

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**

**SECOND REPORT
OF THE PROPOSAL TRUSTEE
(For a motion returnable July 31, 2017)**

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

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

**SECOND REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

(Dated July 28, 2017)

I. INTRODUCTION

1. This second report ("**Second Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Trustee**") in connection with a Notice of Intention to Make a Proposal ("**NOI**") filed by Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") on May 19, 2017 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** is a copy of the NOI and Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy.

2. On June 15, 2017, on motion of the Company, the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) granted an order (the "**June 15 Order**") approving, among other things, an administrative charge and an extension of the stay of proceedings afforded under the NOI to August 2, 2017 (the "**Stay Extension**"). Attached hereto as **Appendix "B"** is a copy of the June 15 Order.

3. The Trustee prepared a report in respect of the June 15, 2017 motion dated June 9, 2017 (the "**First Report**"). Attached hereto as **Appendix "C"** is a copy of the First Report, without appendices.

4. The Company has served the affidavit of John Cipressi, sworn July 23, 2017 (the "**Cipressi Affidavit**"), and the supplementary affidavit of John Cipressi, sworn July 28, 2017 (the "**Supplementary Affidavit**"), in support of its motion.

5. For the reasons explained herein the Trustee supports the relief sought by the Company in its motion and further detailed in the Cipressi Affidavit and Supplementary Affidavit.

II. PURPOSE OF THIS REPORT

- 6. The purpose of this report is to:
 - a. provide information to the Court regarding the actions and activities of both the Trustee and the Company subsequent to date of the First Report;
 - b. discuss the proposed SISP (defined below) and the subsequent request to adjourn this relief;
 - c. provide information to the Court regarding the Company's Revised Cash Flow Projection (defined below);
 - d. discuss the Company's request for the Second Stay Extension (defined below);
 - e. provide information to the Court regarding the DIP Facility and DIP Charge (both terms defined below);
 - f. discuss the Company's request for an amendment and restatement of the June 15 Order, specifically with respect to the priority ranking of the Administrative Charge as granted on June 15, 2017; and,
 - g. provide the Court with the Trustee's recommendations.

III. SCOPE AND TERMS OF REFERENCE

7. In preparing this Second 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.

8. 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.

9. This Second Report has been prepared for the use of this Court and Forte's stakeholders as general information relating to Forte and to assist the Court in making a determination of whether to approve the relief sought by Forte. Accordingly, the reader is cautioned that this Second 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 this Second Report contrary to the provisions of this paragraph.

10. Any capitalized terms not defined in this Second Report shall have the meaning ascribed to them in the First Report.

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

IV. BACKGROUND INFORMATION

12. The Company's manufacturing plant is located at 16567 Highway 12, Midland, Ontario (the “Premises”). The Premises is owned by 16567 Highway 12 Holdings Limited (“16567” or the “Landlord”) which is related to the Company in that John Cipressi and Andrea Zita (Dominic Zita's wife) are the owners of the Landlord. The Trustee understands that there is a lease agreement between the Landlord and the Company. 16567 is not a debtor in these proceedings.

13. Of note, the Landlord has guaranteed the Company's debts to two of its secured creditors, namely Business Development Bank of Canada (“BDC”) and Western Ontario Community Futures Development Corporation Association (“SOFFI”), with said guarantees being secured by mortgages on the Premises.

14. The Trustee understands that in May 2017, the Landlord entered into an agreement of purchase and sale to sell its premises to 2306732 Ontario Inc. (the “**Premises Purchaser**”) (collectively, the “**APS**”) with a closing date of July 25, 2017 (the “**Closing Date**”). The APS was conditional on the Premises Purchaser waiving certain conditions thus the transaction did not close on the Closing Date.

15. The Company received an unsolicited non-binding term sheet on July 2017 (the “**Term Sheet**”) from a prospective purchaser (the “**Interested Party**”) which outlined the terms of a potential purchase of the assets of Forte as well as the Premises. As of the date of this Second Report, the Trustee understands that the company has not entered into an agreement of purchase and sale with the Interested Party. However, the Interested Party has provided the Debtor with a summary of key “milestones” (or tasks), one of which includes the execution of an asset purchase agreement, as well as the anticipated date that each milestone will be completed. It appears to the Trustee that the Interested Party proposes to undertake good faith efforts to perform its due diligence with the ultimate goal of entering into a binding agreement to purchase the Debtor’s assets.

