside, 2002) <b>Expiry date:</b> July 10, 2005
10.	Rights resulting from a lease	August 20, 2002 at 9:00 a.m. 02-0365611-0007	<b>Lessor:</b> Roy Foss Motors Ltd. <b>Lessee:</b> Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific vehicle (Sterling AT9513, 2003) <b>Expiry date:</b> July 31, 2008
11.	Rights resulting from a lease	August 20, 2002 at 9:00 a.m. 02-0365611-0006	<b>Lessor:</b> Roy Foss Motors Ltd. <b>Lessee:</b> Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific vehicle (Sterling AT9513, 2003) <b>Expiry date:</b> July 31, 2008
12.	Rights resulting from a lease	August 9, 2002 at 11:06 a.m. 02-0350514-0009	<b>Lessor:</b> Roy Foss Motors Ltd. <b>Lessee:</b> Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific equipment (Equipment Ottawa YT30 Shunt Truck, 1996) <b>Expiry date:</b> November 30, 2006

Nature of right	Date and Registration N <sup>o</sup>	Parties	Information
13. Rights resulting from a lease	July 22, 2002 at 1:34 p.m. 02-0318558-0002	<b>Lessor:</b> Roy Foss Motors Ltd. <b>Lessee:</b> Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific equipment (Deloupe Trailer 481, 2002) <b>Expiry date:</b> July 8, 2008
14. Rights resulting from a lease	June 5, 2002 at 9:00 a.m. 02-0238704-0003	<b>Lessor:</b> Roy Foss Motors Ltd. <b>Lessee:</b> Vicwest Canada a division of Vicwest Corporation	<b>Property:</b> Specific vehicle (Ford Windstar LX 4DR Wagon, 2002) <b>Expiry date:</b> March 15, 2004

**JANNOCK LIMITED AND/OR JANNOCK LIMITÉE**

[Please note that, for your information, we have also included registrations granted by **Entreprise Jannock Ltée**]

**I- HYPOTHEC**

	<b>Nature of right</b>	<b>Date and Registration N°</b>	<b>Parties</b>	<b>Summary of Charge and Information</b>
A)	Conventional hypothec without delivery	March 15, 2000 at 12:19 p.m. 00-0062547-0004	<b>Secured Party:</b> Canadian Imperial Bank of Commerce <b>Grantor:</b> Jannock Limited	<b>Charged property:</b> The universality of all movable property, corporeal and incorporeal, present and future (including property in stock, claims, securities, equipment and road vehicles and intellectual property rights). <b>Amount:</b> \$200,000,000 <b>Expiry date:</b> March 10, 2007

**II- OTHER REGISTRATIONS**

	<b>Nature of right</b>	<b>Date and Registration N°</b>	<b>Parties</b>	<b>Information</b>
1.	Right of ownership of the Lessor (Leasing agreement)	November 29, 1999 at 2:58 p.m. 99-0207499-0006	<b>Lessor:</b> Caterpillar Financial Services Limited <b>Lessee:</b> Jannock Limitée Briqueterie St-Laurent	<b>Property:</b> Specific equipment (Lift Caterpillar, model GP25, n/s: 5AM03022, 1996) <b>Expiry date:</b> July 4, 2006

	Nature of right	Date and Registration N°	Parties	Information
2.	Right of ownership of the Lessor (Leasing agreement)	December 4, 2001 at 9:00 a.m. 01-0450750-0008	<b>Lessor:</b> GE Capital Vehicle and Equipment Leasing Inc.  <b>Lessee:</b> Entreprise Jannock Ltée Briqueterie St.Laurent Div. de Entreprise Jannock Ltée	<b>Property:</b> Specific vehicle (Chrysler Intrepid, 2002) all attachments, accessories, additions, alterations and replacement parts (whether present or future) to the vehicle, together with all cash and non-cash proceeds of the vehicle. (Lease agreement dated January 1 <sup>st</sup> , 1967)  <b>Expiry date:</b> December 3, 2006
3.	Right of ownership of the Lessor (Leasing agreement)	April 9, 2001 at 1:24 p.m. 01-0112882-0001	<b>Lessor:</b> GE Capital Vehicle and Equipment Leasing Inc.  <b>Lessee:</b> Entreprise Jannock Ltée Briqueterie St.Laurent Div. de Entreprise Jannock Ltée	<b>Property:</b> Specific vehicle (Pontiac Montana FWD, 2001) all attachments, accessories, additions, alterations and replacement parts (whether present or future) to the vehicle, together with all cash and non-cash proceeds of the vehicle. (Lease agreement dated January 1 <sup>st</sup> , 1967)  <b>Expiry date:</b> April 9, 2006
4.	Right of ownership of the Lessor (Leasing agreement)	April 9, 2001 at 11:59 a.m. 01-0112725-0005	<b>Lessor:</b> GE Capital Vehicle and Equipment Leasing Inc.  <b>Lessee:</b> Entreprise Jannock Ltée Briqueterie St.Laurent	<b>Property:</b> Specific vehicle [not described] all attachments, accessories, additions, alterations and replacement parts (whether present or future) to the vehicle, together with all cash and non-cash proceeds of the vehicle. (Lease agreement dated January 1 <sup>st</sup> , 1967)  <b>Expiry date:</b> April 9, 2006  <b>Comments:</b> Voluntary reduction of the above mentioned vehicle registered on April 10, 2001 under number 01-0113076-0001.

