Court File No. 31-2253654
Estate File No. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

FIRST REPORT OF THE TRUSTEE IN BANKRUPTCY
(For a motion returnable February 16, 2018)

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INDEX

TAB 1

Estate No.: 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

In the Matter of the Bankruptcy of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario

FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS TRUSTEE OF THE BANKRUPT ESTATE

(Dated February 14, 2018)

I. INTRODUCTION

1. On May 19, 2017, Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") filed a notice of intention to make a proposal (the "**NOI**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and Albert Gelman Inc. was appointed as trustee under the proposal ("**AGI**" or the "**Proposal Trustee**"). Attached hereto as **Appendix "A"** is a copy of the NOI and Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy.

2. On June 14, 2017, the Company was granted an Order (the "**June 14 Order**") approving, among other things, an administrative charge in the maximum amount of $100,000 (the "**Administration Charge**") and an extension of the stay of proceedings afforded under the NOI to August 2, 2017 (the "**First Stay Extension**"). Attached hereto as **Appendix "B"** is a copy of the June 14 Order.

3. On July 31, 2017, the Company was granted an Order (the "**July 31 Order**") approving, among other things, a debtor-in-possession lender's charge (the "**DIP Charge**") in favour of 16567 Highway 12 Holdings Limited ("**16567**" or, in this capacity, the "**DIP Lender**"), an amendment to the Administration Charge and an extension of the stay of proceedings afforded under the NOI to September 18, 2017 (the "**Second Stay Extension**"). The Company also sought an Order approving a sale and investment solicitation process ("**SISP**"), however, that portion of the motion was adjourned to a

chambers appointment on August 17, 2017, so the Company could entertain an unsolicited offer to purchase received from an arm's length third party (the "**Unsolicited Offer**"). Attached hereto as **Appendix "C"** is a copy of the July 31 Order.

4. On August 17, 2017, the Honourable Justice Morawetz scheduled a return of the motion to approve the SISP for August 24, 2017. Attached hereto as **Appendix "D"** is a copy of the endorsement issued by Justice Morawetz on August 17, 2017.

5. On August 24, 2017, the Company was granted an order (the "**August 24 Order**") approving, among other things, the SISP. Attached hereto as **Appendix "E"** is a copy of the August 24 Order.

6. Subsequent to the August 24 Order, the Proposal Trustee discovered that part of the Company's operational issues were the DIP Lender's inability to fund the loan it provided to the Company. On September 1, 2017, the Proposal Trustee issued a Material Adverse Change report in accordance with section 50.4(7)(b) of the BIA (the "**MAC Report**") which advised of this discovery. The matters addressed in the MAC Report were subsequently remedied by the Company as further described in the Supplement to the Third Report (defined below). Specifically, the DIP Lender funded the amounts required by the Company to maintain operations. The MAC Report is attached hereto as **Appendix "F"**.

7. On September 18, 2017, the Company was granted an order (the "**September 18 Order**") approving, among other things, an extension of the stay of proceedings afforded under the NOI to November 2, 2017 (the "**Third Stay Extension**"). Attached hereto as **Appendix "G"** is a copy of the September 18 Order.

8. In accordance with the SISP, the Company entered into a purchase agreement dated October 17, 2017 (the "**Sale Agreement**") with Amvic Inc. (the "**Purchaser**") which contemplated the sale to the Purchaser of substantially all of the assets of Forte (the "**Transaction**"). Attached hereto as **Appendix "H"** is a copy of the Sale Agreement.

9. On October 30, 2017, the Company was granted an order (the "**October 30 Order**") approving, among other things, the Transaction. Attached hereto as **Appendix "I"** is a copy of the October 30 Order.

10. The October 30 Order directs (amongst other things) that:

a. the Purchaser deduct from the Purchase Price an amount sufficient to repay the remaining indebtedness owing to the Business Development Bank of Canada ("**BDC**") and remit said payment directly to BDC, in full satisfaction of the Company's indebtedness (the "**BDC Payment**");

b. AGI to hold the Escrow Funds (as hereinafter defined) in trust pending further Order of the Court (the "**Trust Amount**"); and

c. BDC to provide the Company and the Proposal Trustee with a reimbursement agreement in the event that the Trust Amount is insufficient to satisfy any trust claims subsequently discovered.

11. On November 2, 2017, BDC, the Proposal Trustee, and the Company executed a Reimbursement Agreement (the "**Reimbursement Agreement**"). A copy of the Reimbursement Agreement is attached hereto as **Appendix "J"**.

12. On November 3, 2017 the Transaction closed. Attached hereto as **Appendix "K"** is a copy of the Proposal Trustee's closing certificate (the "**Closing Certificate**") which confirms that, among other things, the Transaction has been completed. The closing certificate was filed with the Court on November 8, 2018.

13. As a result of the completion of the Transaction, the Proposal Trustee (now acting as Trustee of the bankrupt estate of Forte) is holding the net proceeds from the Transaction in the amount of $402,719, in trust, in its trust bank account (the "**Escrow Funds**"). Pursuant to paragraph 17 of the October 30 Order these funds cannot be distributed without further order of the Court.

14. On November 2, 2017, the Company filed a proposal to its creditors (the "**Proposal**") with the Proposal Trustee. The Proposal was rejected by the Company's

creditors at a properly convened meeting of creditors held on December 5, 2017 and, as a result, the Company was deemed to have made an assignment in bankruptcy. At that time, Albert Gelman Inc. was appointed as Trustee ("**AGI**" or the "**Trustee**") of the bankrupt estate of Forte. A copy of the creditor meeting minutes and the certificate of appointment are attached hereto as **Appendices "L"** and **"M"**, respectively.

15. This report (the "**Trustee's First Report**") has been prepared in respect of the motion brought by the DIP Lender which is returnable on February 16, 2018 (the "**February 16 Motion**"). Pursuant to the notice of motion served on the Trustee on February 9, 2018 by the DIP Lender, the DIP Lender is seeking at the February 16 Motion, among other things, the following:

a) a distribution from the Escrow Funds to the Canada Revenue Agency (the "**CRA**") in the amount of $90,876.91 as full and final settlement in respect of the CRA Deemed Trust (defined below).

b) a distribution from the Escrow Funds of $50,000 to the AGI in its capacity as Proposal Trustee of Forte in accordance with the Professional Charge Amount granted pursuant to both the June 14 Order and the October 30 Order;

c) a distribution from the Escrow Funds of $200,000 plus accrued interest as follows:

   i. to the DIP Lender if the Garnishment Notice (defined below) has been withdrawn on or before February 28, 2018; or,

   ii. to the sheriff for the County of Simcoe in accordance with the Garnishment Notice if the Garnishment Notice has <u>not</u> been withdrawn on or before February 28, 2018;

d) a distribution from the Escrow Funds to the Trustee for payment of its fees and disbursements, including the fees and disbursements of its counsel, associated with administering the Escrow Funds said amount not to exceed $20,000, plus disbursements and HST;

e) the remaining balance of the Escrow Funds not otherwise distributed to be paid by the Trustee into Court; and,

f) a termination of the Reimbursement Agreement immediately following the payment to CRA of the CRA Deemed Trust amount set out in subparagraph “a)” above.

II. PURPOSE OF THIS REPORT

16. The purpose of this report is to:

a) provide details to the Court of the actions and activities of the Trustee undertaken since issuance of the October 30 Order;

b) provide information to the Court in relation to the Escrow Funds;

c) provide information to the Court and comment upon the relief being sought by the DIP Lender in its February 16 Motion; and

d) provide the Court with the Trustee’s recommendations.

III. SCOPE AND TERMS OF REFERENCE

17. In preparing the Trustee’s First Report, the Trustee has relied upon certain unaudited financial information, Forte’s books and records, discussions with Mr. John Cipressi, Mr. Dominic Zita (collectively, the “**Principals**”), the Company’s legal counsel, Mr. William Harvey Jones, as well as other employees of the Company.

18. While the Trustee has reviewed various documents provided by the Principals and others, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Trustee expresses no opinion or other form of assurance pursuant to

GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

19. The Trustee's First Report has been prepared for the use of this Court and as general information relating to Forte and to assist the Court in making a determination of whether to approve the relief sought by the DIP Lender. Accordingly, the reader is cautioned that the Trustee's First Report may not be appropriate for any other purpose. The Trustee will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of the Trustee's First Report contrary to the provisions of this paragraph.

20. Unless otherwise noted, all monetary amounts referenced are in Canadian dollars.

IV. BACKGROUND INFORMATION

21. Prior to the completion of the Transaction, Forte operated as a manufacturer which produced expanded polystyrene (EPS) rigid foam building materials primarily for use in the construction industry. The Company manufactured its products at a plant located at 16567 Highway 12, Midland, Ontario (the "**Premises**"). The Premises is owned by the DIP Lender (in this capacity referred to as the "**Landlord**") which is related to the Company in that John Cipressi and Andrea Zita (Dominic Zita's wife) are the owners of the DIP Lender. There is a lease agreement between the Landlord and the Purchaser and the Purchaser continues to operate from the Premises.

22. The Trustee understands that the DIP Lender guaranteed the Company's debt and granted BDC a collateral mortgage over the Premises as security. The Trustee has been advised that while BDC has been repaid on its loans to the Company, it is not prepared to discharge its collateral mortgage until the CRA Deemed Trust amounts are paid in full, and the Reimbursement Agreement is terminated.

23. According to the February 16 Motion record, the DIP Lender has entered into a transaction to sell the Premises to an arm's length third party, however, it cannot close the sale transaction until the BDC releases it security registered on title to the Premises.

V. FUNDS HELD IN TRUST

24. As noted above, Forte sold substantially all of its assets pursuant to the Sale Agreement which was approved by the Court pursuant to the October 30 Order and the Transaction closed on November 3, 2018. The gross proceeds resulting from the Transaction were $1,100,000. A portion of the gross proceeds were disbursed to various parties in accordance with the October 30 Order as follows:

Distribution of Gross Proceeds from Transaction		
Gross proceeds	$	1,100,000
Less:		
Payment to BDC		(547,263)
Professional Fee Payment		(150,000)
Bank charges		(18)
Net proceeds held by Trustee	$	402,719

25. The payment to the BDC of $547,263 referenced in the chart above was paid directly by the Purchaser to the BDC in accordance with paragraph 11 of the October 30 Order.

26. The Proposal Trustee received $150,000 (defined as the Professional Fee Payment in the October 30 Order) in accordance with paragraph 14 of the October 30 Order.

27. The undistributed funds remaining from the Transaction being $402,719 (and defined above as the Escrow Funds) which are being held by the Trustee, in trust. In accordance with paragraph 17 of the October 30 Order, the Escrow Funds were to be held by the Trustee until further order of the Court.

VI. CRA PROOF OF CLAIM

28. On February 2, 2018 the Trustee received an amended proof of claim from the CRA wherein it claims a deemed trust (or property claim) in the amount of $90,876.91 (the "**CRA Deemed Trust**") as well as an unsecured claim in the amount of $23,880.58. Attached hereto at **Appendix "N"** is a copy of the amended CRA proof of claim.

29. With respect to the CRA Deemed Trust claim, the DIP Lender is seeking an Order of the Court:

a) permitting a distribution from the Escrow Funds to the CRA in the amount of $90,876.91 in respect of the CRA Deemed Trust; and,

b) confirming that the payment of the CRA Deemed Trust from the Escrow Funds represents full and final satisfaction of any and all trust claims which the CRA can make against Forte.

30. The Trustee recommends that this Court grant the relief being requested by the DIP Lender in respect of the deemed trust claims of the CRA.

VII. PROFESSIONAL CHARGE AMOUNT

31. Pursuant to the June 14 Order and the October 30 Order the Proposal Trustee was granted a charge in the amount of $200,000 (the "**Professional Charge Amount**") over the assets of Forte. $150,000 of the Professional Charge Amount was paid to the Proposal Trustee as the Professional Fee Payment in accordance with paragraph 14 of the October 30 Order. Therefore, the remaining balance of the Professional Charge Amount is $50,000.

32. The Professional Charge Amount is subordinate to only the CRA in respect to the CRA Deemed Trust as well as the secured claim of the BDC. If the DIP Lenders motion is granted, the Company's indebtedness to both CRA and BDC will be repaid in full.

33. The DIP Lender is seeking an order of the Court authorizing payment to AGI of $50,000 on account of the balance outstanding to it for fees and disbursements (including fees and disbursements of its counsel) incurred by it in its capacity as Proposal Trustee.

VIII. TRUSTEE'S FEES TO ADMINISTER ESCROW FUNDS

34. AGI and its counsel have expended considerable time and effort in addressing queries and concerns from the DIP Lender, the First mortgagee on the Premises, CRA,

BDC and SOFII regarding distribution of the Escrow Funds and its effect on the DIP Lender's attempts to sell the Premises.

35. The DIP Lender agrees that the fees and disbursements sought in administering the Escrow Funds are reasonable in the circumstances.

36. The DIP Lender is seeking approval of a distribution from the Escrow Funds of the fees and disbursements of the Trustee and its counsel, Lerners LLP, associated with administering the Escrow Funds up to a maximum of $20,000 plus HST and disbursements.

IX. DIP LOAN

37. The July 31 Order approved, among other things, the following:

a) a debtor-in-possession loan agreement between Forte and the DIP Lender which provided for a maximum borrowing amount of $200,000 (the "**DIP Loan**"); and,

b) a charge in favour of the DIP Lender (the "**DIP Lender Charge**") for the purpose of securing the DIP Loan, subordinate only to the security held by the BDC and the Proposal Trustee Charge (later amended by the October 30 Order and defined therein as the Professional Charge Amount). The DIP Lender Charge is also subordinate to the CRA Deemed Trust.

38. In accordance with the DIP Lender's motion record in respect of the February 16 Motion, the DIP Lender advanced the total DIP Loan funds of $200,000 to the Debtor in two tranches, the first being in August 2017 in the amount of $40,000 and the second being in September 2017 in the amount of $160,000.

39. According to the DIP loan agreement dated July 31, 2017 (the "**DIP Loan Agreement**"), the DIP Loan bears interest at a rate of 15% per annum compounded semi-annually. The Trustee has calculated that the accrued interest owing to the DIP Lender is $13,479.45 as at February 12, 2018 and that interest continues to accrue at a rate of $82.18 per day. The DIP Lender is requesting an order of the Court permitting

the Trustee to distribute the principal amount of the DIP Loan as well as the accrued interest to the DIP Lender.

40. Attached hereto as **Appendix "O"** is a copy of the DIP Loan Agreement.

<u>Garnishment Notice</u>

41. On December 5, 2017 the Trustee, as garnishee, was served by Advocates LLP, counsel to Western Ontario Community Futures Development Corporation Association ("**WOCFDCA**"), with a notice of garnishment (the "**Garnishment Notice**"). The Garnishment Notice is attached hereto as **Appendix "P"**.

42. WOCFDCA is one of the Company's lenders. It is the Trustee's understanding that the DIP Lender guaranteed the Company's obligations to WOCFDCA.

43. The Garnishment Notice advised that a legal proceeding between WOCFDCA and the DIP Lender had resulted in an Order that the DIP Lender pay a sum of money to WOCFDCA. The Garnishment Notice directed the Trustee to pay to the Sheriff of the County of Simcoe all existing and future debts payable by the Trustee to the DIP Lender in an amount not to exceed $460,291.93. The Trustee has been advised that the amount sought in the Garnishment Notice is with respect to the Company's outstanding indebtedness to WOCDFCA, which was guaranteed by the DIP Lender.

44. On December 11, 2017 counsel for the Trustee, Lerners LLP, responded to the Garnishment Notice and served, on both WOCFDCA and the DIP Lender, a Garnishee's Statement advising that, at that time, the Trustee did not owe any amounts to the DIP Lender. Attached hereto as **Appendix "Q"** is a copy of the Garnishee Statement, together with the cover letter.

45. In the Garnishee Statement and in subsequent correspondence with WOCFDCA's counsel, the Trustee acknowledged that if there is a motion to distribute the Escrow Funds, it will make the court aware of the Garnishment Notice.

46. Paragraph 3(a) of the proposed Distribution Order permits AGI to pay the proceeds of the DIP Loan to the DIP Lender if the Garnishment Notice is vacated before

February 28, 2018. Alternatively, AGI is directed to pay the proceeds of the DIP Loan to the Sheriff of the County of Simcoe.

47. It is the Trustee's understanding that the DIP Lender intends to repay the Company's obligations to WOCFDCA (and guaranteed by the DIP Lender) from the sale proceeds derived from the Premises. The DIP Lender advises that assuming its requested Order is granted, sale of the Premises should close before February 28, 2018.

X. PROPOSED DISTRIBUTION

48. As has been noted throughout this report, pursuant to the DIP Lender's motion record returnable February 16, 2018, the DIP Lender is requesting an Order of the Court permitting the Trustee to distribute the Escrow Funds to various parties. A summary of the proposed distribution is set out below.

Proposed Distribution		
Net proceeds held by Trustee	$	402,719
Distributions		
CRA Deemed Trust		(90,877)
Professional Charge Amount		(50,000)
DIP Loan (including accrued interest to Feb 12/18)		(213,479)
Fees and disbursements of Trustee re Escrow Fund (estimated)		(23,600)
Remaining undistributed balance	$	24,764

49. The Trustee recommends that this Court grant an order permitting the Trustee to distribute the Escrow Funds as set out above and that the balance of the funds be paid into Court.

XI. REIMBURSEMENT AGREEMENT

50. In accordance with paragraph 13 of the October 30 Order the Trustee, Forte and the BDC entered into the Reimbursement Agreement.