16. Further background information on the Company, its Directors and the events leading the filing of the NOI can be found in the First Report which is attached as Appendix C.

V. **ACTIVITIES OF THE COMPANY**

17. Since the date of the First Report the Company has undertaken, among other things, the following activities:

- a. attended a meeting, along with the Trustee and its counsel, with the Interested Party;
- b. received and began negotiations on a term sheet received from the Interested Party;
- c. continued to market its products to existing and new consumers in an effort to increase revenues;

- d. attended meetings with the Trustee and its legal counsel to discuss its objectives and options in respect of these restructuring proceedings;
- e. obtained an Appraisal of its machinery and equipment;
- f. prepared the Revised Cash Flow Projection with the assistance of the Trustee; and,
- g. provided the Trustee, on an ongoing basis, with financial and other information in order to allow the Trustee to monitor its cash receipts and disbursements.

18. Since the date of the First Report the Principals decided to proceed with a SISP (defined below). However, with the receipt of the Term Sheet, Forte wishes to first negotiate with the Interested Party with a view to maximizing recovery and minimizing expense to its creditors

VI. ACTIVITIES OF THE TRUSTEE

19. Since the date of the First Report the Trustee has undertaken, among other things, the following activities:

- a. assisted the Company with the preparation of the Revised Cash Flow Projection;
- b. continued to monitor the receipts and disbursements of the Company and compare same to the Cash Flow Forecast for variances;
- c. met with management and its counsel, Mr. William Harvey Jones, as well as representatives of the Interested Party to discuss the potential sale of the Company's assets to the Interested Party;
- d. communicated extensively with the Principals and the Company's legal counsel; and,

- e. communicated with several creditors and other stakeholders who contacted the Trustee directly regarding the status of the restructuring proceedings.

VII. SALE AND INVESTMENT SOLICITATION PROCESS

20. The Company wishes to carry out a sale and investment solicitation process (the “SISP”) in order to fully assess the restructuring options of the Company, ultimately, for the benefit of its secured and unsecured creditors. The administrative functions of the SISP shall be carried out by the Trustee, however, it will not be responsible for making any decisions with respect to which LOIs to pursue and/or, ultimately, which offer to accept, if any. The role of the Trustee shall be limited to that of an administrator of the SISP in so far as it shall contact interested parties, provide those interested parties with information and present any LOIs received to the Company.

21. The Company has requested that the Trustee carry out the administrative function of the SISP because Mr. Dominic Zita and/or Mr. John Cipressi, the shareholders and directors of the Company, are contemplating either directly or indirectly making an offer in accordance with the SISP. Therefore, the Trustee shall undertake the administrative duties of the SISP in order to ensure the integrity of the SISP in maintained throughout the process.

22. The terms of the proposed SISP are set out below:

- a. the Trustee, with the assistance of the Company and its legal counsel, will use commercially reasonable efforts to identify prospective purchasers and send a teaser letter to each party identified;
- b. each prospective purchaser identified will be required to execute a non-disclosure agreement (“NDA”). Upon execution of the NDA the prospective purchaser will be given access to confidential corporate information for the purposes of performing any necessary due diligence;
- c. each prospective purchaser who wishes to make an offer to either purchase the assets or make an investment in the Company must provide the Trustee

with a non-binding letter of intent (“LOI”) on or before August 25, 2017. The LOI shall include basic information about the contemplated transaction as well as the Interested Party’s ability to fund the transaction;

- d. the Debtor and the Trustee will review each LOI received and the Company will determine which LOIs it would like to pursue;
- e. the deadline for a binding agreement is August 30, 2017 at 5:00 p.m. eastern standard time;
- f. all offers received must include standard insolvency terms and conditions as well as various other conditions outlined in the SISP;
- g. all offers received must include a deposit of fifteen (15%) per cent of the purchase price;
- h. the Company will have the right to reject any and all offers, including the best offer; and,
- i. any transaction is subject to approval of the Court.