	Nature of right	Date and Registration N°	Parties	Information
5.	Right of ownership of the Lessor (Leasing agreement)	January 19, 2001 at 12:10 p.m. 01-0018310-0004	<p><b>Lessor:</b> General Electric Capital Vehicle and Equipment Leasing Inc.</p> <p><b>Lessee:</b> Entreprise Jannock Ltée Briqueterie St.Laurent</p>	<p><b>Property:</b> Specific vehicles (Pontiac Montana FWD, 2000, Dodge Caravan FWD, 2000, Chevrolet Venture, 1998 and Chrysler Intrepid, 1999) all attachments, accessories, additions, alterations and replacement parts (whether present or future) to the vehicle, together with all cash and non-cash proceeds of the vehicles. (Lease agreement dated January 1<sup>st</sup>, 1967)</p> <p><b>Expiry date:</b> January 19, 2006</p>

## Westeel Limited and/or Westeel Limitée

**HYPOTHEC**

	Nature of right	Date and Registration N°	Parties	Summary of Charge and Information
A)	Conventional hypothec without delivery	March 15, 2000 at 12:19 p.m. 00-0062547-0006	<b>Secured Party:</b> Canadian Imperial Bank of Commerce  <b>Grantor:</b> Westeel Limited Westeel Limitée	<b>Charged property:</b> The universality of all movable property, corporeal and incorporeal, present and future (including property in stock, claims, securities, equipment and road vehicles and intellectual property rights).  <b>Amount:</b> \$200,000,000 <b>Expiry date:</b> March 10, 2007

No registrations were found against the following name:

1386517 Ontario Limited

321044 Alberta Ltd.

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**Schedule C: Chief Executive Office Information**

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**SCHEDULE C**

**CHIEF EXECUTIVE OFFICE  
GUIDING FACTORS**

**(May 10, 2002 to May 10, 2003)**

<b>No.</b>	<b>Factors</b>	<b>Vicwest</b>	<b>Westeel</b>
1.	Jurisdiction of incorporation	Ontario	Canada
2.	Registered office	1296 South Service Road West Oakville, ON	450 Desautels Street Winnipeg, MB
3.	Mailing address on Corporation Profile Report	c/o Magnatrx Corporation 1150 State Docks Road Eufaula, AL	c/o Fraser Milner Casgrain LLP Toronto, ON
4.	Mailing and head office address for Sedar	1296 South Service Road West Oakville ON	n/a
5.	Address on letterhead	1296 South Service Road West Oakville ON	P.O. Box 792 450 Desautels Street Winnipeg, MB
6.	(a) Location of original payroll records, accounts payable records, purchasing records and operating general ledger	707 Blvd. Industrial East Victoriaville, Quebec	450 Desautels Street Winnipeg, MB
	(b) Location of debtor's original bank financing documents	Eufaula, AL	Eufaula, AL
7.	Location of original sales deliveries and accounts receivable records	See 10	See 10
8.	Location of minute books	Fraser Milner Casgrain LLP (Toronto, ON)	Fraser Milner Casgrain LLP (Toronto, ON)