51. At the time that the October 30 Order was issued, the CRA Deemed Trust amount was not known with certainty, as CRA was in the process of scheduling a payroll audit of Forte. Therefore, the Reimbursement Agreement was entered into due

to the possibility that funds distributed to the BDC may form part of the CRA Deemed Trust. As noted above, the CRA completed their payroll audit in December 2017 and provided the Trustee with a proof of claim.

52. The Escrow Funds held by the Trustee are sufficient to pay the CRA Deemed Trust. Further, the DIP Lender is seeking an order of the Court confirming that the payment of the CRA Deemed Trust from the Escrow Funds represents full and final satisfaction of any and all trust (or property) claims of the CRA. Finally, the DIP Lender's counsel advises that its motion was served upon CRA on or about February 9, 2018.

53. Given the above, it is the Trustee's opinion that upon full and final satisfaction of the CRA Deemed Trust the Reimbursement Agreement will no longer be necessary as it pertains principally to the CRA Deemed Trust and, therefore, the Reimbursement Agreement should be terminated.

54. The Trustee understands that the BDC is in support of the termination of the Reimbursement Agreement upon payment of the CRA Deemed Trust amount.

55. For the reasons noted above the Trustee recommends that this Court grant an order terminating the Reimbursement Agreement upon payment of the CRA Deemed Trust amount.

XII. TRUSTEE'S RECOMMENDATION

56. For the reasons explained herein the Trustee respectfully recommends that this Honourable Court make an Order:

a) approving the actions and activities of the Trustee as set out herein;

b) permitting the Trustee to distribute the Escrow Funds as set out herein;

c) permitting the Trustee to pay the balance of the Escrow Funds into Court; and,

d) terminating the Reimbursement Agreement.

All of which is respectfully submitted this 14th day of February, 2018.

ALBERT GELMAN INC., solely in its capacity as Trustee of the Bankruptcy Estate of Forte EPS Solutions Inc. and not in its Personal or any other Capacity

Per: ______________________________
Tom McElroy, *CPA, CA, CBV, CIRP, LIT*

TAB A

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

Take notice that:

1. I, Forte EPS Solutions Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.

2. Albert Gelman Inc. of 100 Simcoe Street, Suite 125, Toronto, ON, M5H 3G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.

3. A list of the names of the known creditors with claims of $250 or more and the amounts of their claims is also attached.

4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Toronto in the Province of Ontario, this 19th day of May 2017.

Forte EPS Solutions Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Ontario
Division No. 03 - Barrie
Court No. 31-2253654
Estate No. 31-2253654

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
2306732 Ontario Inc.	c/o Millenium Disposal Service 2440 Beryl Road Oakville ON L6J 7X4		550,000.00
407 ETR Express Toll Route Marion Richardson/Collections	6300 Steeles Ave W Woodbridge ON L4H 1J1		776.33
Advance Specialties USD	P.O. BOX 349 3735 HIGHWAY 22 GLEASON TN 38232		2,017.40
BASF Canada Inc.	P.O. BOX 15248 STATION A TORONTO ON M5W 1C4		762.60
Bernard Baum, LLB	SUITE 10 & 11 1540 LODESTAR ROAD TORONTO ON M3J 3C5		41,000.00
Business Development Bank of Canada ATT: Maya Poliak	c/o Chaltons LLP 500 Yonge Street, 10th Floor Toronto ON M2N 7E9		554,785.16
Carlson Construction	725 RUNNINGBROOK DRIVE MISSISSAUGA ON L4Y 2R9		2,475.00
CCH Excavating Inc.	P.O. BOX 159 Port McNicoll ON L0K 1R3		3,835.95
Cdn Business Health Management Inc.	75 MISSISSAUGA STREET WEST ORILLIA ON L3V 3A7		1,440.75
Cheval	P.O. Box 1262 STN B Mississauga ON L4Y 3W4		230,000.00
Domenic Frasca	220 Whitturch Mississauga ON L5A 4B3		439,944.49
Dominic Zita	5063 Summersky Court Mississauga ON L5M 0R3		1,500,000.00
Eisses Enterprises	901 ESSA ROAD BARRIE ON L9J 0B1		4,106.42
Enbridge Gas	P.O. BOX 680 SCARBOROUGH ON M1K 0A9		9,071.87

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Essex Energy	2199 BLACKACRE DRIVE SUITE 2 OLD CASTLE ON N0R 1L0		4,409.66
Fastenal Canada, LTD	860 TRILLIUM DRIVE SUITE 117 KITCHENER ON N2R 1K7		3,597.96
First Source Mortgage Corporation	1 VALLEYBROOK DRIVE SOUTH UNIT 100 TORONTO ON M3B 2S10		18,300.00
Fred Hook LTD	BOX 248 MIDLAND Midland ON L4R 4K11		156,041.82
Greywall Coatings INC	165 DRIVE INN ROAD, UNIT 4 SAULT ST MARIE ON P6B 5X8		2,460.33
Ideal Supply Company Limited	869 KING STREET MIDLAND ON L4R 0B10		2,954.11
Jason Pasqualino	417 Lanor Ave Mississauga ON M8W 2R7		25,300.00
JD Hubbert	200 EVANS AVE., UNIT 11 TORONTO ON M8Z 1J10		508.50
John Cipressi	72 Bourgeois Beach Road Victoria Harbour ON L0K 2A0		1,500,000.00
Klenzoid	P.O. BOX 3857 COMMERCE COURT POSTAL STN TORONTO ON M5L 1K4		6,277.24
Kreston GTA LLP	8953 WOODBINE AVE., MARKHAM ON L3R 0J12		7,673.98
Linde Canada Limited	P.O. BOX 4070 STN A TORONTO ON M5W 1M6		653.81
Lino Toncic	2020 Winston Park Drive, Suite 101 Oakville ON L6H 6X7		49,424.22
Maria Pierucci	23 Highview Ave Toronto ON M3M 1C5		205,000.00
MRT Automation Ltd	P.O. BOX 517 MIDLAND ON L4R 4L6		3,765.30

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
NATS	2525 HAINES ROAD MISSISSAUGA ON L4Y 1Y10		270,990.00
NAXXAR Consulting	539 KINGSTON ROAD WEST AJAX ON L1S 6M4		3,359.14
New Electric Enterprises Inc.	3185 DUNDAS STREET WEST OAKVILLE ON L6M 4J7		15,217.56
North Simcoe Community Futures Development Corporation	105 Fourth St., P.O. Box 8 Midland ON L4R 4K9		225,500.00
Nova Chemicals US	P.O BOX 8011 POSTAL STN A TORONTO ON M5W 3W8		158,000.00
Pacific High Tech	4789 Yonge Street Unit 716 Toronto ON M2N 0G6		518,250.89
PBS Freight Systems Inc	8760 JANE ST., UNIT #16 VAUGHAN ON L4K 2M12		10,750.00
Phillip & Fill	33 Hiawatha Pkwy Mississauga ON L5G 3S1		60,000.00
POWER FACTOR SERVICES LTD.	1235 FAIRVIEW STREET SUITE 299 BURLINGTON ON L7S 2K12		937.90
Prestige Property Tax Specialists	1025 KING STREET EAST CAMBRIDGE ON N3H 3P8		6,274.55
Pro Windows and Doors Ltd.	1 GOODMARK PLACE SUITE 3 ETOBICOKE ON M9W 6M4		34,891.00
PUC Midland Power Utility Corporation	P.O. BOX 820 MIDLAND ON L4R 4P7		13,886.21
Regency Plastics Company Ltd	50 BRISBANE ROAD DOWNSVIEW ON M3J 2K5		7,063.78
SCC Electrical	P.O. BOX 444 MIDLAND ON L4R 4L6		1,268.59
SCE Construction	29 MEDVLIA AVE TORONTO ON M8Z 5L9		1,000.00

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Sievert Financial Services Inc.	43 COLBORNE STREET TORONTO ON M5E 1E6		15,425.00
SKID - Freight Brokers, Inc.	P.O. BOX 85 SAINTE MARTHE SUR LE LAC QC J0N 1P0		2,186.55
Steam Specialties	40 CORSTATE AVE. VAUGHAN ON L4K 4X5		1,966.88
Sunnyside Machine & Hydraulics	1178 EVERTON ROAD MIDLAND ON L4R 5J5		811.95
Telus	P.O. BOX 5300 BURLINGTON ON L4R 4S11		1,277.38
Thermaloc Italy SRL	VIA BONANOMI 3, COMO, IT 22100 IT		904.76
Total Quality Logistics	P.O. BOX 634558 CINCINNATI OH 45263 4561		3,953.92
Travelers Leasing	800-9900 KING GEORGE BLVD. SURREY BC V3T 0K10		399,800.16
Travelers Transportation Services	195 HEART LAKE ROAD S. BRAMPTON ON L6W 3N9		2,926.17
Triple Tech ESJ	1050 KING STREET MIDLAND ON L4R 0B11		1,310.50
Underwriters Laboratories of Canada Inc.	P.O. BOX 15146 STN A TORONTO ON M5W 1C4		15,124.92
United Testing Systems Canada Limited	21-225 BRADWICK DRIVE CONCORD ON L4K 1K10		29,410.73
Western Ontario Community Futures Development Corporation Inc. ATT: David Penton	530 West Street, Unit 10 Branford ON N3R 7V5		440,827.21
WILSON HIGH VOLTAGE	1271 GORHAM STREET UNIT 9 NEWMARKET ON L3Y 8Y10		4,531.66

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Workplace Safety and Insurance Board c/o Collection Services	200 Front St W Toronto ON M5V 3J1		15,581.87
Total			7,590,012.18

Forte EPS Solutions Inc.
Insolvent Person

Industry Canada | Industrie Canada
Office of the Superintendent of Bankruptcy Canada | Bureau du surintendant des faillites Canada

District of Ontario
Division No. 03 - Barrie
Court No. 31-2253654
Estate No. 31-2253654

In the Matter of the Notice of Intention to make a proposal of:

Forte EPS Solutions Inc.
Insolvent Person

ALBERT GELMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: May 19, 2017

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act.*

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: May 19, 2017, 14:30

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

TAB B

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPCTY AND INSOLVENCY

THE HONOURABLE WEDNESDAY, THE 14TH

JUSTICE HAINEY DAY OF JUNE, 2017

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the "Debtor") was heard on this 14th day of June 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Cipressi sworn June 5, 2017 and filed, the first report of Albert Gelman Inc., in its capacity as a proposal trustee (the "Proposal Trustee") dated June 9, 2017, (the "First Report") and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavit of William Harvey Jones, sworn June 6, 2019, and filed.

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

2. **THIS COURT ORDERS** that the First Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

3. **THIS COURT AUTHORIZES AND APPROVES** a charge over the property , assets and undertaking of the Debtor (the "Property"), in the maximum amount of $100,000

which shall be held as security for the fees and disbursements of the Proposal Trustee and its counsel and counsel for the Debtor, regardless of whether said fees and disbursements were incurred before or after the making of this Order in respect of these proceedings (the "Proposal Trustee's Charge"), and the Proposal Trustee's Charge shall form a first charge over the Property in priority to all security interests, trusts, liens, charges, and encumbrances , statutory or otherwise, in favour of any person, with the exception of the security interest granted by the Debtor in favour of Business Development Bank of Canada ("**BDC**") in and over the Property as security for the loan facilities made available by BDC to the Debtor (the "**BDC Security**"). For greater clarity, the Proposal Trustee's Charge shall be subordinate to the BDC Security.

4. **THIS COURT ORDERS** that nothing in this Order shall affect the rights of BDC or obligations owing to BDC under the BDC Security including, without limitation, the enforcement rights thereunder.

5. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to August 2, 2017.

(Signature of Judge)

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 1 4 2017

PER / PAR:

Doc#3941257v1

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

TAB C

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPCTY AND INSOLVENCY

THE HONOURABLE Mr. MONDAY, THE 31ST

JUSTICE Penny DAY OF JULY, 2017

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the "**Debtor**") was heard on this 31st, day of July 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Cipressi sworn July 23, 2017 and filed, (the "**Cipressi Affidavit**") the supplementary affidavit of John Cipressi sworn July 28, 2017 and filed (the "**Supplementary Cipressi Affidavit**"), the second report of Albert Gelman Inc., in its capacity as a proposal trustee (the "**Proposal Trustee**") dated July 28, 2017, (the "**Second Report**") and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavits of William Harvey Jones, sworn July 24, 2017 and July 28, 2017, and filed.

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Motion, the Motion Record and the Second Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Second Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

3. **THIS COURT ORDERS** that the motion of the Debtor for an order authorizing the Debtor to undertake sales and investment solicitation process as further described in the Cipressi Affidavit and the Second Report (the "**SISP**") is hereby adjourned to a 9:30am chambers appointment on August 17, 2017.

DIP FINANCING

4. **THIS COURT ORDERS** that the execution and delivery by the Debtor of the DIP Loan Agreement as defined in the Cipressi Affidavit and substantially in the form attached as Exhibit "G" to the Cipressi Affidavit is hereby approved and the Debtor is hereby authorized and empowered to perform its obligations under the DIP Loan Agreement (subject to obtaining such Court and other approvals as may be required in connection with any step contemplated therein) and to obtain and borrow under the DIP Loan Agreement to finance the Debtor's working capital requirements (including occupation rent payable), provided that borrowings under the DIP Loan Agreement shall not exceed $200,000.

5. **THIS COURT ORDERS** that the Debtor and the DIP Lender are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges general security agreements (collectively the "**Definitive Documents**") as contemplated by the DIP Loan Agreement together with such modification thereto as may be reasonably required and as may be agreed to by the Debtor and the DIP Lender after consultation with the Proposal Trustee. The Debtor is hereby authorized and directed to pay all its indebtedness, interest, fees, liabilities and obligations due and owing to the DIP Lender under and pursuant to the Definitive Documents and the DIP Loan Agreement as and when the same become due, notwithstanding the provisions of any other order.

6. **THIS COURT ORDERS** the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") upon all the property, assets and undertaking of the Debtor (hereinafter the "**Property**"). The DIP Lenders Charge and any contractual interests granted by the Debtor pursuant to the Definitive Documents shall attach to the Property and

secure the obligations under the Definitive Documents. The DIP Lender's Charge shall have the priority set out in paragraph 7 and 8 below.

7. **THIS COURT ORDERS** that paragraph 3 and 4 of the Order of the Honourble Justice Hainey dated June 14, 2017 (the "**June 14 Order**"), be and are hereby amended and restated, as follows:

> 3. **THIS COURT ORDERS AND APPROVES** a charge over the property, assets and undertaking of the Debtor (the "**Property**"), in the maximum amount of $100,000 which shall be held as security for the fees and disbursements of the Proposal Trustee and its counsel and counsel for the Debtor, regardless of whether said fees and disbursements were incurred before or after making of this Order in respect of these proceedings (the "**Proposal Trustee's Charge**")
>
> 4. **THIS COURT ORDERS** that the Proposal Trustee's Charge shall enjoy the following priority over the Property:
>
> > a. With respect to the Property listed at Schedule "A" to this Order the Proposal Trustee's Charge shall form a first charge in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person; and
> >
> > b. With respect to the balance of the Property, the Proposal Trustee's Charge shall form a second charge in priority to all security interest, trusts, liens, charges, and encumbrances of any person, save and except for the security interest granted by the Debtor in favour of Business Development Bank of Canada ("**BDC**") in and over the Property as security for the loan and facilities made available by BDC to the Debtor (the "BDC Security")

8. **THIS COURT ORDERS** that for greater certainty, the DIP Lender's Charge shall be subordinate in all respects to the BDC Security and the Proposal Trustee's Charge.

9. **THIS COURT ORDERS** that the Confidential Exhibits "A" and "B" to the Supplementary Cipressi Affidavit be and are hereby sealed until further Order of the Court.

10. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to September 18, 2017.

SCHEDULE A

This schedule is in addition to Lease Agreement number E0195 between TRAVELERS LEASING LTD. (as Lessor) and Forte EPS Solutions Inc. (as Lessee) and forms part of the contract.

Equipment Description:

(1) Used Infra Model 3000-A Universal Automatic Moulding & Laminating Machine S/N 288
(1) Technodinamica Contour TD400/1 Cutter S/N 20133500
(1) Micro Recycling "In-A-Box" S/N 14012467
(1) EPS Machine Greenmax A-C100 S/N 131108
(1) United "Smart 1" Table Model Electromechanical Testing Machine S/N 0714548
(1) Hirsch Movicon X Monolith E4 Platform S/N 1W1360022634
and all parts, attachments and accessories

TRAVELERS LEASING LTD.

Forte EPS Solutions Inc.

Dominic Zita, Director

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

TAB D

Court File Number: 31-2253654

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Forte EPS Solutions.

Plaintiff(s)

AND

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: __________

Counsel	Telephone No:	Facsimile No:
W. A. Jones (debtor)		
D. Magisano (proposal trustee)		

☐ Order ☐ Direction for Registrar **(No formal order need be taken out)**
☐ Above action transferred to the Commercial List at Toronto **(No formal order need be taken out)**

☐ Adjourned to: __________
☐ Time Table approved (as follows):

Motion to approve SISP returnable
Thursday August 24, 2017 at 10:00 a.m.
(15 minutes booked).

August 17, 2017
Date

[signature] RSJ.
Judge's Signature

☐ Additional Pages ________

TAB E

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE | MONDAY, THE 24TH

JUSTICE MYERS | DAY OF AUGUST 2017

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the "**Debtor**") was heard on this 24th day of August 2017 at 330 University Avenue, Toronto, Ontario.