23. The SISP provides that the Debtor may accept offers received outside of the SISP. The Trustee wishes to clarify that any attempts by the Company to accept offers outside the SISP will be of concern to the Trustee and will, at a minimum, require both creditor and court approval.

VIII. CASH FLOW

24. On July 28, 2017 the Company filed with the Trustee its revised statement of forecasted cash flows prepared on a weekly basis for the period of July 24 to November 5, 2017 (“**Revised Cash Flow Projection**”), along with management’s report on the reasonableness of the Cash Flow Projection, in accordance with subsection 50.4(2) of the BIA. Attached hereto as **Appendix “D”** is a copy of the Revised Cash Flow Projection along with managements report thereon, which are prepared on the assumption that the Company continues as a going concern.

25. The Revised Cash Flow Forecast includes an injection of \$200,000 during the week ended August 6, 2017 from 16567. The Debtor is requesting that this Honourable Court grant an Order approving the DIP Facility and DIP Charge (both terms defined below) and, if the Order is granted, the advance from 16567 will form part of the DIP Charge.

IX. ASSETS

26. As was noted in the First Report, the significant tangible assets of the Company consist of manufacturing equipment which the Company uses to manufacture its products. A portion of the manufacturing equipment is leased from Travelers Leasing Ltd. ("**Travelers**") (the "**Leased Equipment**"). The Leased Equipment is integral to the Company's continuing operations. Prior to the filing of the NOI by the Company Travelers "tagged" the Leased Equipment and expressed its intention to repossess the Leased Equipment.

27. The balance of the manufacturing equipment is owned by the Company.

28. The Company obtained an appraisal of its machinery and equipment prepare on a gross forced liquidation value basis by Asset Services with an effective date of June 19, 2017 (the "**Appraisal**"). The Appraisal has not been included with this Second Report as it contains sensitive commercial information regarding the value of the Company's machinery and equipment which may, if made public, negatively affect the quantum of any offer(s) made pursuant to the SISP.

X. SECURED CREDITORS

29. Pursuant to a Ontario Personal Property Lien search conducted by the Trustee (file currency date July 24, 2017) (the "**PPL Search**") the following registration were identified:

Creditor	Registration Date	Collateral Classification
North Simcoe Community Futures Development Corporation	May 10, 2012	Equipment
Business Development Bank of Canada	January 29, 2013	Inventory, Equipment, Accounts, Other, Motor Vehicle
Western Ontario Community Futures Development Corporation	February 1, 2013	Inventory, Equipment, Accounts, Other, Motor Vehicle
Travelers Leasing Ltd.	July 29, 2014	Equipment

30. Attached hereto as **Appendix "E"** is a copy of the PPL Search.

31. Counsel to the Trustee has provided the Trustee with an opinion (the "**Security Review**") that, subject to certain standard qualifications and assumptions contemplated therein, the security of both BDC and Travelers is valid and enforceable in accordance with its terms. Attached hereto as **Appendix "F"** is a copy of the security opinion.

32. The Security Opinion did not consider the validity and enforceability of the security of SOFFI, North Simcoe (defined below) or First Source Mortgage Corporation. The Trustee will likely obtain an expanded security opinion at the time the Company makes its proposal to its creditors.

North Simcoe Community Futures Development Corporation ("**North Simcoe**")

33. North Simcoe has provided the Trustee with a postponement agreement which purports to subordinate and postpone North Simcoe's security in favour of BDC's security (the "**North Simcoe Postponement**"). Attached hereto at **Appendix "G"** is a copy of the North Simcoe Postponement.

34. As a result of the North Simcoe Postponement it appears that the BDC has first ranking secured charge over the Company's assets, including the Leased Equipment as explained in further detail below.

BDC

35. The Company entered into a forbearance agreement with BDC which extends to August 30, 2017 (the "**Forbearance Agreement**"). The Forbearance Agreement was

conditional on the APS closing on July 25, 2017. The Trustee understands that there are continuing negotiations with BDC about extending the forbearance.