9.	Location of executive headquarters	No specific executive headquarters for Vicwest; senior officers of Vicwest and Magnatrax were the same people; Magnatrax has its executive headquarters in Alpharetta, GA; Onex, the ultimate majority shareholder of Magnatrax, has its executive headquarters in Toronto, ON	45 Desautels Street Winnipeg, MB (some direction from Alpharetta, GA)
10.	Locations of plants	Surrey, BC Edmonton, AB Regina and Saskatoon, SK Winnipeg, MB Ottawa, Stratford and Oakville, ON Victoriaville, QC Moncton, NB	Winnipeg, MB Saskatoon and Regina, Saskatchewan, Olds, Alberta and St. Simon QC
11.	Residency and office location(s) of directors and principal officers	<p>Bruce Zorich (Director, President and CEO) - Alpharetta, GA</p> <p>Allen Capsuto (EVP and CFO) - Alpharetta, GA</p> <p>Anne Savage (VP, Finance) - Eufaula, AL</p> <p>Peggy Woodham (VP, Administration and Secretary) - Eufaula, AL</p> <p>Nigel Wright (Director and VP) - Toronto, ON</p> <p>Mark Hilson (Director and VP) - Toronto, ON</p>	<p>Bruce Zorich (Director) - Alpharetta, GA</p> <p>Nigel Wright (Director, VP and Assistant Secretary) - Toronto, ON</p> <p>Mark Hilson (Director, VP and Assistant Secretary) - Toronto, ON</p> <p>Bob Skull (President) - Winnipeg, MB</p> <p>Allen Capsuto (VP and Assistant Secretary) - Alpharetta, GA</p> <p>Peggy Woodham (VP and Assistant Secretary) - Eufaula, AL</p> <p>Anne Savage (VP and Assistant Secretary) - Eufaula, AL</p>
12.	Location(s) of administrative offices	Oakville, ON Victoriaville, QC	Winnipeg, MB

13.	Places of business	Surrey, BC Edmonton, AB Regina and Saskatoon, SK Winnipeg, MB Ottawa, Stratford and Oakville, ON Victoriaville, QC Moncton, NB	Olds, AB Regina and Saskatoon, SK Winnipeg, MB St. Simon, QC
14.	Location(s) of Directors' meetings	Often conference calls with majority of directors in Ontario	Often conference calls with majority of directors in Ontario
15.	Location(s) where corporate planning and management decisions are made	Oakville, ON (some decisions made in Alpharetta, GA)	Winnipeg MB (some decisions made in Alpharetta GA)
16.	Location(s) where management (all levels) of the corporation works	Oakville, ON (majority) Alpharetta, GA Eufaula, AL	Winnipeg MB (majority) Alpharetta, GA Eufaula, AL
17.	Corporate address listed in Dunn & Bradstreet	1296 South Service Road, Oakville, ON, L6L 5T7	450 rue Desautels, Winnipeg, MB, R2H 3E6
18.	Location(s) where financing and banking is done	Bank Accounts:  - CIBC – Main Branch, Toronto, ON - TD Canada Trust – Toronto, ON	Bank Accounts  - CIBC – Winnipeg, MB (not used) - TD Canada Trust – Winnipeg, MB
19.	Location(s) where incoming phone calls are directed to	Each plant with Oakville, ON being the main location	Each plant with Winnipeg, MB being the main location
20.	Location of the auditors who conduct audit procedures re: corporation	Mississauga, ON (Ernst & Young)	No audited statements; audit procedures done in MB
21.	Location where income tax returns are prepared and kept	Prepared in Ontario and kept in Eufaula, AL	Prepared in Winnipeg, MB and kept in Eufaula, AL

22.	Volume of business and percentage of overall operations	(% of sales to location) Newfoundland 0.78% Nova Scotia 2.26% PEI 0.77% New Brunswick 2.81% Quebec 28.25% Ontario 36.36% Manitoba 3.11% Saskatchewan 8.32% Alberta 9.97% B.C. 7.25% NWT 0.04% Nunavut 0.02% Yukon 0.07%	(% of sales from location) Manitoba 47.00% Saskatchewan 33.00% Alberta 12.00% Quebec 8.00%
23.	Location of the place of business or chief executive office (registered office) specified in a certificate dated November 8, 2002 delivered to Vicwest's banks	Oakville, ON	Winnipeg, MB
24.	Location of principal accounting office	Victoriaville, Quebec	Winnipeg, MB
25.	Location of team managing day to day ordinary course operations	Oakville, ON	Winnipeg, MB
26.	Percentage of employees assigned to operations	At least 98% in locations in 10	At least 98% in locations in 10
27.	Locations at which inventory is produced and from which goods are shipped and goods are returned	See 13	See 13
28.	Location of administrative functions	Oakville, ON Victoriaville, Quebec	Winnipeg, MB
29.	Location from which ordinary course invoices are paid	Victoriaville, Quebec	Winnipeg, MB
30.	Location of majority of day-to-day ordinary course business dealings	Oakville, ON and other plants	Winnipeg, MB and other plants