ON READING, the affidavit of John Cipressi sworn August 22, 2017 and filed, (the **Cipressi Affidavit**"), the Supplement to the Second Report of Albert Gelman Inc., in its capacity as proposal trustee (the "**Proposal Trustee**"), dated August 16, 2017 (the "**Supplemental Report**"), the Second Supplement to the Second Report of the Proposal Trustee, dated August 22, 2017, (the "**Second Supplemental Report**") and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavit of William Harvey Jones, sworn August 22, 2017, and filed.

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

2. **THIS COURT ORDERS** that the Supplemental Report, and the activities of the Proposal Trustee and its counsel, be and are hereby approved.

3. **THIS COURT ORDERS** that the Second Supplemental Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

SALE AND INVESTMENT SOLICITATION PROCESS

4. **THIS COURT ORDERS** that the Debtor is authorized to carry out the Sale and Investment Solicitation Process in the manner described generally in Schedule "A".

5. **THIS COURT ORDERS** that the Proposal Trustee and the Debtor shall provide Business Development Bank of Canada ("**BDC**") with (collectively, the "**SISP Information**"):
   a. a copy of the teaser sheets and the confidential information memorandum prepared with respect of the SISP;
   b. full access to any data room relating to the SISP (whether said data room be a physical data room or electronic data room); and
   c. copies of all offers or expressions of interest received as part of the SISP.

6. **THIS COURT ORDERS** that BDC shall be permitted to disclose the SISP Information to their counsel, Chaitons LLP, and any financial advisor they may have retained, or may subsequently retain in this matter (collectively, the "**Advisors**"), however, neither BDC nor the Advisors shall disclose or otherwise disseminate the SISP Information without further court order.

7. **THIS COURT ORDERS** that the Debtor shall not accept any offer presented during the SISP without first providing a copy of the proposed agreement to BDC and soliciting its comments on same.

(Signature of Judge)

SCHEDULE "A"

SALE AND INVESTMENT SOLCITATION PROCESS

Forte EPS Solutions Inc.

Defined Terms

1. All capitalized terms contained herein but not otherwise defined herein shall have the meanings given to them in the order granted by the Ontario Superior Court of Justice [Commercial List] (the "**Court**") on August 24, 2017 (the "**Approving Order**") in respect of the Forte EPS Solutions Inc.'s ("**Forte**" or the "**Company**") proceedings commenced under the *Bankruptcy and Insolvency Act* (the "**BIA**").

2. The terms of the SISP described herein shall, collectively, be referred to as the SISP Procedures throughout this document.

Role of the Proposal Trustee

3. The SISP will be administered by the Proposal Trustee on behalf of the Company. The roles and responsibilities of the Proposal Trustee are described in further detail throughout the SISP Procedures, however, the Proposal Trustee's role in the SISP <u>does not</u> include managing, operating, or taking possession or control of any of the Company's property, assets and undertaking.

4. The Company and its principals, employees and professional advisors shall cooperate with the Proposal Trustee throughout the SISP and provide documents and information requested as part of the SISP to the Proposal Trustee in a prompt fashion.

Commencement of SISP

5. Within three (3) business days of the date of the Approving Order (the "**Commencement Date**"), the Proposal Trustee shall contact parties previously identified by the Company who may either be interested in purchasing the assets of the Company or making and investment in the Company together with any other parties who have advised the Proposal Trustee of their interest (the "**Prospective SISP Participants**") and provide those parties with a copy of the "teaser" document. The teaser document shall contain general details about the opportunity to either purchase the assets of Forte or make an investment in Forte (the "**Opportunity**") as well as some general background information about the Company.

Due Diligence

6. Any Prospective SISP Participants who advise the Proposal Trustee of their interest in participating in the SISP shall execute a non-disclosure agreement (the "**NDA**") in a form satisfactory to the Proposal Trustee.

7. Commencing on the Commencement Date (and after each respective Prospective SISP Participant has executed the NDA), the Proposal Trustee shall make available to the Prospective SISP Participant the following:

   a) Confidential information memorandum ("**CIM**") prepared by the Company with the assistance of the Proposal Trustee describing the SISP Procedures and the Opportunity as well as providing additional background information about the Company; and,

   b) Access to an electronic data room, to be maintained by the Proposal Trustee, which shall contain information pertaining to the Opportunity along with other corporate financial and other documents as provided by the Company.

Offer Deadline

8. All offers must be submitted in writing to and received by the Proposal Trustee at 100 Simcoe Street, Suite 125, Toronto, Ontario, M5H 1L2, attention: Tom McElroy, by no later than 5:00 p.m. (Toronto time) on September 28, 2017 (the "**Offer Deadline**") each offer must remain open for acceptance until 5:00 pm on October 13, 2017 (the "**Acceptance Date**").

Qualifying Offers

9. An offer will only be considered a "Qualified Offer" if it is submitted before the Offer Deadline and if it meets the following minimum criteria:

   a) It is irrevocable until after the Acceptance Date;
   b) It must be accompanied by a deposit in the form of a certified cheque or bank draft payable to the Proposal Trustee "in trust" which is equal to at least fifteen (15%) percent of the total purchase price payable under the offer;
   c) It includes evidence that the offeror has the financial means to complete the proposed acquisition or investment;
   d) Includes an acknowledgement that the purchaser or investor has relied solely on an independent review and investigation and that its has not relied on any representation by the Company, the Proposal Trustee or their respective agents, employees or advisers;
   e) The offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction;
   f) It does not entitle any proposed purchaser to claim any break up, termination or similar fees or expense claim; and,
   g) It must be on such terms and conditions as are typical in the context of sales conducted though a restructuring and insolvency proceeding, which terms shall include, without limitation: (i) acknowledgement that any purchase or investment is on an "as is where is basis" without any representation, warranties or conditions made or granted in connection therewith; (ii) that the completion of the transaction is conditional on the granting of an approval and vesting Order by the Court (the "**Approval and Vesting Order**"); and, (iii) a closing of the transaction to occur within three (3) business days of the Approval and Vesting Order being issued by the Court.

10. The Proposal Trustee shall review all offers submitted under the SISP and first determine whether any of the bidders are Related Persons (as that term is defined under section 4(2) of the BIA) and:

    a. If none of the offers are made by parties that are Related Persons, then the determination of whether an offer is a Qualified Offer shall be made jointly by the Company and the Proposal Trustee;

    b. If offers are made by one or more Related Persons, then the Proposal Trustee shall, in its sole discretion, determine what offers, if any, represent a Qualified Offer.

11. Each Qualified Offer shall be considered and, if necessary, there may be further discussions with some or all of the parties who have submitted a Qualified Offer with a view to clarifying terms. The Company shall participate in these discussions providing that a Related Person has not submitted a Qualified Offer.

Winning Offer

12. Providing that there are one or more Qualified Offers, the Proposal Trustee shall determine the highest and best offer within five (5) business days of the Offer Deadline and shall convey its decision to the Company at that time (the "**Best Offer**").

13. The Company will have seven (7) business days from the date that they are advised of the Best Offer to either: (a) accept the Best Offer and enter into a definitive agreement of purchase and sale in connection therewith (the "**Sale Agreement**"); or (b) make a proposal to its creditors.

Court Approval

14. Within three (3) business days following the execution of the Sale Agreement, the Company will apply for the approval of the Court of the Winning Offer and the Sale Agreement (the "**Approval Motion**") and an approval and vesting order in respect of same

15. The Proposal Trustee shall serve and file a report with respect to the SISP and Sale Agreement in advance of the Approval Motion.

Other Terms

16. All deposits received (except such deposit forming part of the Winning Offer, if there is a Winning Offer) shall be held by the Proposal Trustee "in trust" until the execution of the Sale Agreement. All deposits submitted by Prospective SISP Participants who did not submit the Winning Offer shall have same returned following execution of the Sale Agreement. The deposit forming part of the Winning Offer shall be dealt with in accordance with the Sale Agreement.

17. In the event that the Company chooses to make a proposal to its creditors pursuant to Part III, Division I of the BIA, all deposits received from Prospective SISP Participants shall be returned after the Company lodges its proposal with the Office of the Superintendent in Bankruptcy.

18. In the event that the deposit is forfeited for any reason it shall be forfeited as liquidated damages and not as a penalty.

19. All Qualified Offers (other than the Winning Offer) shall be deemed rejected on the date of the approval of the Sale Agreement by the Court or on the day that the Company lodges its proposal with the Office of the Superintendent in Bankruptcy, whichever is applicable.

20. Subject to the Approving Order or other order of the Court, the Company, in consultation with the Proposal Trustee, shall have the right to adopt such other rules for the SISP that, at it its sole discretion, will better promote the goals of the SISP.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

Doc#3941257v1

THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
RTE EPS SOLUTIONS INC.

Aug 24/17

ort title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPCY AND INSOLVENCY

MotionRecord

SUPERIOR COURT OF JUSTICE / COUR SUPÉRIEURE DE JUSTICE
FILED / DÉPOSÉ
AUG 23 2017
AT / À
LOCAL REGISTRAR - GREFFIER
TORONTO

William Harvey Jones
Barrister and Solicitor
2702- 401 Bay Street,
Toronto, Ontario
M4V 3A1
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Lawyer for the DEBTOR/APPLICANT

Aug 24/17

I am satisfied that the proposed SISP is a commercially reasonable step. The debtor's own evidence is that it is liquidating one way or the other. I am concerned with the propriety and expediency of a management-led liquidation especially with management also proposing to bid.

The ~~[illegible]~~ Trustee must be fully engaged as the eyes and ears of the Court. Surprises are as much the fault of lax oversight as management zeal. This process protects all stakeholders and must be transparent and ~~[illegible]~~ hold the debtor accountable. The Trustee is to remain vigilant to the risk of material adverse changes.

TAB F

Estate No.: 31-2253654

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF

FORTE EPS SOLUTIONS INC.

REPORT OF THE TRUSTEE ON MATERIAL ADVERSE CHANGE IN PROJECTED CASH FLOW OR FINANCIAL CIRCUMSTANCES
Section 50.4(7)(b) of the *Bankruptcy and Insolvency Act* (Canada)

I. INTRODUCTION AND BACKGROUND

1. Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") on May 19, 2017 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Albert Gelman Inc. (the "**Trustee**") consented to act as Trustee in respect of these restructuring proceedings.

2. On July 31, 2017 the company obtained approval from the Court for an extension of time to file its proposal to September 18, 2017 (the "**Extension**"). Attached hereto at **Appendix "A"** is a copy of the Court Order approving the Extension.

3. In support of the Company's request for the Extension it prepared and filed with the Trustee a statement of forecasted cash flows for the fifteen (15) week period ended November 5, 2017 (the "**Cash Flow Forecast**"). The Cash Flow Forecast indicated that the Company would obtain external financing during the week ended August 6, 2017 in an amount of $200,000 in order to continue to meet its ongoing financial obligations (the "**DIP Financing**").

4. In its Order dated July 31, 2017 the Court approved a debtor-in-possession loan agreement for an amount not to exceed $200,000 (the "**DIP Loan**") between Forte and 16567 Highway 12 Holdings Limited (the "**DIP Lender**"). The DIP Lender is a company which is related to Forte.

5. As of the date of this report the Company has drawn $40,000 in respect of the DIP Loan. This amount is not sufficient to meet the ongoing obligations of the Company, as set out in further detail below.

6. The principals of the Company have advised the Trustee that the DIP Lender has not yet been able to provide further advances, as required by the Company.

7. As a result of its inability to utilize the DIP Loan, the company has not been able to meet several of its post NOI filing obligations and, specifically, the Company:

a. has not been remitting its post NOI filing payroll source deduction withholdings;

b. was not able to meet its employee payroll obligations for the payroll period ending in or around August 25, 2017;

c. does not have sufficient working capital to fund the purchase of raw materials on cash-on-delivery terms; and,

d. is in arrears in respect of its utility accounts.

8. The DIP Lender has advised the Trustee that the remainder of the DIP Financing will be available to the Company during the week ended September 10, 2017. As of the date of this report, neither the Company, nor the DIP Lender has provided sufficient documentation to the Trustee to satisfy it that further funds under the DIP facility will be made available to the Company.

II. MATERIAL ADVERSE CHANGE

9. This report has been filed pursuant to section 50.4(7)(b) of the BIA as a result of the Trustee ascertaining that a material adverse change in the insolvent person's projected cash-flow and financial circumstances has occurred.

10. As a result of the Company not being able to utilize the full amount of the DIP Financing the Trustee is of the opinion that this represents a material adverse change in the Company's cash flow and financial circumstances which:

a. significantly impairs the Company's financial circumstances;

b. significantly impairs the Company's ability to carry on operations;

c. significantly impairs the likelihood of success of a proposal; and,

d. may prejudice the rights and interest of one or more classes of creditors.

Dated this 1st day of September 2017.

ALBERT GELMAN INC., solely in its capacity as Trustee of the Proposal of Forte EPS Solutions Inc. and not in its Personal or any other Capacity

Per: ______________________
Tom McElroy, *CPA, CA, CBV, CIRP, LIT*

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE Mr.	MONDAY, THE 31ST
JUSTICE Penny	DAY OF JULY, 2017

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE

ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the "**Debtor**") was heard on this 31st, day of July 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Cipressi sworn July 23, 2017 and filed, (the "**Cipressi Affidavit**") the supplementary affidavit of John Cipressi sworn July 28, 2017 and filed (the "**Supplementary Cipressi Affidavit**"), the second report of Albert Gelman Inc., in its capacity as a proposal trustee (the "**Proposal Trustee**") dated July 28, 2017, (the "**Second Report**") and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavits of William Harvey Jones, sworn July 24, 2017 and July 28, 2017, and filed.

1. **THIS COURT ORDERS** that, if necessary, the time for service of the Notice of Motion, the Motion Record and the Second Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Second Report and the activities of the Proposal Trustee and its counsel be and are hereby approved.

3. **THIS COURT ORDERS** that the motion of the Debtor for an order authorizing the Debtor to undertake sales and investment solicitation process as further described in the Cipressi Affidavit and the Second Report (the "**SISP**") is hereby adjourned to a 9:30am chambers appointment on August 17, 2017.

DIP FINANCING

4. **THIS COURT ORDERS** that the execution and delivery by the Debtor of the DIP Loan Agreement as defined in the Cipressi Affidavit and substantially in the form attached as Exhibit "G" to the Cipressi Affidavit is hereby approved and the Debtor is hereby authorized and empowered to perform its obligations under the DIP Loan Agreement (subject to obtaining such Court and other approvals as may be required in connection with any step contemplated therein) and to obtain and borrow under the DIP Loan Agreement to finance the Debtor's working capital requirements (including occupation rent payable), provided that borrowings under the DIP Loan Agreement shall not exceed $200,000.

5. **THIS COURT ORDERS** that the Debtor and the DIP Lender are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges general security agreements (collectively the "**Definitive Documents**") as contemplated by the DIP Loan Agreement together with such modification thereto as may be reasonably required and as may be agreed to by the Debtor and the DIP Lender after consultation with the Proposal Trustee. The Debtor is hereby authorized and directed to pay all its indebtedness, interest, fees, liabilities and obligations due and owing to the DIP Lender under and pursuant to the Definitive Documents and the DIP Loan Agreement as and when the same become due, notwithstanding the provisions of any other order.

6. **THIS COURT ORDERS** the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") upon all the property, assets and undertaking of the Debtor (hereinafter the "**Property**"). The DIP Lenders Charge and any contractual interests granted by the Debtor pursuant to the Definitive Documents shall attach to the Property and

secure the obligations under the Definitive Documents. The DIP Lender's Charge shall have the priority set out in paragraph 7 and 8 below.

7. **THIS COURT ORDERS** that paragraph 3 and 4 of the Order of the Honourble Justice Hainey dated June 14, 2017 (the "**June 14 Order**"), be and are hereby amended and restated, as follows:

 3. **THIS COURT ORDERS AND APPROVES** a charge over the property, assets and undertaking of the Debtor (the "**Property**"), in the maximum amount of $100,000 which shall be held as security for the fees and disbursements of the Proposal Trustee and its counsel and counsel for the Debtor, regardless of whether said fees and disbursements were incurred before or after making of this Order in respect of these proceedings (the "**Proposal Trustee's Charge**")

 4. **THIS COURT ORDERS** that the Proposal Trustee's Charge shall enjoy the following priority over the Property:

  a. With respect to the Property listed at Schedule "A" to this Order the Proposal Trustee's Charge shall form a first charge in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any person; and

  b. With respect to the balance of the Property, the Proposal Trustee's Charge shall form a second charge in priority to all security interest, trusts, liens, charges, and encumbrances of any person, save and except for the security interest granted by the Debtor in favour of Business Development Bank of Canada ("**BDC**") in and over the Property as security for the loan and facilities made available by BDC to the Debtor (the "BDC Security")

8. **THIS COURT ORDERS** that for greater certainty, the DIP Lender's Charge shall be subordinate in all respects to the BDC Security and the Proposal Trustee's Charge.

9. **THIS COURT ORDERS** that the Confidential Exhibits "A" and "B" to the Supplementary Cipressi Affidavit be and are hereby sealed until further Order of the Court.

10. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to September 18, 2017.

SCHEDULE A

This schedule is in addition to Lease Agreement number E0195 between TRAVELERS LEASING LTD. (as Lessor) and Forte EPS Solutions Inc. (as Lessee) and forms part of the contract.