31.	Address shown on Press Releases	Oakville, ON	n/a
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**Schedule D: US Registrations by Canadian Senior Lenders**

Return TO:  
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 125 Park Avenue  
 New York, NY 10017  
 Phone: (212) 355-3479

UC  
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4035576 - 2

(FX TO V) - (NYC)  
 Debtor: Vicwest Corporation/Corporation Vicw  
 Juris: SECRETARY OF STATE, AL

Alabama  
 Sec. Of State  
 B 03-0384351 FS  
 Date 5/12/2003  
 Time 13:47  
 1 Pg

File \$20.00  
 EXPB \$0.00  
 Ackn \$0.00  
 Form \$0.00

Total \$20.00  
 05/082

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only org debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**Vicwest Corporation/Corporation Vicwest**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS  
 1296 South Service Road  
 City: **Oakville** STATE: **ONT** POSTAL CODE: **L6L 5T7** COUNTRY: **Canada**

1d. TAX ID # SSN OR EIN ADDL INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID # BY

**Corporation** **Canada** **1401588**  None

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only org debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS  
 CITY STATE POSTAL CODE COUNTRY

2d. TAX ID # SSN OR EIN ADDL INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID # BY

None

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE or ASSIGNOR SMP) - insert only org secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**Canadian Imperial Bank of Commerce, as Canadian Administrative Agent**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS  
 BCE Place, 161 Bay Street,  
**4th Floor**  
 City: **Toronto** STATE: **ONT** POSTAL CODE: **M5J 2S8** COUNTRY: **Canada**

4. This FINANCING STATEMENT covers the following COLLATERAL:

All of the Debtor's assets and personal property, whether now owned or hereafter acquired or coming into existence, and wherever located.

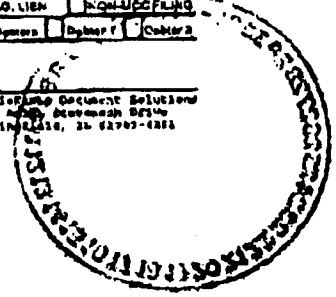
5. ALTERNATIVE DESIGNATION (if applicable):  LESSOR/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILER  SELLER/BUYER  AG. LIEN  NON-UCFILING

6. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORDING IN THE PUBLIC RECORDS OF THE STATE OF ALABAMA (check one):  YES  NO (if YES, check one):  SEARCHED FOR  INDEXED  FILED  ALL SYSTEMS  BY  OTHER

7. OPTIONAL FILER REFERENCE DATA  
**AL - SOS**

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC-1) (REV. 07/20/96)

LexisNexis Document Solutions  
 881 North DeMosses Drive  
 Springfield, IL 62761-4222





# Secretary of State, Alabama

## Search Results

UCCs and Federal Tax Liens have been processed through 05/13/03 5PM  
State Tax Liens have been processed through 03/31/02 5PM

Name: VICWEST CORPORATION

---Filing Type---	--File Dt & Tm--	Pgs	--Exp Dt--	--Status--	--File #--
Business	05/12/2003 13:47	001	05/12/2008	Active	03-0384351

\* Finance Statement: 05/12/2003 13:47 001

Debtor(s).....

VICWEST CORPORATION/CORPORATION VICWEST

1296 SOUTH SERVICE ROAD OAKVILLE ONT L6L 5T7,. 00000

Secured.....

CANADIAN IMPERIAL BANK OF COMMERCE

BCE PLACE 161 BAY STREET 8TH FLOOR TORONTA ONT M5J2S8,. 00000

Doc#: 2003057526

Page 1 of 1

Date: 5/12/2003 4:39:06 PM

Filed & Recorded in

Official Records of

WASHINGTON D.C. RECORDER OF DEEDS

LARRY TODD

RECORDER OF DEEDS

Doc Type: EFINANCING

ERECORD \$ 15.00

ESURCHARGE \$ 6.50

PROCESSING \$ 5.00

UCC FINANCING STATEMENT

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A. NAME & PHONE OF CONTACT AT FILER (optional)  
**LexisNexis Document Serv 217-492-0105**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

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**Springfield, IL 62703**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**VICWEST CORPORATION/CORPORATION VICWEST**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**1296 South Service Road Oakville ONT L6L 5T7 CANADA**

1d. TAX ID # SSN OR EIN ADDL INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
**Corporation Canada 1401588**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID # SSN OR EIN ADDL INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**CANADIAN IMPERIAL BANK OF COMMERCE, AS CANADIAN ADMINISTRATIVE AGENT**

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**BCE Place, 161 Bay Street, 8th Floor Toronto ONT M5J 2S8 CANADA**

4. This FINANCING STATEMENT covers the following collateral:

All of the Debtor's assets and personal property, whether now owned or hereafter acquired or coming into existence, and wherever located.

5. ALTERNATIVE DESIGNATION (if applicable):  LESSOR/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOER  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6. THIS FINANCING STATEMENT IS TO BE FILED (or recorded) IN THE REAL ESTATE RECORDS  Direct Assignment  Indirect Assignment  7. CHECK TO REQUEST SEARCH REPORT (by Debtor(s))  All Debtors  Debtor 1  Debtor 2  NONE  ADDITIONAL FEES

8. OPTIONAL FILER REFERENCE DATA

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CLIENT: 146797                      Order #: 4070183-2                      Date: 05/20/2003

LENORE REEVES	Fee:	25.00
CLIFFORD CHANCE US LLP - 006544/00021(I)	Disb:	41.00
200 PARK AVENUE	Verbal or Fax Report:	0.00
NEW YORK, NY 10166-0153	Courier:	0.00
	Subtotal:	66.00
	Sales Tax:	0.00
Phone: (212) 895-1032	Fax: (212) 878-8375	TOTAL: 66.00

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**TYPE OF SERVICE:** UCC search with copies, include fixtures

**JURISDICTION:** RECORDER OF DEEDS, District of Columbia

RETURN TO NY CITY OFFICE, ATTN: JEFF BOYLE  
NAME VARIATION SEARCH NOT REQUESTED

**NAME SEARCHED:**    Reference: 006544/00021  
VICWEST CORPORATION

We have conducted a search of the files reflective of the records of the following jurisdiction:

.RECORDER OF DEEDS  
and report the following as of 04/17/2003 5pm :  
  
(2003057526, 5/12/03)

This search includes any Fixture statements indexed in the UCC records.

Notice: LexisNexis Document Solutions may report variations of the debtor name requested, utilizing reasonable care in order to provide optimal information. We will, however, provide an exact name 'RA9' search and/or conduct a more extensive 'Name Variation Search' utilizing the LexisNexis database, upon request.

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CITY YEAR UCC #  
060200306267

Filed and Recorded May-16-2003 09:56am  
Juanita Hicks  
Clerk of Superior Court  
Fulton County, Georgia

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

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B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Triumph Research Specialists  
1155 Evergreen Oak Way  
Dacula, GA. 30019  
(770) 338-1533

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME Vicwest Corporation/Corporation Vicwest			
OR	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
1c. MAILING ADDRESS 1220 Old Alpharetta Road Windward Chase, Suite 310		CITY Alpharetta	STATE POSTAL CODE COUNTRY GA 30005 USA
1d. TAX ID # SSN OR EIN	ADDL INFO RE ORGANIZATION ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Corporation	1f. JURISDICTION OF ORGANIZATION Canada
1g. ORGANIZATIONAL ID #, if any 1401588			<input type="checkbox"/> NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME			
OR	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
2c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
2d. TAX ID # SSN OR EIN	ADDL INFO RE ORGANIZATION ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION
2g. ORGANIZATIONAL ID #, if any			<input type="checkbox"/> NONE

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR SP) - Insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME Canadian Imperial Bank of Commerce, as Canadian Administrative Agent			
OR	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
3c. MAILING ADDRESS BCE Place, 161 Bay Street 8th floor		CITY Toronto	STATE POSTAL CODE COUNTRY ONT M5J 2S8 Canada

4. THIS FINANCING STATEMENT covers the following collateral:  
All of the Debtor's assets and personal property, whether now owned or hereafter acquired or coming into existence, and wherever located.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOD BELLER/BUYER AG, UEN NON-UCC PLUNG

6.  THIS FINANCING STATEMENT is to be filed for recording (see instructions in the FILING OFFICE COPY)  CHECK TO REQUEST SEARCH REPORT (by an Assignor)  Ad Debtor  Debtor 1  Debtor 2