Equipment Description:

(1) Used Infra Model 3000-A Universal Automatic Moulding & Laminating Machine S/N 288
(1) Technodinamica Contour TD400/1 Cutter S/N 20133500
(1) Micro Recycling "In-A-Box" S/N 14012467
(1) EPS Machine Greenmax A-C100 S/N 131108
(1) United "Smart 1" Table Model Electromechanical Testing Machine S/N 0714548
(1) Hirsch Movicon X Monolith E4 Platform S/N 1W1360022634
and all parts, attachments and accessories

TRAVELERS LEASING LTD.

Forte EPS Solutions Inc.

X

Dominic Zita, Director

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL DIVISION

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

FORTE EPS SOLUTIONS INC.

(Short title of proceeding)

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

MotionRecord

William Harvey Jones
Barrister and Solicitor
2702- 401 Bay Street,
Toronto, Ontario
M4V 3A1
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Lawyer for the DEBTOR/APPLICANT

SUPERIOR COURT OF JUSTICE / COUR SUPÉRIEURE DE JUSTICE
FILED / DÉPOSÉ
JUL 28 2017
AT / À
LOCAL REGISTRAR · GREFFIER LOCAL
TORONTO

July 31, 2017

I am satisfied with the PT's report and that circumstances require an extension of the stay.

The current situation is evolving, such that a return on August 17, 2017 for a 9:30 appointment is warranted (cleared). At that time, more information on the status of a possible sale or a SISP will be available.

The orders sought today are not opposed. Order to issue in the form signed by me this date. Penny J.

TAB G

Court file No. 31-2253654
Estate File No. 31-2253554

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE	MONDAY, THE 18th.
JUSTICE CONWAY	DAY OF SEPTEMBER, 2017

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the "**Debtor**") was heard on this 18th, day of September, 2017 at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of John Cipressi, sworn September 11, 2017 (the "**Cipressi Affidavit**"), the Supplementary Affidavit of John Cipressi, sworn September 15, 2017 (the "**Supplementary Cipressi Affidavit**"), the Third Report of Albert Gelman Inc., in its capacity as a proposal trustee (the "**Proposal Trustee**") dated September 14, 2017, (the "**Third Report**"), the Supplement to the Third Report of the Proposal Trustee, dated September 17, 2017 (the "**Supplementary Report**"), and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, and all others present, no others appearing although duly served as evidenced by the affidavit of William Harvey Jones, sworn September 11, 2017, filed,

1. **THIS COURT ORDERS** that, the time for service of the Notice of Motion, the Cipressi Affidavit, the Supplementary Cipressi Affidavit, the Third Report, and the Supplementary Report, are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Third Report and the activities of the Proposal Trustee and its counsel as described therein be and are hereby approved.

3. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to November 2, 2017.

Conway J.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC.

Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ORDER

William Harvey Jones
Barrister and Solicitor
Suite 2702 – 401 Bay Street
Toronto, Ontario
M5H 2Y4
LSUC # 38733J

(416) 596-8876
Fax: (416) 596-0907

Solicitor for the Debtor

Doc#3941257v1

TAB H

AGREEMENT OF PURCHASE AND SALE

This Agreement is made as of the 17 day of October, 2017.

BETWEEN:

FORTE EPS SOLUTIONS INC.
(the "**Company**")

- and –

AMVIC INC.
(the "**Purchaser**")

RECITALS

The Company filed a Notice of Intention to Make a Proposal on May 19, 2017, under Section 50.4(1) *Bankruptcy and Insolvency Act* (Canada);

The Court granted an Order approving the SISP governing the process for soliciting and selecting bids for the sale of the Company's assets;

In accordance with the SISP, the Purchaser's offer has been selected as the Best Offer (as defined in the SISP);

The Company wishes to sell, and the Purchaser wishes to purchase, the Purchased Assets subject to the terms and conditions hereof and as more particularly set out herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

(a) **Agreement** means this Agreement of Purchase and Sale;

(b) **Approval and Vesting Order** has the meaning set out in Section 4.3;

(c) **Books and Records** means all books of account, financial records and statements, personnel records, historic documents relating to the Business or the Assets, sales and purchase records, cost and pricing information, customer and supplier files, research and development records, production records, equipment logs and all other documents, files, correspondence and other information of the Company relating to the Business or the Assets, to the extent that they are in the possession of the Company;

(d) **Business** means the Company's operations as a manufacturer of expanded polystyrene products;

(e) **Business Day** means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

(f) **Closing** means the successful completion of the Transaction;

(g) **Closing Date** means the day that is one Business Day following the date on which the Approval and Vesting Order is granted or any other date as agreed between the Purchaser and the Vendor in writing;

(h) **Court** means the Ontario Superior Court of Justice (Commercial List);

(i) **Creditor** has the meaning given to such term in the *Bankruptcy and Insolvency Act* (Canada);

(j) **Deposit** means the amount of $165,000 delivered by the Purchaser to the Proposal Trustee in accordance with the SISP;

(k) **Employees** means all individuals employed or retained by the Company on a full-time, part-time or temporary basis in connection with the Business;

(l) **Encumbrance** means any security interest, lien (statutory or otherwise), prior claim, charge, hypothec, reservation of ownership, pledge, encumbrance, liability, mortgage, lease, restriction, development or similar agreement, title defect, option or adverse claim or encumbrance of any nature of kind including any and all Court ordered charges granted in the NOI Proceedings;

(m) **ETA** means the *Excise Tax Act* (Canada);

(n) **Excluded Assets** means any assets that are not included in Schedule "A" including but not limited to all cash on hand, bank balances, term deposits or similar items owned by the Company on the closing date, accounts receivable, tax refunds or reassessments from any federal, provincial, municipal or other government or quasi-governmental agency, and any amounts owing from any Director or Officer (or former Director or Officer) of the Company;

(o) **Excluded Liabilities** has the meaning specified in Section 2.8;

(p) **Goodwill** means the goodwill of the Business including all business records, customer lists, customer contacts, including the benefit of all purchase orders held by the Company, and similar items including the right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Company;

(q) **Hired Employees** has the meaning specified in Section 3.1;

(r) **Intellectual Property** means any (a) patents and inventions, (b) trade-marks, service marks and trade names, (c) copyrights and industrial designs, (d) registrations, applications and renewals for the foregoing, (e) trade secrets, formulae, compositions, know-how, discoveries, designs and manufacturing and production processes, and (f) other intellectual property rights, in each case owned, licensed, controlled or used by the Company at any time prior to the Closing;

(s) **NOI Proceedings** means the proceedings commenced by the Company's filing of a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada);

(t) **Parties** means the Companies and the Buyer collectively, and **Party** means either the Company or the Buyer, as the context requires;

(u) **Post-Closing Receipts** has the meaning specified in Section 2.7;

(v) **Proposal Trustee** means Albert Gelman Inc. solely in its capacity as proposal trustee of the Company and not in its personal capacity;

(w) **Purchase Price** has the meaning specified in Section 2.3;

(x) **Purchased Assets** has the meaning specified in Section 2.1;

(y) **SISP** means the Sale and Investment Solicitation Process approved by the Court pursuant to the Order of the Honourable Mr. Justice Myers dated August 24, 2017;

(z) **Time of Closing** means 2:00 p.m. (Toronto time) on the Closing Date, or such other time as agreed between the Purchaser and Vendor in writing; and

(aa) **Transaction** means the transaction of purchase and sale contemplated by this Agreement.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 Extended Meanings

Words importing the singular include the plural and *vice versa,* words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars. References to "$" are to Canadian dollars.

1.5 Schedules

The following Schedules are incorporated in and form part of this Agreement:

Schedule A	Assets
Schedule B	Form of Offer

ARTICLE 2
SALE AND PURCHASE

2.1 Sale and Purchase of Assets

Upon and subject to the terms and conditions of this Agreement, at the Closing and effective as of the Time of Closing, the Company shall sell, convey, transfer, assign and deliver or cause to be sold, conveyed, transferred, assigned and delivered, to the Purchaser, and the Purchaser shall purchase, free and clear of all Encumbrances, all of the Company's right, title and interest in, to and under or relating to, the assets set out in Schedule "A" attached hereto (the "**Purchased Assets**").

2.2 "As is, Where is"

The Purchaser acknowledges that the Company is selling the Purchased Assets on an "as is, where is" basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that neither the Company, nor the Proposal Trustee, guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Company to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Company or the Proposal Trustee concerning completeness or the accuracy of such descriptions.

2.3 Purchase Price

The consideration payable by the Purchaser for the Assets shall be $1,100,000.00 (the "**Purchase Price**"), excluding taxes.

2.4 Payment of Purchase Price

The Purchase Price will be satisfied as follows:

(a) the portion of the Purchase Price equal to the amount of the Deposit and the actual earnings thereon will be satisfied by crediting the Company, at the Time of Closing, with the Purchaser's interest in the Deposit (and the actual earnings thereon from the date the Deposit is received by the Proposal Trustee in accordance with the SISP to but excluding the Closing Date) that is being held by the Proposal Trustee; and

(b) the balance of the Purchase Price will be satisfied by the Purchaser by payment to the Proposal Trustee of such amount by certified cheque or bank draft at the Time of Closing.

2.5 Allocation of Purchase Price

The Purchase Price shall be allocated in accordance with the form of Offer attached hereto as Schedule "B", subject to any further agreement between the Purchaser and the Vendor prior to the hearing to obtain the Approval and Vesting Order.

2.6 Taxes

To the extent permitted under subsection 167(1) of the ETA and any equivalent or corresponding provision under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax, the Purchaser and the Company shall jointly elect that no tax be payable with respect to the purchase and sale of the Purchased Assets under this Agreement and shall make such election in the form prescribed for the purposes of any such provision. The Purchaser shall file such election with the Canada Revenue Agency and any applicable provincial or territorial tax authority, where applicable. If no such election is available, the Purchaser shall pay to the Company the tax exigible in respect of the Purchase Price and the Company shall be responsible for the remittance of such tax to the approval tax authorities.

Where applicable, the Purchaser shall have the option to furnish the Company with appropriate exemption certificates.

2.7 Post-Closing Receivables Paid to the Trustee or the Company

Any assets, properties or rights that are received by the Purchaser after the Time of Closing and that relate to activities, events or transactions occurring prior to the Time of Closing (including, without limitation, any tax refunds received by the Company in respect of taxes paid in the period prior to the Time of Closing and other Excluded Assets) (the "**Post-Closing Receipts**") shall be held in trust for the Company separate and apart from the Purchased Assets and shall as soon as practicable be paid over to the Company and such Post-Closing Receipts shall be deemed to be Excluded Assets for the purposes of this Agreement. Any cash of the Company at the Time of Closing shall not be a Purchased Asset transferred to the Purchaser pursuant to this Agreement.

2.8 Excluded Liabilities

The Purchaser shall not assume and shall not be liable for any liabilities or obligations of any nature which are related in any way to the Company, including but not limited to those Employee liabilities set out in Section 3.2 herein.

ARTICLE 3
EMPLOYEE MATTERS

3.1 Offers to Employees

No later than five (5) days prior to the Closing Date, the Company shall terminate the employment of all Employees and no later than two (2) Business Days prior to the Closing Date, the Purchaser shall have the right (but not the obligation) to offer employment, on terms and conditions which are substantially similar in the aggregate to the current terms provided, commencing on the Closing Date to those Employees that the Purchaser, in its sole discretion, desires to hire (the "**Hired Employees**").

3.2 Employee Remuneration, Benefits and Deductions

The Purchaser shall be liable for the payment of all legal obligations relating to the employment on and after the Closing Date of the Hired Employees, if any. The Purchaser shall not be responsible for any wages, statutory deductions, vacation pay, remittances, assessments, bonuses, notice of termination, termination pay, severance pay, sick leave or other remuneration, benefits or deductions in respect of the Employees prior to the Closing Date. The Purchaser shall have no obligation to recognize the service of Hired Employees pursuant to Section 3.1 herein. The Company acknowledges and agrees that all items in respect of the Hired Employees, if any, which are payable to, receivable by or accrued in favour of the

Hired Employees up to and including the Closing Date, even if not then due, shall be the responsibility of the Company and in no instance shall be the responsibility of the Purchaser.

3.2 **Purchaser's Representations**

The Purchaser represents and warrants to the Company that:

(a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Ontario;

(b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the Transaction contemplated herein have been duly authorized by all necessary corporate action on the part of the Purchaser;

(c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;

(d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the Transaction contemplated;

(e) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Purchaser and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof; and

(f) the Purchaser is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada).

3.3 **Company's Representations**

The Company represents and warrants to the Purchaser as follows:

(a) the Company is a corporation duly incorporated, organized and subsisting under the laws of Canada;

(b) the Company has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the Transaction contemplated herein has been duly authorized by all necessary corporate action on the part of the Company;

(c) this Agreement and all other documents contemplated hereunder to which the Company is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Company and constitutes or will, as at the Time of

Closing, constitute legal, valid and binding obligations of the Company, as the case may be, enforceable in accordance with the terms hereof or thereof;

(d) the Company is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada).

ARTICLE 4
CONDITIONS

4.1 **Conditions - Purchaser**

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

(a) the Purchaser shall have agreed to terms on a lease in respect of the real property located at 16567 Highway 12, Midland, Ontario with 16567 Highway 12 Holdings Limited, as landlord;

(b) all representations and warranties of the Company contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;

(c) the Company shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and

(d) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

4.2 **Conditions – Company**

The obligation of the Company to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

(a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;

(b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;

(c) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and

(d) the Company shall not have lost possession or control of the Purchased Assets or any part thereof.

The foregoing conditions are for the exclusive benefit of the Company. Any condition may be waived by the Company in whole or in part. Any such waiver shall be binding on the Company only if made in writing.

4.3 Approval and Vesting Order

The obligations of the Company and the Purchaser are subject to the conditions that:

(a) an Order shall have been made by the Court on or before November 15, 2017 approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest of the Company in the Purchased Assets free and clear of all Encumbrances and authorizing the Company to sell or dispose of (and authorizing the Purchaser to acquire) the Purchased Assets free of any Encumbrance, such Order to be in form and substance satisfactory to the Purchaser and the Company and approved by the Proposal Trustee (the "**Approval and Vesting Order**"); and

(b) prior to Closing, the Approval and Vesting Order shall not have been stayed, varied or vacated, and no order shall have been issued which restrains or prohibits the completion of the Transaction

The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Company and the Purchaser. As soon as practicable after the date of this Agreement, the Company shall file with the Court, and proceed with, a motion seeking the Court's issuance of the Approval and Vesting Order.

4.4 Non-Satisfaction of Conditions

If any condition set out in this section is not satisfied or performed prior to the time specified therefore, the Party for whose benefit the condition is inserted may:

(a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other Party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or

(b) elect on written notice to the other Party to terminate this Agreement before Closing; provided, however, that neither Party may terminate this Agreement pursuant to this Section 4.4 if the failure to satisfy such condition is due in whole or in part to the breach by such Party of this Agreement.

ARTICLE 5
CLOSING

5.1 Closing

The completion of the Transaction shall take place at the offices of Lerners LLP, 130 Adelaide Street West, Suite 2400, Toronto, Ontario, on the Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the Parties in writing.

5.2 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute (if applicable) and deliver to the Company the following, each of which shall be in form and substance satisfactory to the Company and the Proposal Trustee, acting reasonably:

(a) payment of the Purchase Price in accordance with Section 2.3;

(b) a duly executed election pursuant to the ETA or such other equivalent or corresponding provision under any applicable provincial or territorial legislation or exemption certificate, if applicable, in accordance with Section 2.6;

(c) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date; and

(d) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 4.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date.

5.3 **Company's Deliveries on Closing**

At or before the Time of Closing, the Company shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

(a) the Trustee's Certificate, as referred to in the Approval and Vesting Order;

(b) a duly executed election pursuant to the ETA or such other equivalent or corresponding provision under any applicable provincial or territorial legislation in accordance with Section 2.6;

(c) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Company contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date; and

(d) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 4.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date.

5.4 **Access to Assets**

The Purchaser may have reasonable access to the Purchased Assets during normal business hours prior to the Time of Closing for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets as it deems appropriate. Such inspection shall only be conducted in the presence of a representative of the Company and the Proposal Trustee, if so required at the discretion of the Company and the Proposal Trustee. The Purchaser agrees to indemnify and save the Company and the Proposal Trustee harmless from and against all claims, demands, losses, actions and costs incurred or arising from or in any way directly related to any inspection of the Purchased Assets.

5.5 **Possession of Assets**

On Closing, the Purchaser shall take possession of the Purchased Assets wherever situate at the Time of Closing. The Company and the Proposal Trustee shall advise the Purchaser, in writing no less than three (3) Business Days prior to the Closing Date, of the location of the Purchased Assets and provide the Purchaser with legal access to permit the Purchased Assets to be removed should the Purchaser choose to do so. The Purchaser acknowledges that neither the Company nor the Proposal Trustee has an obligation to deliver physical possession of the Purchased Assets to the Purchaser except, subject to the rights of the Proposal Trustee to retain Books and Records, where such Purchased Assets are in the physical possession of the Company. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section

5.2. If applicable, the Purchaser shall be responsible for the costs of dismantling the Purchased Assets and removing same and shall indemnify the Company for any damage that occurs during such dismantling and removal. If the Purchased Assets are to be removed, they must be removed within fifteen (15) days of the Closing Date.

5.6 **Risk**

The Purchased Assets shall be and remain at the risk of the Company until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets shall be materially damaged or destroyed, then except where such event shall have been caused by the Purchaser, its employees or agents, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within fifteen (15) days after notification to the Purchaser by the Company of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 days of the Closing Date) in which event this agreement shall be terminated automatically and the Purchaser shall be entitled only to a return of the Deposit (with interest) but without any other compensation. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance (if any) referable to such damage or destruction. Where any damage or destruction is not material, the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance (if any) referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement on the Purchase Price.