7. ADDITIONAL FEE

8. OPTIONAL FILER REFERENCE DATA  
GA - Fulton County

JTB



# LexisNexis

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<b>CLIENT:</b> 146797	<b>Order #:</b> 4070530-1	<b>Date:</b> 05/23/2003
LENORE REEVES		Fee: 25.00
CLIFFORD CHANCE US LLP - 006544/00021(I)		Disb: 24.00
200 PARK AVENUE	Verbal or Fax Report:	0.00
NEW YORK, NY 10166-0153	Courier:	0.00
	Subtotal:	49.00
	Sales Tax:	0.00
<b>Phone:</b> (212) 895-1032	<b>Fax:</b> (212) 878-8375	<b>TOTAL:</b> 49.00

*This is not an invoice. You will be billed at a later date.*

**TYPE OF SERVICE:** UCC search with copies

**JURISDICTION:** FULTON COUNTY, Georgia

**RETURN TO NY CITY OFFICE, ATTN: JEFF BOYLE**

**NAME SEARCHED:** VICWEST CORPORATION  
**Reference:** 006544/00021

We have conducted a search of the files reflective of the records of the following jurisdiction:

.CLERK OF SUPERIOR COURT  
 .FULTON COUNTY

and report the following as of 05/19/2003 11:59pm :

(060200306267, 5/16/03)

This search includes any Fixture statements indexed in the UCC records.

LexisNexis Document Solutions may report variations of the debtor name requested, utilizing reasonable care in order to provide optimal information.

RA9 NOTICE: To discover all effective liens against your debtor, you should search debtor/collateral locations (pre-RA9 juris) as well as the state of formation for registered organizations (post-RA9 juris).

**NOTE: BEFORE USING ANY MATERIALS OBTAINED THROUGH LexisNexis DOCUMENT SOLUTIONS, YOU SHOULD CAREFULLY READ THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE OF THIS REPORT. USE OF THE MATERIALS PROVIDED CONSTITUTES YOUR ACCEPTANCE OF THESE TERMS AND CONDITIONS.**

## **Annex B**

### **Second Monitor's Report**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
R.S.O. 1990, C.B.16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF VICWEST CORPORATION AND THOSE  
LISTED IN SCHEDULE "A" HERETO**

**SECOND REPORT OF DELOITTE & TOUCHE INC., MONITOR**

May 29, 2003

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**SECOND REPORT OF DELOITTE & TOUCHE INC., MONITOR**

**Table of Contents**

Purpose and Qualifications of this Report..... 3

Status of Court Proceedings and Payment of Bank Indebtedness..... 3

Operations and Cash Flow ..... 4

Deloitte & Touche Website..... 6

Recommendation ..... 7

**Schedules**

Schedule A: Additional Applicants in CCAA Proceeding

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## SECOND REPORT OF DELOITTE & TOUCHE INC., MONITOR

### Purpose and Qualifications of this Report

This report of Deloitte & Touche Inc. in its capacity as monitor (the "Monitor") of Vicwest Corporation ("Vicwest") and Westeel Limited ("Westeel") and other applicants listed in Schedule A to this report (collectively the "Applicants" or the "Companies") is the Monitor's second report (the "Second Report") to the Ontario Superior Court of Justice [Commercial List] (the "Ontario Court") and provides information pertaining to the proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") in connection with the following:

- i. Court proceedings and payment of bank indebtedness;
- ii. Certain operating and cash flow information for the period subsequent to the commencement of the CCAA proceedings; and
- iii. Status of the restructuring plan.

The information contained in this report has been obtained from the records of the Applicants and is based on discussions with, and representations made by, management of the Applicants and other professional advisors retained in this matter.

The financial information of the Applicants has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles. Accordingly, the Monitor does not express an opinion or any other form of assurance on the financial or other information provided by the Applicants. The Monitor may refine or alter its observations as further information is obtained or is brought to its attention after the date of this report.

### Status of Court Proceedings and Payment of Bank Indebtedness

To the date of the Second Report, three orders have been obtained by the Applicants.

On May 12, 2003, the Ontario Court granted an order (the "Initial Order"), which, *inter alia*, appointed Deloitte & Touche Inc. as Monitor of the Applicants and provided a stay of proceedings against the Applicants until June 11, 2003. The Initial Order authorized Vicwest to obtain a credit facility (the "DIP Facility") from Trilon Bancorp Inc. (the "DIP Lender") of \$35.0 million as well as a credit facility from Westeel (the "Westeel DIP Facility") of \$7.5 million.

On May 12, 2003, the Ontario Court granted a concurrent order (the "Payment Order") which provided for the DIP Lender (as defined in the Initial Order) to advance to Vicwest, and to be held by the Monitor in trust, the amount of \$31.0 million (the "Trust Funds") to be used to pay the Initial Bank Payment (as defined in the Payment Order), subject to the Monitor undertaking an assessment of bank security, including the obtaining of a legal opinion from the Monitor's counsel. The Monitor filed its Report with the Ontario Court on May 23, 2003 providing the Monitor's assessment of bank security (the "First Report").

On May 26, 2003 the Ontario Court granted an order (the "Bank Distribution Order"), which authorized and directed the Monitor, in accordance with and pursuant to the Payment Order, as follows:

- i. To pay the Canadian administrative agent on behalf of the Canadian bank lenders the Initial Bank Payment of \$29,878,689.69 from the Trust Funds;
- ii. To retain from the Trust Funds an Expense Reserve of \$25,000 (as defined by the Payment Order) and an additional reserve of \$400,000 (the "Default Interest Reserve") which includes the amount of \$343,370.72 in relation to post-default interest paid to or claimed by the Canadian administrative agent; and

---

## Status of Court Proceedings and Payment of Bank Indebtedness (cont'd.)

- iii. To return the balance of the Trust Funds to Vicwest in accordance with the provisions of the Payment Order.

As at the date of the Second Report, the Monitor has disbursed \$30.575 million of the \$31.0 million in Trust Funds as follows:

Initial Bank Payment	\$29,878,689.69
Vicwest	<u>696,310.31</u>
	\$30,575,000.00
Held in Trust by the Monitor	<u>425,000.00</u>
	<u>\$31,000,000.00</u>

The Monitor has also disbursed to Vicwest the interest that accrued in the Monitor's trust account from May 12, 2003 to the date of the Initial Bank Payment.

## Operations and Cash Flow

### A. Operations

The management of Vicwest, Westeel and Dumbarton have advised the Monitor that they continue to conduct their operations on a "business as usual" basis and that they are not aware of any material changes to their operations that have occurred subsequent to the date of the Initial Order. Management has also advised the Monitor that their relationship with its various stakeholder groups has continued in a satisfactory manner with general support from its customers, suppliers and employees, without interruption.

During the pre- and post-CCAA filing period, the Monitor attended at the following significant plant locations of Vicwest and Westeel to meet with management, observe the operations and to review inventory levels, capital assets on hand and accounting functions and processes, where applicable:

- Surrey, British Columbia;
- Edmonton, Alberta;
- Winnipeg, Manitoba;
- Stratford, Ontario;
- Oakville, Ontario; and
- Victoriaville, Quebec.

Management has held meetings with its two critical vendors, Stelco Inc. and Dofasco Inc., as identified in the Initial Order. Both vendors have continued to sell raw material to Vicwest and Westeel and have maintained credit limits at levels comparable to pre-filing limits.

The Monitor is not aware of any material negative impact on the operations resulting from the CCAA proceedings to the date of this report.

## B. Cash Flow

The actual cash flow of the Applicants is presented below on a consolidated basis for the period May 12, 2003 to May 23, 2003 with a comparison to the cash flow forecast filed with the Ontario Court in connection with the proceedings under the CCAA (the "CCAA Cash Flow Forecast"):

<b>VICWEST Corporation Consolidated</b>			
<b>Comparison of Forecast to Actual Cashflow</b>			
<b>For the Perod May 12, 2003 to May 23, 2003</b>			
<b>(Unaudited, in Cdn\$'000s)</b>			
	<b>Forecast</b>	<b>Actual</b>	<b>Variance</b>
Opening Balance	\$ 2,623	\$ 2,269	\$ (354)
Cash Receipts			
Accounts receivable	7,786	9,788	2,002
DIP - Westeel	-	-	-
DIP - Trilon (Working capital facility)	1,500	-	(1,500)
DIP - Trilon (Term facility)	31,000	31,000	-
Total Receipts	40,286	40,788	502
Disbursements			
Steel suppliers	5,120	4,031	1,089
Other suppliers	2,536	1,438	1,098
Payroll and commissions	1,581	1,693	(112)
Rent, utilities and property taxes	130	60	70
DIP facility interest and fees	438	-	438
Taxes (GST, PST, HST, capital, income)	290	319	(29)
Restructuring expenses	332	-	332
Capital expenditures	10	3	7
Foreign exchange adjustment	-	48	(48)
Disbursement to Monitor's Trust Account	-	31,000	(31,000)
Repayment bank facility	31,000	-	31,000
Total Disbursements	41,437	38,592	2,845
Net cash change	(1,151)	2,196	3,347
<b>Ending Cash Position, May 23, 2003</b>	<b>\$ 1,472</b>	<b>\$ 4,465</b>	<b>\$ 2,993</b>

As at May 23, 2003, the Applicant's consolidated cash position was \$4.46 million, which is \$2.99 million higher than forecast in the CCAA Cash Flow Forecast. Explanations of the key variances from forecast are described below.