5.7 **Termination**

If either the Company or the Purchaser validly terminates this Agreement pursuant to the provisions of Sections 4.4 or 5.6,

(a) all the obligations of both the Company and Purchaser pursuant to this Agreement shall be at an end;

(b) the Purchaser shall be entitled to have the Deposit (with interest) and all the monies paid hereunder returned with any interest earned thereon without deduction; and

(c) neither Party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

5.8 **Breach by Purchaser**

If the Purchaser fails to comply with the terms of this Agreement, the Company may, by notice to the Purchaser, elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit shall be forfeited to the Company on account of its liquidated damages, and not as a penalty, in full and final satisfaction of any other rights, claims or remedies that the Company may have under this Agreement or otherwise at law and the Purchaser shall be forever released and discharged from any and all further obligations and liabilities under this Agreement and the Purchased Assets may be resold by the Company.

5.9 **Breach by the Company**

If the Company fails to comply with the terms of this Agreement, the Purchaser may, by notice to the Company and the Proposal Trustee, elect to treat this Agreement as having been repudiated by the Company. In that event, the Deposit and any other payments made by the Purchaser shall be returned to the Purchaser without prejudice to any other rights that the Purchaser may have hereunder or otherwise at law, including without limitation, specific performance and similar equitable remedies.

ARTICLE 6
GENERAL

6.1 Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

6.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax, addressed in the case of the Purchaser, as follows:

Amvic Inc.
501 McNicoll Avenue
Toronto, Ontario
M2H 2E2

Attention: Victor Amend
Telephone No.: 416.410.5674 ext. 111
Email: vamend@amvicsystem.com

with a copy to:

WeirFoulds LLP
4100 - 66 Wellington Street West
Toronto, Ontario
M5K 1B7

Attention: Danny Nunes
Telephone No.: 416.619.6293
Fax No.: 416.365.1876
Email: dnunes@weirfoulds.com

and in the case of the Company, as follows:

Forte EPS Solutions Inc.
16567 Hwy 12
Midland, Ontario
L4R 4K8

Attention: John Cipressi
Telephone No.: •
Email: jpcontactdirect@yahoo.ca

with a copy to:

William Harvey Jones
Barrister and Solicitor

2701-401 Bay Street
Toronto, Ontario
M5H 2Y4

Telephone No.: 416 596 8876
Fax No.: 416 596 0907
Email: whjones@williamjones.ca

and in the case of the Proposal Trustee, as follows:

Albert Gelman Inc.
100 Simcoe Street
Suite 125
Toronto, Ontario
M5H 3G2

Attention: Tom McElroy
Telephone No.: 416 504 1650
Fax No.: 416 504 1655
Email: tmcelroy@albertgelman.com

with a copy to:

Lerners LLP
130 Adelaide Street West
Suite 2400
Toronto, Ontario
M5H 3P5

Attention: Domenico Magisano
Telephone No.: 416 601 4121
Fax No.: 416 601 4123
Email: dmagisano@lerners.ca

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

6.3 **Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Company and the Purchaser or by their respective solicitors and on notice to the Proposal Trustee.

6.4 **Survival**

The representations and warranties of the Parties hereto contained in this Agreement shall survive Closing.

6.5 **Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns, provided that neither Party shall assign the benefit of this Agreement without the consent of the other Party.

6.6 **Entire Agreement**

This Agreement and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the Parties.

6.7 **Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

6.8 **Severability**

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

6.9 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

6.10 **Commission**

The Purchaser acknowledges that there are no agent or broker fees or other commissions payable in connection with the Transaction, and the Purchaser agrees to indemnify the Company against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction.

6.11 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature pages follow]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

FORTE EPS SOLUTIONS INC.

By: ______________________________

AMVIC INC.

By: ______________________________

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

FORTE EPS SOLUTIONS INC.

By: ______________________________

AMVIC INC.

By: ______________________________

Schedule "A" – Purchased Assets

1. Equipment as per attached list
2. Leased equipment as per attached list
3. Intellectual Property
4. Raw Materials (subject to verification at or before the Closing Date)
5. Work in Process (subject to verification at or before the Closing Date)
6. Finished Goods (subject to verification at or before the Closing Date)

Forte EPS Solutions Inc.
16567 Highway 12, Midland. Ontario L4R 4K8

Equipment Listing

ITEM #	QTY	ITEM DESCRIPTION
1)	1	2008 ALESSIO "PEO-8/DA" Batch Type Polystyrene Pre-Expanding Machine, S/N 0810E.010 w/Programmable Controls
2)	3	M2 EMMEDUE Soft Wall Interior Material Storage Silos w/Bindicators, 7.5 KW Material Discharge Blower
3)	5	ADVANCE Soft Wall Interior Material Storage Silos, 7.5 KW Material Discharge Blower
4)	1	2009 HIRSCH "Macinatore" Grinder/Macerator, S/N GR-AS890A w/5.5 KW Motor, 7.5 KW Shredder, Dust Collector
5)	2	2008 VUMB "Schleuse VUIK-150-S" 1.5M Rotary Discharge Units w/Blowers, S/N 1277, 1288
6)	1	2007 HIRSCH GROUPE "Monolith E4/08" Vertical Polystyrene Block Moulding Machine, S/N M-007, HIRSCH Groupe "Block Mould", S/N BM-A700, HIRSCH GROUPE "Vacuum Unit", S/N VU-A820 w/Programmable Controls, VIDEOJET 2120 Ink Jet Printer, Hydraulic Power Pack, Pumps, Blowers, Valves and Conveyors
7)	1	2012 TECHNODINAMICA "TD1200-4" Programmable Continuous Polystyrene Block Cutting Line, S/N Pneumatic Tilting/Loading Station, Horizontal Cutting Station, Trimming Stations, Vertical Cutting Station, Infeed and Discharge Conveyors, 72" Rotary 5.5 KW Shredder w/10HP Blower
8)	1	2012 BOILERSMITH "WT3HS-100-6-150" High Pressure Gas Fired Boiler, S/N 52723, w/POWER FLAME "CTD-HD-CRS-12-50-53-SH100" Gas Burner, S/N 498, 2012 CLEMMER 30,000 Litre Steam Accumulator Tank, KLENZOID Water Treatment System, EVAPCO Water Chiller
9)	1	2009 KAESER "SK-20 Air Center" Rotary Screw Air Compressor, S/N 3093
10)	Lot	Maintenance Equipment - Tool Cabinets, Drills, Grinders, Chop Saw, S/S Work Table, Step Ladders, Heavy Duty Cart, Shop Vacuum, Redi-Rack Heavy Duty Shelving, etc.

Forte EPS Solutions Inc.

16567 Highway 12, Midland, Ontario L4R 4K8

Equipment Listing

ITEM #	QTY	ITEM DESCRIPTION
11)	Lot	Office Furniture and Equipment - Desks, Filing Cabinets, Storage Cabinets, Office Chairs, Boardroom Table, Shelving Units, etc.
12)	Lot	Lunchroom - Table and Chairs, Fridge, Bar Fridge, Microwave, Coffee Station, LG Television, (48) Locker Units, Cleaning Supplies, Shelving, etc.
13)	1	DAMARK "LSR-1" L-Bar Sealer and Shrink Tunnel, S/N 8684
14)	1	TOYOTA "42-6FGCU15" 3,000 Lb Capacity LPG Forklift Truck, S/N 68629 w/Charger
15)	1	QUINCY "QT-15" 15 HP Tank Mount Air Compressor, S/N 20020909006
16)	1	ULTRA-AIR "UDRC60-A" Refrigerated Air Dryer, S/N 52604-36
17)	1	POWER ONE 250KVAR Power Factor Capacitor, S/N 3204
18)	1	HYSTER "E35XM2" Electric Powered Forklift Truck, S/N D114N015474, w/Battery Charger
19)	1	ARIES "Deluxe 28" Gas Powered Snow Blower, S/N - N/A
20)	1	1997 GENIE "Z-34/22N" Electric Articulating Boom Man Lift, S/N 598
21)	1	YALE "ERC050GHN48TE094" Electric Powered Forklift Truck, S/N A908N09254F w/Rotary Clamp, Battery Charger
22)	1	MCMULLOCK "MC20V42YT" Gas Powered Riding Lawn Mower, S/N 030612A00-1240
23	1	SILE BOILER + ACCUMULATOR, VENTING

Forte EPS Solutions Inc.
16567 Highway 12, Midland. Ontario L4R 4K8

Leased Equipment Listing

ITEM #	QTY	ITEM DESCRIPTION
1)	1	2013 TECNODINAMICA "TD-400-1TV" 2D CNC Polystyrene Block Cutting Machine, S/N 20133500
2)	1	INFRA "3000-A" EPS Hot Embossing Press, S/N - N/A, (Not In Service At Time Of Inspection)
3)	4	2013 ENGINEERED AIR "DJS40/0" Roof Mounted Gas Fired Air Make-Up Units, S/N M15684MUA-1, M15684MUA-2, M15684MUA-3, M15684MUA-4
4)	1	2015 KBM APS EPS Recycling Unit, S/N - N/A (Not In Service At Time Of Inspection)
5)	1	UNITED "SSTM-10KN" Electro Mechanical Universal Testing Machine, S/N 0714548
6)	1	GREEN MAX "Apollo" EPS Compactor/Densifyer, S/N - N/A

Schedule "B" – Form of Offer

FORM OF OFFER TO PURCHASE ASSETS
PURSUANT TO THE SALE AND INVESTMENT SOLICITATION PROCESS OF
FORTE EPS SOLUTIONS INC.
(Hereafter referred to as the "**SISP**")

TO: ALBERT GELMAN INC., solely in its capacity as Trustee in the Proposal of Forte EPS Solutions Inc., and not in its corporate or personal capacities, attention Tom McElroy, 100 Simcoe Street, Suite 125, Toronto, Ontario M5H 3G2, email: tmcelroy@albertgelman.com

1. Amvic Inc.
   (Name of Offeror)

2. 501 McNicoll Avenue, Toronto, Ontario M2H 2E2
   (Address of Offeror)

3. (416) 410-5674
   (Telephone Number)

4. Danny M. Nunes
   WeirFoulds LLP
   4100-66 Wellington Street West Toronto, Ontario M5K 1B7
   (Name and address of Offeror's Solicitor)

5. Subject to the SISP pursuant to which this offer is being submitted, the Offeror hereby offers to purchase from Forte EPS Solutions Inc., (the "**Vendor**") all assets in the following lots for a total price of C D N $1,100,000.00, excluding taxes, (taxes are due upon sale of all assets):

   Lot #1 – Equipment as described on Appendix A

   Lot #2 – Leased Equipment as described in Appendix B

   Lot #3 – Inventory as described in Appendix C

   Lot #4 – Intellectual Property and goodwill in Appendix D

   Lot #5 – Other Property as described in Appendix E (if any)

6. The Offeror submits with this offer the sum of CDN$165,000.00 by certified cheque, bank draft or money order payable to "Albert Gelman Inc., in Trust", as a deposit being 15% of the purchase price not including taxes, payable upon submission of this offer. If this offer is accepted, the deposit shall be applied as a credit against the purchase price, upon completion of the purchase agreement, or returned to the Offeror with interest in

accordance with the attached SISP.

7. Attached as Appendix "F" is evidence that the Offeror has the financial means to complete the proposed acquisition or investment;

8. The undersigned agrees that its offer is subject to the terms contained in the SISP attached hereto as Appendix "G", in connection with this transaction, a copy of which the undersigned acknowledges having received and reviewed.

9. The Undersigned agrees to enter into an agreement of purchase and sale substantially in the form attached hereto as Appendix "H".

10. This offer is subject to the following additional terms and conditions (if any):

- See attached agreement of purchase and sale

Dated: Oct. 4 / 2017

Witness:

VICTOR AMEND
Offeror name:
By: Authorized officer or person

Appendix "A" - Equipment

Appendix A

Forte EPS Solutions Inc.
16567 Highway 12, Midland. Ontario L4R 4K8

Equipment Listing

ITEM #	QTY	ITEM DESCRIPTION
1)	1	2005 ALESSIO "PEO-8/DA" Batch Type Polystyrene Pre-Expanding Machine, S/N 0810E.010 w/Programmable Controls
2)	3	M2 EMMEDUE Soft Wall Interior Material Storage Silos w/Bindicators, 7.5 KW Material Discharge Blower
3)	5	ADVANCE Soft Wall Interior Material Storage Silos, 7.5 KW Material Discharge Blower
4)	1	2008 HIRSCH "Macinatore" Grinder/Macerator, S/N GR-A5890A w/5.5 KW Meter, 7.5 KW Shredder, Dust Collector
5)	2	2008 VUMS "Schleuse VUK-150-8" 1.5 KW Rotary Discharge Units w/Blowers, S/N 1277, 1268
6)	1	2007 HIRSCH GROUPE "Monolite 82/08" Vertical Polystyrene Block Moulding Machine, S/N 81007, HIRSCH Groupe "Block Mould", S/N BM-A700, HIRSCH GROUPE "Vacuum Unit", S/N VU-A820 w/Programmable Controls, VIDEOJET 8120 Ink Jet Printer, Hydraulic Power Pack, Pumps, Blowers, Valves and Conveyors
7)	1	2012 TECHNODINAMICA "TD1200" Programmable Continuous Polystyrene Block Cutting Unit, S/N, Pneumatic Tilting/Loading Station, Horizontal Cutting Station, Trimming Station, Vertical Cutting Station, Infeed and Discharge Conveyors, 72" Rotary 5.5 KW Shredder w/10HP Blower
8)	1	2012 BOILERSMITH "WT3HS-100-S-150" High Pressure Gas Fired Boiler, S/N 52722, w/POWER FLAME "CTD-HO-CR2-12-50-53-SH100" Gas Burner, S/N 498, 2012 CLEMMER 30,000 Litre Steam Accumulator Tank, KLENZOID Water Treatment System, EVAPCO Water Chiller
9)	1	2009 KAESER "SK-20 Air Center" Rotary Screw Air Compressor, S/N 3083
10)	Lot	Maintenance Equipment - Tool Cabinets, Drills, Grinders, Chop Saw, S/S Work Table, Step Ladders, Heavy Duty Cart, Shop Vacuum, Redi-Rack Heavy Duty Shelving, etc.

Appendix “B” – Leased Equipment

Appendix B

Forte EPS Solutions Inc.
16567 Highway 12, Midland. Ontario L4R 4K8

Equipment Listing

ITEM #	QTY	ITEM DESCRIPTION
1)	1	2008 ALESSIO "PEO-S/DA" Batch Type Polystyrene Pre-Expanding Machine, S/N 0810E.010 w/Programmable Controls
2)	3	M2 EMMEDUE Soft Wall Interior Material Storage Silos w/Bindicators, 7.5 KW Material Discharge Blower
3)	5	ADVANCE Soft Wall Interior Material Storage Silos, 7.5 KW Material Discharge Blower
4)	1	2009 HIRSCH "Macinatore" Grinder/Macerator, S/N GR-AS890A w/5.5 KW Motor, 7.5 KW Shredder, Dust Collector
5)	2	2008 VUMB "Schleuse VUIK-150-S" 1.5M Rotary Discharge Units w/Blowers, S/N 1277, 1288
6)	1	2007 HIRSCH GROUPE "Monolith E4/08" Vertical Polystyrene Block Moulding Machine, S/N M-007, HIRSCH Groupe "Block Mould", S/N BM-A700, HIRSCH GROUPE "Vacuum Unit", S/N VU-A820 w/Programmable Controls, VIDEOJET 2120 Ink-Jet Printer, Hydraulic Power Pack, Pumps, Blowers, Valves and Conveyors
7)	1	2012 TECHNODINAMICA "TD1200-F" Programmable Continuous Polystyrene Block Cutting Line, S/N, Pneumatic Tilting/Loading Station, Horizontal Cutting Station, Trimming Stations, Vertical Cutting Station, Infeed and Discharge Conveyors, 72" Rotary 5.5 KW Shredder w/10HP Blower
8)	1	2012 BOILERSMITH "WT3HS-100-3-150" High Pressure Gas Fired Boiler, S/N 52722, w/POWER FLAME "CTD-HD-CRS-12-50-53-SH100" Gas Burner, S/N 498, 2012 CLEMMER 30,000 Litre Steam Accumulator Tank, KLENZOID Water Treatment System, EVAPCO Water Chiller
9)	1	2009 KAESER "SK-20 Air Center" Rotary Screw Air Compressor, S/N 3093
10)	Lot	Maintenance Equipment - Tool Cabinets, Drills, Grinders, Chop Saw, S/S Work Table, Step Ladders, Heavy Duty Cart, Shop Vacuum, Redi-Rack Heavy Duty Shelving, etc.

Appendix "C" - Inventory

All raw materials, work in process and finished goods existing as of the Closing date and subject to verification as of the Closing date.

Appendix “D” – Intellectual Property and goodwill

Appendix "E" – Other Property

Appendix E

Forte EPS Solutions Inc.
16567 Highway 12, Midland, Ontario L4R 4K8

Equipment Listing

ITEM #	QTY	ITEM DESCRIPTION
11)	Lot	Office Furniture and Equipment - Desks, Filing Cabinets, Storage Cabinets, Office Chairs, Boardroom Table, Shelving Units, etc.
12)	Lot	Lunchroom - Table and Chairs, Fridge, Bar Fridge, Microwave, Coffee Station, LG Television, (48) Locker Units, Cleaning Supplies, Shelving, etc.
13)	1	DAMARK "LBR-1" L-Bar Sealer and Shrink Tunnel, S/N 8684
14)	1	TOYOTA "42-8FGDU18" 3,000 Lb Capacity LPG Forklift Truck, S/N 68629 w/Charger
15)	1	QUINCY "QT-15" 15 HP Tank Mount Air Compressor, S/N 20020909006
16)	1	ULTRA-AIR "UDR080-A" Refrigerated Air Dryer, S/N 52604-30
17)	1	POWER ONE 250KVAR Power Factor Capacitor, S/N 3207
18)	1	HYSTER "E35XM2" Electric Powered Forklift Truck, S/N D114N016474, w/Battery Charger
19)	1	ARIES "Deluxe 28" Gas Powered Snow Blower, S/N N/A
20)	1	1997 GENIE "Z-34/22N" Electric Articulating Boom Man Lift, S/N 598
21)	1	YALE "ERC050GHN48TE084" Electric Powered Forklift Truck, S/N A908N09254F w/Rotating Clamp, Battery Charger
22)	1	MCMULLOCK "MC20V42YT" Gas Powered Riding Lawn Mower, S/N 030612A00-1240

Appendix “F”

Scotiabank

Messages | Tutorial Videos | Help | Sign Out

ScotiaConnect® Electronic Banking

Home | Reporting | Payments | Services | Administration

Reports Alerts

Account Details | Scheduled Reports | Set Default

Need Help?

Account Details

Print Report Export

Report Id:* 476961592211 AMVIC INC CAD create modify

Report Date:* Current Day 09/27/2017 to 09/27/2017

Description: Full Description

Sort by: Date & Time

Report Format: PDF

Export Information

Export Format: Excel Include Headings: ◉ Yes ○ No

Date Format: MM/dd/yyyy Select

* Mandatory field

View Reset

View Mode | Interactive Mode

Set As Default

Amvic Inc. 476961592211 Sep 27, 2017 - Sep 27, 2017

Account Name	Account Number	Currency	Account Type	Balance
AMVIC INC	47696 15922 11	CAD	DDA	$2,204,532.57

Date/Time (EST)	Description	Transit	Debit	Credit	Balance
09/27/2017 06:00	Balance Forward		-	-	$2,168,194.17
	Total		**$2,520.00**	**$38,858.40**	

TAB I

Court File No.: 31-2253654
Estate File No.: 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 30th
	)	
JUSTICE Myers	)	DAY OF OCTOBER, 2017
	)	

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

APPROVAL AND VESTING ORDER

THIS MOTION, made by Forte EPS Solutions Inc. (the "**Company**") for an order, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Company and Amvic Inc. (the "**Purchaser**") dated October 17, 2017 and appended to the Confidential Brief (the "**Confidential Brief**") of Albert Gelman Inc. in its capacity as proposal trustee (the "**Proposal Trustee**"), the Supplement to the Confidential Brief of the Proposal Trustee (the "**Supplement**") and vesting in the Purchaser the Company's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING (i) the affidavit of John Cipressi sworn October 23, 2017 (the "**Cipressi Affidavit**"), (ii) the fourth report of the Proposal Trustee (the "**Fourth Report**"), and the Confidential Brief and on hearing the submissions of counsel for the Company, the Proposal Trustee, the Purchaser and Business Development Bank of Canada ("**BDC**"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of Helga Fairhurst sworn October 25, 2017 filed:

APPROVAL OF SALE AND VESTING OF ASSETS

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and the execution of the Sale Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company, in consultation with the Proposal Trustee may deem necessary. The Company is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Closing Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated June 14, 2017 and the Order of the Honourable Justice Penny dated July 31, 2017; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Closing Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority

as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale, and for greater certainty, no person, including, but not limited to the Canada Revenue Agency ("**CRA**"), shall have any recourse, notwithstanding the BDC Payment (as defined herein), against the Purchaser and the Purchased Assets in respect of the Claims and the Encumbrances.

4. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee file with the Court a copy of the Closing Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Company is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to its past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company.

6. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy (including any deemed assignment in bankruptcy resulting from these proceedings) made in respect of the Company;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ADMINISTRATIVE MATTERS

7. **THIS COURT ORDERS** that the Fourth Report and the activities of the Proposal Trustee contained therein (including the Confidential Brief, the Supplement, and the activities of the Proposal Trustee contained therein) be and are hereby approved.

8. **THIS COURT ORDERS** that the Confidential Brief and the Supplement be and are hereby sealed until the earlier of; (i) the closing date of the Sale Agreement; or (ii) further Order of the Court;

9. **THIS COURT ORDERS** that the Proposal Trustee Charge (as defined in the Order of the Honourable Justice Hainey dated June 14, 2017), as amended by the Order of the Honourable Justice Penney dated July 31, 2017 (the "**July 31 Order**"), be and is hereby further amended by increasing the maximum amount of the charge to $200,000 (the "**Professional Charge Amount**").

10. **THIS COURT ORDERS** that notwithstanding paragraph 9 above and the July 31 Order, $50,000 of the Charge Amount shall be subordinate to any proven deemed trust claims advanced by CRA.

DISTRIBUTION

11. **THIS COURT ORDERS** that the Purchaser is directed to pay to BDC an amount equal to the BDC Indebtedness (as defined in the Fourth Report) as of the date of payment (the "**BDC Payment**"). The BDC Payment shall be deducted from the purchase price payable to the Debtor on closing and shall constitute a payment pursuant to BDC's rights under the *Personal Property Security Act* (Ontario) and shall be paid from proceeds of the Sale Transaction that are related to the Owned Assets (as that term is defined in the Fourth Report).

~~12. **THIS COURT ORDERS** that levy prescribed under section 147 and 60(4) of the *Bankruptcy and Insolvency Act* does not apply to the BDC Payment and the Proposal Trustee shall not be required to remit same.~~

13. **THIS COURT ORDERS** that the BDC Payment shall be subject to a reimbursement agreement to be in a form acceptable to the Company, BDC and the Proposal Trustee and said reimbursement agreement shall be enforceable by any trustee in bankruptcy that may be appointed over the Company.

14. **THIS COURT ORDERS** that the Proposal Trustee is hereby authorized to distribute the portion of the Net Proceeds secured by the Proposal Trustee Charge to satisfy the unpaid accounts of the Proposal Trustee, its counsel and counsel to the Company up to the maximum amount of $150,000 (the "**Professional Fee Payment**"), said funds not to be considered Net Proceeds as that term is defined in paragraph 3 of this Order.

15. **THIS COURT ORDERS** that no payment shall be made in to the Proposal Trustee, its counsel and counsel to the Company in excess of the Professional Fee Payment until such time as the CRA has completed its audit and finally determined the amount owing in respect of any deemed trust claims.

16. **THIS COURT ORDERS** that to the extent that the accounts in questions have not been reviewed and/or taxed, the Professional Fee Payment remains subject to review and/or taxation as required under the *Bankruptcy and Insolvency Act*

17. **THIS COURT ORDERS** that after the BDC Payment and the Professional Fee Payment, the balance of the funds received on account of the Purchased Assets shall be held by the Proposal Trustee in trust pending further Order of the Court.

FOREIGN RECOGNITION

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies

are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Closing Certificate

Court File No.: 31-2253654
Estate File No.: 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

CLOSING CERTIFICATE

RECITALS

A. On ____________ Albert Gelman Inc. was appointed as the proposal trustee (the "Proposal Trustee") of Forte EPS Solutions Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated ______________, the Court approved the agreement of purchase and sale made as of _______________ (the "Sale Agreement") between the Debtor and Amvic Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Order of the Honourable Justice ______ dated ____________ (the "Approval Order"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ____ of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and (iii) the transaction as contemplated in the Sale Agreement has been completed to the satisfaction of the Debtor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE has been advised by the Debtor of the following:

1. The Purchaser has paid and the Debtor has received the Purchase Price for the Purchased Assets as provided for in the Sale Agreement and the Approval Order;

2. The conditions to Closing as set out in section ___ of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Debtor in consultation with the Proposal Trustee.

4. This Certificate was delivered by the Proposal Trustee at _______ on _____.

ALBERT GELMAN INC. in its capacity as Proposal Trustee of FORTE EPS SOLUTIONS INC. and not in its personal capacity

Per: ______________________________

Name:
Title:

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

Court File No. 31-2253654
Estate File No. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at **TORONTO**

ORDER

William Harvey Jones LS 387331
401 Bay Street, Suite 2702
Toronto, ON M5H 2Y4

Tel: 416.596.8876
Fax: 416.596.0907

Lawyers for EPS Solutions Inc.

TAB J

REIMBURSEMENT AGREEMENT

THIS AGREEMENT dated as of November 2, 2017

BETWEEN:

FORTE EPS SOLUTIONS INC.

(the "**Debtor**")

- and –

ALBERT GELMAN INC.
(the "**Proposal Trustee**")

-and-

BUSINESS DEVELOPMENT BANK OF CANADA

("**BDC**")

RECITALS:

A. Pursuant to an offer letter dated January 23, 2013, as amended by the letter agreement dated February 13, 2013, BDC made credit facilities available to the Debtor in an amount of $700,000 (the "**Loan**") for the purpose of financing purchase of some equipment and leasehold improvements;

B. As security for the Loan, BDC obtained (among other things) a general security agreement dated January 31, 2013 granted by the Debtor providing a first security interest in all of the Debtor's present and after-acquired personal property;

C. On May 19, 2017, the Debtor filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* naming Albert Gelman Inc. as Proposal Trustee;

D. The Debtor was advised by Canada Revenue Agency "that it has commenced but not completed" an audit (the "**Audit**") of the Debtor's obligations in respect of amounts deemed to be held in trust under subsection 227(4) or 227(4.1) of the *Income Tax Act* or subsection 86(2) or (2.1) of the *Employment Insurance Act* (collectively, the "**Deemed Trust Claim**");

E. Pursuant to the Approval and Vesting Order of Mr. Justice Myers dated October 30, 2017 (the "**Vesting Order**"), the sale of substantially all of the business and assets of the

Debtors was approved by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") and the purchaser was ordered to make a distribution to BDC from the sale proceeds in the full amount owed to BDC by the Debtor being $547,167.26 as at November 2, 2017(the "**BDC Distribution**"), subject to the Debtor and BDC entering into a reimbursement agreement;

F. There will be no deduction from the BDC Distribution with respect to any actual or potential levy (the "**BIA Levy**") payable pursuant to section 147 and/or 60(2) of the *Bankruptcy and Insolvency Act* (the "**BIA**").

G. Pursuant to the Vesting Order, the Court also authorized the Proposal Trustee to retain and distribute proceeds from the sale of the Leased Equipment (as defined in the Fourth Report of the Proposal Trustee) in the amount not to exceed $150,000 to pay the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Debtor (the "**Charge Distribution**"); and

H. Pursuant to the Vesting Order, the Court also ordered that the balance of the proceeds from the sale of the Debtor's assets, remaining after the BDC Distribution and the Charge Distribution (the "**Balance of the Proceeds**") be held in trust by the Proposal Trustee until further order of the Court.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

1. Subject to the terms hereof:

   (a) BDC hereby irrevocably and unconditionally undertakes to repay all or a portion of the BDC Distribution if it is determined that the Balance of the Proceeds is not sufficient to satisfy the amounts owing, if any, by the Debtor to CRA for the Deemed Trust Claim; and

   (b) following the final determination of the amounts owing by the Debtor in respect of the Deemed Trust Claim, if any, BDC also hereby irrevocably and unconditionally undertakes to pay to the Proposal Trustee or the Superintendent of Bankruptcy (the "**Superintendent**") the BIA Levy if, on written consent of BDC and the Proposal Trustee, or by a Final Order (as defined below) it is determined that the BDC Distribution constitutes a distribution by the Proposal Trustee pursuant to sections 147 and 60(2) of the BIA.

   For the purpose of this Agreement, a "**Final Order**" shall mean a Court order from which all rights of appeal shall have been determined or expired.

2. The Debtor and the Proposal Trustee, for so long as the Proposal Trustee remains appointed (including, if it is subsequently appointed as Trustee in Bankruptcy of the Debtor), shall provide BDC with notice of any correspondence from the CRA with

respect to the Deemed Trust Claim, including any determination made with respect to the quantum of the Deemed Trust Claim, and/or from the Superintendent with respect to whether the BIA Levy is payable on the BDC Distribution. If BDC does not receive notice in time effectively required to contest the determination of any liability susceptible of being contested in respect of the Deemed Trust Claim, then the liability of BDC to the Debtor under this Agreement shall be reduced by the amount of any losses incurred by BDC resulting from the failure to give such notice on a timely basis. For greater clarity, the Proposal Trustee shall not be liable for the failure of the Debtor, its principals or its advisors to provide BDC with prompt notice pursuant to this section of the Agreement.

3. The parties hereto agree that the Proposal Trustee (and if applicable, the Proposal trustee in its capacity as Trustee in Bankruptcy of the Debtor) bears no obligation to dispute, challenge or otherwise question the Deemed Trust Claim or any determination on whether the BIA Levy is payable to the Superintendent.

4. BDC may participate in the negotiation, settlement or challenge of the Deemed Trust Claim and/or the Levy (collectively, the "**Disputed Claims**"). BDC may elect to assume control of the negotiation, settlement or the defence of the Disputed Claims. BDC shall pay all of its own expenses of participating in or assuming control of such negotiation, settlement or defence. The Debtor and the Proposal Trustee shall co-operate in good faith with BDC in the negotiation, settlement or defence of each of the Disputed Claims so as to permit BDC to conduct such negotiation, settlement and defence and for this purpose shall preserve all relevant documents in relation to the Disputed Claims, allow BDC access on reasonable notice to inspect and take copies of all such documents and require its personnel to provide such statements as BDC may reasonably require and to attend and give evidence at any trial or hearing in respect of the Disputed Claims. With respect to the Proposal Trustee, BDC agrees to remit to the Proposal Trustee its reasonable fees and disbursements for providing said cooperation.

5. The liability of BDC to reimburse the Debtor under this agreement pursuant to Section 1(a) of this Agreement shall be limited to the aggregate amount of the BDC Distribution.

6. BDC shall have the full benefit and use of the BDC Distribution and shall have no obligation to hold it in trust or keep it separate and apart from its general assets.

7. From the date of the payment of the BDC Distribution until the date of any possible reimbursement of the BDC Distribution by BDC, BDC will treat the amount of the BDC Distribution as a payment on account of the indebtedness of the Debtor to BDC, which payment shall be reversed and the liability of the Debtors increased by the amount of such reimbursement by BDC pursuant to Section 1(a).

8. This Agreement is for a term that expires on the date on which a final determination of the Disputed Claims is made as evidenced by written consent of BDC or the Final Order.

9. All notices provided and other communications pursuant to this agreement shall be in writing and either delivered by hand or electronic mail as follows, and any notice or other communication shall be deemed conclusively to have been given and received, if delivered or transmitted by e-mail, on the day in which it was delivered or transmitted:

(a) in the case of the Debtor:

c/o

William Harvey Jones
Barrister & Solicitor
Suite 2702-401 Bay Street
Toronto, Ontario M5H 2Y4

Email: whjones@williamjones.ca

(b) in the case of BDC:

Business Development Bank of Canada
70 York Street
Suite 1202
Toronto, Ontario, M5J 1S9

Attention: Ruth Thomson
Email: ruth.thomson@bdc.ca

and with a copy to:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Attention: Maya Poliak
Email: maya@chaitons.com

(c) in the case of the Proposal Trustee

Albert Gelman Inc.
100 Simcoe Street, Suite 125
Toronto, Ontario M5H 3G2

Attention: Tom McElroy
Email: tmcelroy@albertgelman.com

and with a copy to:

Lerners LLP
130 Adelaide St. West, 24th Floor
Toronto, Ontario M5H 3P5

Attention: Domenico Magisano
Email: dmagisano@lerners.ca

10. This agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. This agreement may be executed by the parties in counterparts and may be executed and delivered by fax and all such counterparts and faxes shall together constitute one and the same instrument.

12. This agreement is binding on and enures to the benefit of the parties to this agreement and their respective successors and assigns, including any interim receiver, receiver, receiver and manager or trustee in bankruptcy of the Debtors.

FORTE EPS SOLUTIONS INC.

By:

____
Name:
Title:

I have authority to bind the corporation.

ALBERT GELMAN INC. solely in its capacity as proposal trustee of Forte EPS Solutions Inc. and not in its personal capacity

By:

____
Name:
Title:

I have authority to bind the corporation.

Lerners LLP
130 Adelaide St. West, 24th Floor
Toronto, Ontario M5H 3P5

Attention: Domenico Magisano
Email: dmagisano@lerners.ca

10. This agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. This agreement may be executed by the parties in counterparts and may be executed and delivered by fax and all such counterparts and faxes shall together constitute one and the same instrument.

12. This agreement is binding on and enures to the benefit of the parties to this agreement and their respective successors and assigns, including any interim receiver, receiver, receiver and manager or trustee in bankruptcy of the Debtors.

FORTE EPS SOLUTIONS INC.

By:

____
Name:
Title:

I have authority to bind the corporation.

ALBERT GELMAN INC. solely in its capacity as proposal trustee of Forte EPS Solutions Inc. and not in its personal capacity

By:

____
Name: Doc Albert
Title: Licenced Insolvency Trustee

I have authority to bind the corporation.

Lerners LLP
130 Adelaide St. West, 24th Floor
Toronto, Ontario M5H 3P5

Attention: Domenico Magisano
Email: dmagisano@lerners.ca

10. This agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. This agreement may be executed by the parties in counterparts and may be executed and delivered by fax and all such counterparts and faxes shall together constitute one and the same instrument.