### *Opening cash balance*

The CCAA Cash Flow Forecast projection period included the week ended May 9, 2003, which preceded the CCAA proceedings; accordingly, the actual opening cash balance of \$2.27 million was \$0.35 million lower than projected as a result of certain timing differences of cash receipts and disbursements.

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### ***Cash Receipts***

Accounts receivable collections were \$2.0 million higher than forecast due to favourable timing of collections from the Companies' customers and were comprised of \$1.3 million in Vicwest receivables and \$.7 million in Westeel receivables.

As at May 23, 2003, Westeel has advanced Vicwest \$4.0 million of the Westeel DIP Facility. On a consolidated basis these balances offset each other and have been eliminated in the presentation of the consolidated cash flow statement. The DIP Facility is being made available in two facilities:

- \$31.0 million (the "Term Facility"); and
- \$4.0 million (the "Working Capital Facility").

There have been no advances on the Working Capital Facility resulting in a \$1.5 million unfavourable variance. The Term Facility was advanced on May 12, 2003 to Vicwest and paid to the Monitor to be held in Trust on May 12, 2003.

It was assumed in the CCAA Cash Flow Forecast that Vicwest received the \$31.0 Term Facility and repaid the existing bank facility during the week ended May 16<sup>th</sup>, which has no impact on net cash. This transaction occurred during the week ended May 30<sup>th</sup> pursuant to the Bank Distribution Order and will be reflected in future cash flow statements.

### ***Cash Disbursements***

Actual cash disbursements were lower than the CCAA Cash Flow Forecast by \$1.3 million, excluding the repayment of the existing bank facility. Significant variances are primarily attributable to the following:

- A \$1.1 million favourable variance in "Steel Suppliers", which is comprised of \$.8 million in Vicwest and \$.3 million in Westeel. These variances are primarily due to timing differences; however, a portion of the variance in Vicwest can be explained by lower than forecast shipments of agricultural products in the current month.
- A \$1.1 million favourable variance in "Other Suppliers", which is comprised of \$1.3 million in Vicwest and (\$.2) million in Westeel. These variances are primarily due to timing differences.
- A combined favourable variance of \$.8 million in "DIP Facility Interest and Fees" and "Restructuring Expenses" is again due to timing differences and such favourable variances are expected to be temporary.

The Companies continue to consider the CCAA Cash Flow Forecast, filed with the initial CCAA application materials, to be appropriate, notwithstanding the variances experienced to date because of the short forecast period analyzed since the Initial Order was issued.

### ***Deloitte & Touche Website***

Court orders with respect to these CCAA proceedings, press releases of the Applicants and the First Report of the Monitor dated May 23, 2003 are available from the Monitor's website at [www.deloitte.ca](http://www.deloitte.ca).

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## Recommendation

Pursuant to Paragraph 14 of the Initial Order, the Applicants are required to file with the Ontario Court and submit to their creditors a plan of compromise or arrangement under the CCAA (the "Plan") on or before May 30, 2003, or any later date fixed by further order of the Ontario Court. The Monitor is of the view that the Companies require additional time beyond May 30, 2003 to allow sufficient time to complete its consultations with certain of its key stakeholders and file its Plan. Subject to the approval of the Ontario Court, the Monitor concurs with the Applicants' assessment that an extension of the date for filing of the Plan to June 13, 2003 and an extension of the Stay Period to June 13, 2003 are warranted.

**RESPECTFULLY SUBMITTED,**

Dated the 29<sup>th</sup> day of May 2003.

**Deloitte & Touche Inc.**

In its capacity as Court-Appointed Monitor of  
**Vicwest Corporation, Westeel Limited,  
153810 Canada Inc., Cancom Equity Fund,  
CEF Limited Partnership No. 2,  
359856 Alberta Ltd., 745674 Ontario Limited and  
1466828 Ontario Inc.**



*Per: Karen M. Cramm, MBA, CA  
Senior Vice-President*

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**Schedule A: Additional Applicants in CCAA Proceeding**

Westeel Limited

Dumbarton Construction Limited

153810 Canada Inc.

Cancom Equity Fund

CEF Limited Partnership No. 2

359856 Alberta Ltd.

745674 Ontario Limited

1466828 Ontario Inc.