12. This agreement is binding on and enures to the benefit of the parties to this agreement and their respective successors and assigns, including any interim receiver, receiver, receiver and manager or trustee in bankruptcy of the Debtors.

FORTE EPS SOLUTIONS INC.

By: ________________________
Name:
Title:

I have authority to bind the corporation.

ALBERT GELMAN INC. solely in its capacity as proposal trustee of Forte EPS Solutions Inc. and not in its personal capacity

By: ________________________
Name:
Title:

I have authority to bind the corporation.

BUSINESS DEVELOPMENT BANK OF CANADA

By:

Name:
Title:

Name: Jeff Van Dinter
Title: AVP, Special Accounts

We have authority to bind the corporation.

TAB K

Schedule A – Form of Closing Certificate

Court File No.: 31-2253654
Estate File No.: 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

CLOSING CERTIFICATE

RECITALS

A. On May 19, 2017 Albert Gelman Inc. was appointed as the proposal trustee (the "Proposal Trustee") of Forte EPS Solutions Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated October 30, 2017 the Court approved the agreement of purchase and sale made as of October 17, 2017 (the "Sale Agreement") between the Debtor and Amvic Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Order of the Honourable Justice Myers dated October 30, 2017 (the "Approval Order"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 4 of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and (iii) the transaction as contemplated in the Sale Agreement has been completed to the satisfaction of the Debtor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE has been advised by the Debtor of the following:

1. The Purchaser has paid and the Debtor has received the Purchase Price for the Purchased Assets as provided for in the Sale Agreement and the Approval Order;

2. The conditions to Closing as set out in section 4 of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Debtor in consultation with the Proposal Trustee.

4. This Certificate was delivered by the Proposal Trustee at 4:50 p.m. on November 3, 2017.

ALBERT GELMAN INC. in its capacity as Proposal Trustee of FORTE EPS SOLUTIONS INC. and not in its personal capacity

Per: ______________________

Name: Tom McElroy
Title: Licensed Insolvency Trustee

SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE
FILED / DÉPOSÉ
NOV 08 2017
NB 3:28pm
LOCAL REGISTRAR

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

Court File No. 31-2253654
Estate File No. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at **TORONTO**

CLOSING CERTIFICATE

LERNERS LLP
130 Adelaide Street West, Suite 2400
Toronto, ON M5H 3P5

Domenico Magisano LS#45725E
Tel: 416.601.4121
Fax: 416.601.4123
E-mail: dmagisano@lerners.ca

Christopher Shorey
Tel: 416.601.2389
Fax: 416.867.2448
E-mail: cshorey@lerners.ca

Lawyers for the Proposal Trustee, Albert Gelman Inc.

TAB L

District of: Ontario
Division No.: 03 - Barrie
Court No.: 31-2253654
Estate No.: 31-2253654

In the matter of the Proposal of
Forte EPS Solutions Inc.
of the town of Midland, in the Province of Ontario

Minutes of the First Meeting of Creditors

Trustee: Albert Gelman Inc. (the "**Trustee**")
Debtor: Forte EPS Solutions Inc. (the "**Debtor**")
Chairperson: Tom McElroy
Date of Reconvened First Meeting of Creditors: December 5, 2017 at 10:00 a.m.

Location: Office of the Trustee, Albert Gelman Inc.
100 Simcoe Street, Suite 125,
Toronto, ON

Attendees: Tom McElroy, Chairperson
John Cipressi, representative of the Debtor
Andrew Zaikov, proxy for Western Ontario Community Futures Development Corporation Association ("WOCFDC")

Quorum

The Trustee reviewed the unsecured proof of claim filed by the Western Ontario Community Futures Development Corporation ("WOCFDC") Association and their proxy appointing Andrew Zaikov as their general proxy. A quorum was established by the Chairperson.

Meeting Legally Constituted

The Chairperson declared the meeting legally constituted and called the meeting to order at 10:30 a.m.

The Chairperson advised the attendees that pursuant to the *Bankruptcy and Insolvency Act*, the Chairperson will decide any questions or disputes that arise at the meeting, subject to the right of any creditor to appeal any decision to the Court.

Purpose of Meeting

The Chairperson advised that the purpose of the meeting was to consider and vote upon a proposal filed by Forte EPS Solutions Inc. on November 2, 2017 with the Trustee under the *Bankruptcy and Insolvency Act* (the "**Proposal**").

Vote on Proposal

A MOTION was made by Andrew Zaikov, as proxy for the WOCFDC, for the vote on the Debtor's Proposal to be taken. The motion was carried unanimously.

The vote on the Proposal was as follows:

Creditor	Vote *(For or Against)*	Claim amount ($)
CCH Excavating Inc.	Against	3,836
Nova Chemicals US	Against	161,684
Western Ontario Community Futures Development Corporation Inc.	Against	345,131

The results of the vote are summarized below.

Creditors FOR				Creditors AGAINST				Results	
Votes	%	Value	%	Votes	%	Value	%	Votes	Value
0	0.0%	-	0.0%	3	100.0%	510,650	100.0%	*Not Approved*	*Not Approved*

Deemed Bankruptcy

The Trustee advised that the Proposal was rejected and that, as a result, Forte EPS Solutions Inc. was deemed to have made an assignment in bankruptcy.

Adjournment

A MOTION was made by Andrew Zaikov, as proxy for the WOCFDC, that the meeting be adjourned. The motion was carried unanimously.

DATED at Toronto this 13th day of December, 2017

ALBERT GELMAN INC., solely in its capacity as Trustee in *re* the Proposal of Forte EPS Solutions Inc. and not in its personal or any other capacity
Per:

Tom McElroy, *CPA, CA, CBV, CIRP, LIT*

District of: Ontario
Division No. 03 - Barrie
Court No. 31-2253654
Estate No. 31-2253654

FORM 38
Report of Trustee on Refusal by Creditors to Approve Proposal
(Paragraph 57(b) of the Act)

In the matter of the proposal of
Forte EPS Solutions Inc.
of the city of Midland, in the Province of Ontario

We, Albert Gelman Inc., the trustee acting in the proposal of Forte EPS Solutions Inc., hereby report to the official receiver as follows:

1. That Forte EPS Solutions Inc. did, on the 2nd day of November 2017, file a proposal with us.

2. That at the meeting of creditors held on the 5th day of December 2017 and presided over by Tom McElroy, the creditors refused the proposal.

Dated at the City of Toronto in the Province of Ontario, this 5th day of December 2017.

Albert Gelman Inc. - Licensed Insolvency Trustee

100 Simcoe Street, Suite 125
Toronto ON M5H 3G2
Phone: (416) 504-1650 Fax: (416) 504-1655

TAB M

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | **Bureau du surintendant des faillites Canada**

District of: Ontario
Division No.: 03 - Barrie
Court No.: 31-2253654
Estate No.: 31-2253654

In the Matter of the Bankruptcy of:

Forte EPS Solutions Inc.
Debtor

ALBERT GELMAN INC.
Licensed Insolvency Trustee

Ordinary Administration

Date of bankruptcy:	December 05, 2017	Security: $0.00
Meeting of creditors:	December 05, 2017, 10:30 100 Simcoe St, Suite 125 TORONTO, Ontario Canada,	
Chair:	Trustee	Designated person: John Cipressi

CERTIFICATE OF ASSIGNMENT - Paragraph 57(*b.1*) of the Act

-- AMENDED --

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforenamed debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*;
- the creditors, at a meeting held to consider the proposal, refused to accept the proposal and the debtor is thereupon deemed to have made an assignment.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held immediately following the meeting held to consider the proposal or at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: December 13, 2017

Official Receiver

TAB N

ATTACHMENT PAGE 1 Account Number 84988 3707 RP0001

Proof of Claim (Form 31)
(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

Send all notices or correspondence regarding this claim to the following address:

Canada Revenue Agency
Surrey National Verification and Collection Centre
Insolvency Intake Centre
Collections Directorate
9755 King George Blvd
Surrey BC V3T 5E1

Attention: M. Johal

In the matter of the bankruptcy of Forte Eps Solutions Inc. of the City of Midland in the Province of Ontario, and the claim of Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, creditor.

I, M. Johal, of the City of Surrey in the Province of British Columbia, do hereby certify:

1. That I am a collections contact officer of the Canada Revenue Agency.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the bankruptcy namely the 2nd day of November, 2017, and still is, indebted to the creditor in the sum of $114,757.49, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.

4. (X) UNSECURED CLAIM of $23,880.58. That in respect of this debt, I do not hold any assets of the debtor as security.

(X) PROPERTY CLAIM of $90,876.91.
That property holding a value equal to the debt enumerated in the Schedule "A" was in possession of the debtor and still remains in the possession of the debtor and (or) the trustee. The claimant hereby claims an interest in all assets of the debtor up to the value of the property claim shown. The claimant is entitled to demand from the trustee the return of the property.

ATTACHMENT PAGE 2 Account Number 84988 3707 RP0001

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and has not dealt with the debtor in a non-arm's length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

Nil

7. Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Sworn before me at the City of Surrey in the Province of British Columbia, on February 2, 2018.

J Bains .... Commissioner for Oaths

.... Signature of Claimant

Jasmine Bains
A Commissioner for Taking Affidavits for BC
Expiry Date: Oct 31 2020

ATTACHMENT PAGE 3 Account Number 84988 3707 RP0001

Schedule "A"

Name: Forte Eps Solutions Inc.

Unsecured claim

Income Tax Act
(as it relates to payroll deductions - non deemed trust)

Account number:	849883707 RP 0001
Assessed period(s):	2016-2017
Principal:	$13,899.42
Penalty and interest:	$ 9,981.16
Total:	$23,880.58
Total Unsecured claim	$23,880.58

Property claim

Income Tax Act
(as it relates to payroll deductions - deemed trust)

Account number:	849883707 RP 0001
Assessed period(s):	2016-2017
Principal:	$90,876.91
Total:	$90,876.91
Total Property claim	$90,876.91

Sworn before me at the City of in the Province of British Columbia, on February 2, 2018.

.... Commissioner for Oaths

.... Signature of Claimant

Jasmine Bains
A Commissioner for Taking Affidavits for BC
Expiry Date: Oct 31, 2020

TAB O

DEBTOR IN POSSESSION LOAN AGREEMENT

THIS AGREEMENT made as of the 31st. day of July 2017.

BETWEEN:

Forte EPS Solutions Inc., a corporation incorporated under the laws of Canada and having its head office at Midland, Ontario

(hereinafter referred to as the "Borrower")

OF THE FIRST PART,

-- and --

16567 Highway 12 Holdings Limited, a corporation incorporated under the laws of Canada and having its head office at Midland Ontario,

(hereinafter referred to as the "Lender")

OF THE SECOND PART

WHEREAS THE Borrower has filed a Notice of Intention to file a Proposal pursuant to Section 50.4 of the *Bankruptcy and Insolvency Act* (the "BIA") and in such proceedings the Borrower has sought and obtained an order approving a sales and investment solicitation process and this Credit Facility;

WHEREAS the Borrower has requested that the Lender loan to the Borrower the aggregate sum of up to a maximum $200,000.00 on the terms and conditions hereinafter set forth (hereinafter the "DIP Loan Facility");

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each of the other parties hereto and other good and valuable consideration, (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows:

ARTICLE ONE -- DEFINITIONS AND INTERPRETATION

1.1 ***Definitions.*** In this Agreement unless something in the subject matter or context is inconsistent therewith:

(a) **BIA Court proceedings** means the proceedings in the Ontario Superior Court of Justice in Bankruptcy bearing Court File No. 31-2253554

(b) **"Business Day"** means any day other than a Saturday or Sunday, or holiday, on which Canadian chartered banks are open for business in Toronto, Ontario;

(c) **"DIP Charge"** means the DIP Charge granted by the Superior Court of Justice as a fully perfected charge on all the property of the Borrower including all existing or after acquired real and personal property of the Borrower which shall rank in priority to all other charges affecting the property of the Borrower except an Administrative Change in favour of the Proposal Trustee of the Borrower and cetin security granted By the Borrower in favour of the Business Development Bank of Canada;

(d) **"Definitive Loan Documentation"** shall include evidence of indebtedness, a general security agreement and filing statements in respect thereof and all related agreements reasonably necessary to secure the advances of the Lender to the Borrower and shall be in a form and substance reasonably satisfactory to the Lender and shall include provisions customarily included in debtor in possession credit facilities in Canada.

ARTICLE TWO – THE DIP CREDIT FACILITY LOAN

2.1 ***The Loan.*** The Lender hereby agrees that on the terms and subject to the conditions set forth herein, it will make a loan (the "DIP Loan Facility") in the aggregate maximum amount of up to two hundred thousand ($200,000) to the Borrower. Subject to the provisions of the Definitive Loan Documentation, including a grid note evidencing the indebtedness from and a general security agreement, such DIP Loan Facility shall be repayable by the Borrower upon the sale of its assets pursuant to the provisions of the BIA upon the approval of the Proposal of the Borrower or otherwise and such advances shall bear interest at the rate of fifteen (15%) per cent per annum compounded semi-annual not in advance.

ARTICLE THREE – CONDITIONS PRECEDENT TO DRAW DOWN

3.1 **Condition Precedent.** No advances under this proposed DIP Loan Facility shall be required until the Definitive Loan Documentation has been completed and the Definitive Loan Documentation shall include terms and conditions customarily included in debtor in possession credit facilities in Canada and, without limiting the generality of the foregoing, it shall include:

(a) All customary court orders, credit agreements, promissory notes, security agreements, drawdown certificates and financing statements, to be prepared and executed in a form satisfactory to the Lender; and

(b) An order approving the credit facility contemplated hereunder shall have been entered in the Ontario Superior Court of Justice creating a DIP Charge in form and substance reasonably satisfactory to the Lender and the said DIP Charge shall not have been reversed, modified amended or stayed in a manner adverse to the interests of the Lender

ARTICLE FOUR -- COVENANTS

4.1 ***Covenants.*** The Definitive Loans Documentation shall contain customary covenants, representations, and warranties reasonably used in similar debtor in possession financings in Canada and as deemed appropriate in the judgment of the Lender.

ARTICLE FIVE -- EVENTS OF DEFAULT

5.1 Default. The Definitive Loan Documentation shall contain customary everts of default used in similar debtor in possession financing in Canada and as deemed appropriate in the judgment of the Lender.

ARTICLE SIX -- GENERAL CONTRACT PROVISIONS

6.1 ***Notices.*** All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

(a) To the Borrower at: care of Albert Gelman Inc
Suite 125- 100 Simcoe Street,
Toronto, Ontario

Attention: Tom McElroy

(b) To the Lender at: care of William Harvey Jones
Barrister & Solicitor
Suite 2702- 401 Bay Street
Toronto, Ontario
M5H 2Y4

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

6.3 ***Counterparts.*** This Agreement may be executed in several counterparts, each of which when executed shall be deemed to be an original and such counterpart together shall be but one and the same instrument.

6.4 ***Enurement.*** This agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

6.5 ***Currency.*** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

6.6 ***Headings for Convenience Only.*** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

6.7 ***Governing Law.*** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the exclusive jurisdiction of the Courts of such Province.

6.8 ***Gender.*** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

6.9 ***Legislation References.*** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

6.10 ***Severability.*** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

IN WITNESS WHEREOF the parties have duly executed this Debtor in Possession Credit Facility Loan Agreement this 31st. day of July 2017.

Forte EPS Solutions Inc.

Per: ______________________________C/S
[Authorized Signing Officer]

16567 Highway 12 Holdings Limited

Per: ______________________________C/S
[Authorized Signing Officer]

PROMISSORY NOTE

$200,000

Due upon sale of the sale of the assets of the Maker pursuant to the *Bankruptcy and Insolvency Act*

FOR VALUE RECEIVED the undersigned, Forte EPS Solutions Inc. promises to pay to or to the order of 16567 Highway 12 Holdings Limited (the "Lender") in lawful money of Canada, the lesser of:

(a) The principal sum of two hundred thousand ($200,000) dollars; and

(b) The aggregate of the unpaid balance of all advances made by the Lender as recorded on the reverse of this note or on any attachment, with interest on the principal amount calculated as described below.

This note is issued to evidence advances made by the Lender to the undersigned under a Debtor in Possession Loan Agreement dated as of July 31, 2017, between the undersigned as Borrower and the Lender (the "DIP Loan Agreement").

The principal and interest on this note are payable in accordance with the provisions of the DIP Loan Agreement, which provides, among other things that the principal and all unpaid interest hereunder shall be payable upon the sale of the assets of the Undersigned pursuant to the provisions of the *Bankruptcy and Insolvency Act* pursuant to a Proposal or otherwise.

Interest shall be payable as said at the rate of fifteen (15%) per annum, calculated semi-annually, not in advance, on the principal amount from time to time remaining unpaid. Payments received shall be applied firstly in payment of unpaid accrued interest and the balance if any in reduction of principal.

The Undersigned authorizes the Lender to record on the reverse of this note or on any attachment to this note, all advances, repayments, prepayments and the unpaid principal balance from time to time. The Undersigned agrees that in the absence of any manifest error, the record kept by the Lender on this note or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the Lender to record or correctly record any amount or date shall not affect the obligation of the Undersigned to pay the outstanding principal amount and interest in accordance with the DIP Loan Agreement.

Upon maturity as provided for in the DIP Loan Agreement, the entire unpaid balance of the principal amount and accrued interest shall become immediately due and payable without notice or demand and the undersigned covenants to pay interest thereon and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full. The covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

The Undersigned hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking any action.

Terms are used in this note with the meanings ascribed to them in the DIP Loan Agreement unless otherwise specified.

DATED at Toronto, Ontario this 31 day of July 2017.

Forte EPS Solutions Inc.

Per: ________________C/S
[Authorized Signing Officer]

ADVANCES AND PAYMENTS OF PRINCIPAL PURSUANT TO THE DIP LOAN AGREEMENT BETWEEN FORTE ESP SOLUTIONS INC. AND 16567 HIGHWAY 12 HOLDINGS LIMITED

Date	Amount of advance	Amount of principal paid or prepaid	Unpaid principal balance	Notation made by
August 21, 2017	$40,000.00		$40,0000	
SEPT 5 2017	+ 160,000.00		$200.000.00	

TAB P

Advocates LLP
LAWYERS

16th Floor, One London Place, 255 Queens Ave., London, ON N6A 5R8
T 519.858.8220 F 519.858.0687 www.AdvocatesLLP.com

Cory Wood
Law Clerk
519.858.8220 ext 223
C.Wood@AdvocatesLLP.com

FILE NO. 15108

December 5, 2017

Albert Gelman Inc.
125 – 100 Simcoe Street
Toronto ON M5H 3G2

Dear Sir:

Re: WOCFDCA v. 16567 Highway 12 Holdings Limited

We are the solicitors for the Creditor, Western Ontario Community Futures Development Corporation Association.

Enclosed please find a Notice of Garnishment with Garnishee Statements served upon you pursuant to the Rules.

Yours Truly,

C Wood

(Ms.) Cory L. Wood
Advocates LLP
encl.

Court File No. 1526/17

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPORATION ASSOCIATION

Creditor

and

16567 HIGHWAY 12 HOLDINGS LIMITED

Debtor

and

ALBERT GELMAN INC.

Garnishee

NOTICE OF GARNISHMENT

TO ALBERT GELMAN INC.
125 – 100 Simcoe Street
Toronto ON M5H 3G2

A LEGAL PROCEEDING in this Court between the creditor and the debtor has resulted in an Order that the debtor pay a sum of money to the creditor. The creditor claims that you owe or will owe a debt to the debtor. A debt to the debtor includes both a debt payable to the debtor and a debt payable to the debtor and one or more co-owners. The creditor has had this Notice of Garnishment directed to you as garnishee in order to seize any debt that you owe or will owe to the debtor. Where the debt is payable to the debtor and to one or more co-owners, you must pay one-half of the indebtedness or the greater or lesser amount specified in an Order made under sub rule 60.08(16).

YOU ARE REQUIRED TO PAY to the Sheriff of the County of Simcoe,

(a) within 10 days after this notice is served on you, all debts now payable by you to the debtor; and

(b) within 10 days after they become payable, all debts that become payable by you to the debtor within 6 years after this notice is served on you, subject to the exemptions provided by section 7 of the *Wages Act*. The total amount of all your payments to the Sheriff is not to exceed $460,291.93 less $10.00 for your costs of making each payment.

EACH PAYMENT MUST BE SENT with a copy of the attached garnishee's payment notice to the Sheriff at the address shown below.

IF YOU DO NOT PAY THE TOTAL AMOUNT OF $460,291.93 LESS $10.00 FOR YOUR COSTS OF MAKING EACH PAYMENT WITHIN 10 DAYS after this notice is served on you, because the debt is owed to the debtor and to one or more co-owners or for any other reason, you must within that time serve on the creditor and the debtor and file with the Court a garnishee's statement in Form 60I attached to this notice.

IF YOU FAIL TO OBEY THIS NOTICE, THE COURT MAY MAKE AND ENFORCE AN ORDER AGAINST YOU for payment of the amount set out above and the costs of the creditor.

IF YOU MAKE PAYMENT TO ANYONE OTHER THAN THE SHERIFF, YOU MAY BE LIABLE TO PAY AGAIN.

TO THE CREDITOR, THE DEBTOR AND THE GARNISHEE

Any party may make a Motion to the Court to determine any matter in relation to this Notice of Garnishment.

Date November ~~27,~~ 29 2017 Issued by K. Dowling
Local Registrar

Address of court office: 80 Dundas St.
London, Ontario
N6A 6A3

Creditor's address	Debtor's address	Sheriff's address
10 – 330 West Street Brantford ON N3R 7V5	16567 Highway 12 Midland ON L4R 4K8	114 Worsley Street Barrie ON L4M 1M1

(The top portion of the gamishee's payment notice is to be completed by the creditor before the notice of gamishment is issued. Where it is anticipated that more than one payment will be made by the gamishee, the creditor should provide extra copies of the payment notice.)

GARNISHEE'S PAYMENT NOTICE

Make payment by cheque or money order payable to the Sheriff of the County of Simcoe and send it, along with a copy of this payment notice, to 114 Worsley Street, Barrie ON, L4M 1M1

Court:	ONTARIO SUPERIOR COURT OF JUSTICE	File No. 1526/17
Office at:	114 Worsley Street, Barrie ON, L4M 1M1	
Creditor:	Western Ontario Community Futures Development Corporation Association	
Debtor:	16567 Highway 12 Holdings Limited	
Garnishee:	Albert Gelman Inc. 125 -100 Simcoe Street Toronto ON M5H 3G2	

TO BE COMPLETED BY GARNISHEE FOR EACH PAYMENT

Date of payment: ______________________

Amount enclosed: $ ______________________

WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPORATION ASSOCIATION	-and-	16567 HIGHWAY 12 HOLDINGS LIMITED.	- and -	ALBERT GELMAN INC.
CREDITOR		DEBTOR		GARNISHEE

Court File No. 1526-17

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
LONDON

NOTICE OF GARNISHMENT

Advocates LLP
16th Floor - One London Place
255 Queens Avenue
London ON N6A 5R8

David S. Swift (40107N)
d.swift@AdvocatesLLP.com

Tel : 519.858.8220 Ext. 235
Fax: 519.858.0687

Lawyers for the Creditor

File Number: 15108

Court File No. 1526/17

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPORATION ASSOCIATION

Creditor

and

16567 HIGHWAY 12 HOLDINGS LIMITED

Debtor

and

ALBERT GELMAN INC.

Garnishee

(The general heading on this form is to be completed by the creditor and the form is to be attached to the notice of garnishment to be served on the garnishee before the notice of garnishment is issued.)

GARNISHEE'S STATEMENT

1. I acknowledge that I owe or will owe the debtor or the debtor and one or more co-owners the sum of $_______________ payable on _________________________, because

____

____

____

(*Give reasons why you owe the debtor or the debtor and one or more co-owners money. If you are making payment of less than the amount stated in line 2 of this paragraph because the debt is owed to the debtor and to one or more co-owners or for any other reason, give a full explanation of the reason. If you owe the debtor wages, state how often the debtor is paid. State the gross amount of the debtor's wages before any deductions and the net amount after all deductions and attach a copy of a pay slip.*)

1.1 (*If debt owed to debtor and one or more co-owners, check here* ☐ *and complete the following:*)

Co-owners(s) of the Debt (name, address)

2. (*If you do not owe the debtor money, explain why. Give any other information that will explain your financial relationship with the debtor.*)

3. (*If you have been served with any other notice of garnishment or a writ of execution against the debtor, give particulars.*)

Name of Creditor	Location of Sheriff	Date of Notice or Writ	Date of Service on you

4. (If you have been served outside Ontario and you wish to object on the ground that service outside Ontario was improper, give particulars of your objection.)

Signature of or for garnishee

Name of garnishee	ALBERT GELMAN INC.
Address	125 – 100 Simcoe Street Toronto ON M5H 3G2
Telephone number	416-504-1650
Fax number	416-504-1655

Creditor		Debtor		Garnishee
WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPORATION ASSOCIATION	-and-	16567 HIGHWAY 12 HOLDINGS LIMITED	- and -	ALBERT GELMAN INC.
Creditor		Debtor		Garnishee

Court File No. 1526/17

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
LONDON

GARNISHEE'S STATEMENT

ADVOCATES LLP
16th Floor - One London Place
255 Queens Avenue
London ON N6A 5R8

David S. Swift (40107N)
d.swift@AdvocatesLLP.com
Tel: 519-858-8220 ext 235
Fax: 519-858-0687

Lawyers for the Creditor

File Number: 15108

RCP-E 4C (July 1, 2007)

TAB Q

Lerners LLP
130 Adelaide Street West, Suite 2400
Toronto, Ontario M5H 3P5
Telephone: 416.867.3076
Fax: 416.867.9192
www.lerners.ca

LERNERS
LAWYERS

Domenico Magisano
Direct Line: 416.601.4121
Direct Fax: 416.601.4123
dmagisano@lerners.ca

December 11, 2017

FILE NUMBER 98795-00007

DELIVERED VIA FAX

Advocates LLP
One London Place, 255 Queens Ave., 16th Floor
London, ON N6A 5R7

DELIVERED VIA MAIL

16567 Highway 12 Holdings Limited
16567 Highway 12
Midland ON L4R 4K8

Attention: David S. Swift

Dear Mr. Swift:

Re: WOCFDCA v. 16567 Highway 12 Holdings Limited

Enclosed please find the Garnishee's Statement, on behalf of Albert Gelman Inc., which is served upon you pursuant to the *Rules of Civil Procedure*.

Yours truly,

Domenico Magisano
DNM/vlg

Enclosure

Court File No.: 1526/17

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPORATION ASSOCIATION

Creditor

- and -

16567 HIGHWAY 12 HOLDINGS LIMITED

Debtor

- and -

ALBERT GELMAN INC.

Garnishee

GARNISHEE'S STATEMENT

1. We acknowledge that we owe the debtor the sum of $0.

2. If you do not owe the debtor money, explain why. Give any other information that will explain your financial relationship with the debtor.

   (a) Forte EPS Solutions Inc. ("**Forte**") filed a notice of intention to file a proposal on May 19, 2017, and the Garnishee was appointed as proposal trustee under the proposal bearing estate number 31-2253654;

   (b) pursuant to the order of Justice Penny, dated July 31, 2017, the Debtor was authorized to provide DIP Financing of up to $200,000.00 to Forte (the "**DIP Loan**");

   (c) the full amount of the DIP Loan was advanced by the Debtor to Forte and has not been repaid. The DIP Loan continues to accrue interest at a rate of 15% per annum;

(d) pursuant to a sales process administered by the Trustee, substantially all of Forte's assets were sold to Amvic Inc. (the "**Sale**");

(e) the Sale was approved by the order of Justice Myers, dated October 30, 2017 (the "**Sale Order**");

(f) the Sale Order also approved distribution to the Business Development Bank of Canada, with the balance of the proceeds of the sale to be held in trust by the Trustee (the "**Sale Proceeds**");

(g) the Sale Order requires court approval for any further distributions of the Sale Proceeds, which motion has yet to occur;

(h) Forte was adjudged bankrupt on December 5, 2017, and the Garnishee was appointed as Trustee in Bankruptcy (the "**Trustee**");

(i) the priorities to the remaining Sale Proceeds have not yet been determined;

(j) the Trustee has, or will be, disclaiming its interest in the Sale Proceeds, less amounts payable to it pursuant to the Professional Charge Amount as defined in the Sale Order;

(k) any party is free (including the Creditor) to bring a motion seeking distribution of the Sale Proceeds; and

(l) the Debtor may be entitled to some of the proceeds held in trust, but that matter must be determined by the Court pursuant to the Sale Order.

3. If you have been served with any other notice of garnishment or a writ of execution against the debtor, give particulars.

N/A

4. If you have been served outside Ontario and you wish to object on the ground that service outside Ontario was improper, give particulars of your objection.

Date: December 11/17

Albert Gelman Inc.
By it's Lawyers, Lerners LLP
130 Adelaide Street West, Suite 2400
Toronto, ON M5H 3P5

Domenico Magisano LS#: 45725E
dmagisano@lerners.ca
Tel: 416.601.4121
Fax: 416.601.4123

WESTERN ONTARIO COMMUNITY FUTURE DEVELOPMENT CORPORATION ASSOCIATION Creditor	and	16567 HIGHWAY 12 HOLDINGS LIMITED Debtor	and	ALBERT GELMAN INC. Garnishee	Court File No.: 1526/17

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at LONDON

GARNISHEE'S STATEMENT

LERNERS LLP
130 Adelaide Street West, Suite 2400
Toronto, ON M5H 3P5

Domenico Magisano LS#: 45725E
dmagisano@lerners.ca
Tel: 416.601.4121
Fax: 416.601.4123

Lawyers for the Garnishee

TAB 2

Court File No.: 31-2253654
Estate File No.: 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 16th
	)	
	)	
JUSTICE ___________________	)	DAY OF FEBRUARY, 2018

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

DISTRIBUTION ORDER

THIS MOTION, made by 16567 HIGHWAY 12 HOLDINGS LIMITED. (the "**DIP Lender**") for an Order seeking, amongst other things:

1. approval of a distribution of proceeds currently held by Albert Gelman Inc. ("**AGI**") in accordance with the Order of the Honourable Justice Myers dated October 30, 2017 (the "**Escrow Funds**");

2. approval of a payment of AGI's fees and disbursements, including the fees of its counsel, associated with administering to the Escrow Funds;

3. termination of the Reimbursement Agreement between AGI in its capacity as proposal trustee of Forte EPS Solutions Inc. (the "**Debtor**"), the Debtor, and Business Development Bank of Canada ("**BDC**") dated November 2, 2017, as referenced in the Order of the Honourable Justice Myers dated October 30, 2017 (the "**Reimbursement Agreement**").

ON READING (i) the affidavit of John Cipressi sworn February 4, 2018 (the "**Cipressi Affidavit**"), (ii) the first report of the Trustee dated February 14, 2018 (the "**First Report**"), and on hearing the submissions of counsel for the DIP Lender, the

Trustee, BDC, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Helga Fairhurst sworn February __, 2018 filed:

GENERAL

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

2. **THIS COURT ORDERS** that the First Report and the activities of AGI contained therein be and are hereby approved.

DISTRIBUTION OF ESCROW FUNDS

3. **THIS COURT ORDERS** that AGI is authorized and directed to distribute the Escrow Funds as follows:

(a) payment to CRA the sum of $90,585.39 in full and final satisfaction of all trust claims made by CRA and further particularized in CRA's property proof of claim dated January 19, 2018 filed by the CRA with the Trustee (the "**Property Claim**");

(b) payment of $50,000 to AGI in its capacity as proposal trustee of the Debtor in accordance with the Administration Charge as granted by the Orders of the Honourable Justice Hainey dated June 14, 2017, and the Honourable Justice Myers, dated October 30, 2017; and

(c) payment of $200,000 plus accrued interest thereon (the "**DIP Funds**") representing repayment of the DIP Charge as created by the Order of the Honourable Justice Penny dated July 31, 2017. The DIP Funds to be distributed as follows:

(i) if Western Ontario Community Futures Development Corporation Association (hereinafter "**OCFDCA**") withdraws its notice of garnishment attached as Appendix "V" of the First Report (the "**Garnishment Notice**") on or before February 28, 2018, then the DIP funds to be distributed to the DIP Lender; or

(ii) if the Garnishment Notice is not withdrawn by February 28, 2018, then the DIP Funds to be distributed to the Sheriff for the County of Simcoe in accordance with the terms of the Garnishment Notice.

4. **THIS COURT ORDERS** that AGI's accounts (including the accounts of its counsel) relating to its administration of the Escrow Funds shall be paid from the Escrow Funds up to a maximum of $20,000 plus HST and disbursements. For greater certainty, this amount is over and above the amounts payable to AGI on account of the Administration Charge referenced in paragraph 2(b) of this Order.

5. **THIS COURT ORDERS** that AGI shall pay the balance of the Escrow Funds into Court.

6. **THIS COURT ORDERS** that upon payment of the amounts set out in paragraphs 3 through 5 of this Order, AGI, in its personal capacity and in its capacity as proposal trustee and trustee in bankruptcy of the Debtor, is hereby released and discharged from any and all liability that it now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions with respect to its activities in holding and distributing the Escrow Funds as mandated by the Order of the Honourable Justice Myers dated October 30, 2017, and this Order save and except for any gross negligence or wilful misconduct on AGI's part. Without limiting the generality of the foregoing, AGI in its personal capacity and in its capacity as proposal trustee and trustee in bankruptcy of the Debtor is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, with respect to the Escrow Funds, save and except for any gross negligence or wilful misconduct on its part.

ADMINISTRATIVE MATTERS

7. **THIS COURT ORDERS** that upon payment of the Property Claim the Reimbursement Agreement be and is here by terminated.

8. **THIS COURT ORDERS** that upon payment of the Property Claim, BDC shall discharge its collateral mortgage registered against title to certain real property municipally known as 16567 Highway 12, Midland, Ontario, and registered as instrument number SC1411900.

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In the Matter of the Notice of Intention to Make a Proposal of Forte EPS Solutions Inc.

Court File No.: 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at TORONTO

ORDER

William Harvey Jones

Suite 2702- 401 Bay Street

Toronto, Ontario M5H 2Y4

Lawyers for Forte EPS Solutions Inc.

Served on Fax: 416 596-8876

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FORTE EPS SOLUTIONS INC., A CORPORATION WITH A HEAD OFFICE IN THE TOWN OF MIDLAND IN THE PROVINCE OF ONTARIO

Court File No. 31-2253654
Estate File No. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at **TORONTO**

FIRST REPORT OF THE TRUSTEE IN BANKRUPTCY
(RETURNABLE FEBRUARY 16, 2018)

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