SOFFI

36. On June 19, 2017 counsel for SOFFI, Advocates LLP, contacted counsel for the Trustee, Lerner LLP, and provided copies of their clients Notice of Intention to Enforce Security dated August 26, 2015 (the "**SOFFI NITES**") which were issued pursuant to section 244 of the BIA. Attached hereto as **Appendix "H"** is a copy of the SOFFI NITES.

37. The Trustee notes that the SOFFI NITES were issued almost two years ago. The Trustee expresses no opinion at this time as to whether SOFFI would be subject to the stay of proceedings in this matter. The Trustee has been advised that the Company did not enter into a forbearance agreement or any other tolling agreement subsequent to the issuance of the SOFFI NITES and that the Principals are not aware of any enforcement actions taken by SOFFI subsequent to the issuance of the SOFFI NITES.

38. Subsequent to June 19, 2017, neither the Trustee nor its counsel has been contacted by SOFFI's counsel.

Travelers Leasing Ltd. ("Travelers")

39. The Security Review noted above questions whether Travelers interest in the Leased Equipment is, in fact, a valid Purchase Money Security Interest (a "**PMSI**"). Specifically, the Security Review notes that Travelers' lease in the Leased Equipment appears to be the result of a sale/leaseback transaction. Of note, section 2 of the *Personal Property Security Act* defines a "purchase money security interest" as:

- a. a security interest taken or reserved in collateral, other than investment property, to secure payment of all or part of its price,
- b. a security interest taken in collateral, other than investment property, by a person who gives value for the purpose of enabling the debtor to acquire rights in or to the collateral, to the extent that the value is applied to acquire the rights, or

- 11
- c. the interest of a lessor of goods under a lease for a term of more than one year,

but does not include a transaction of sale by and lease back to the seller. [emphasis added]

40. Attached hereto as **Appendix "I"** is a copy of the security documents received from Travelers.

41. If Travellers does not have a PMSI, it would still have a valid and enforceable security interest in the Leased Equipment, however, priority would then be determined by date of perfection. The Trustee notes that according to the PPL Search, Travelers registration was completed after the registrations completed by each of BDC, North Simcoe and SOFFI. The PPL Search is attached as Appendix E.

42. The BDC and Travelers entered into a priority agreement dated July 28, 2017 in respect of the Leased Equipment (the "**BDC Priority Agreement**"). The Trustee is not aware of any priorities agreement between Travelers and either North Simcoe or SOFFI.

43. As a result of the BDC Priority Agreement the relative priority positions with respect to the Leased Equipment are uncertain and will likely require further legal interpretation. This legal matter is not relevant with respect to the relief being sought at this time and, therefore, has not been further investigated by either the Company or the Trustee as of the date of this Second Report.

44. Pursuant to the June 15 Order the Administration Charge was granted without prejudice to Travelers' ability to bring a motion within 30 days for an Order declaring that they have a valid PMSI and an Order further subordinating the Administration Charge to their PMSI in the Leased Equipment (if Travelers in fact has a valid PMSI over the Leased Equipment). As of the date of this report the Trustee is not aware of any motion having been brought by Travelers in respect of these restructuring proceedings.

Canada Revenue Agency (the "CRA")

45. The Trustee has been advised by the Company's internal bookkeeper that there is an outstanding balance owing the CRA in respect of unpaid employee source deductions (the "Deemed Trust Claim"), however, this balance could not be quantified. It is the Trustee's understanding that the Deemed Trust Claim will rank in priority to the claims of each of the secured creditors noted above.

46. The Trustee has been advised by the Principals that the Company is in the process of engaging an external accountant for the purposes of preparing financial statements, preparing unfiled corporate income tax returns and reconciling the Company's tax account balances.

XI. DEBTOR IN POSSESSION FINANCING

47. In order to fund the immediate working capital requirements of the Company during its restructuring efforts the company requires additional funding. Pursuant to the Cipressi Affidavit 16567 has proposed to provide the Company with a debtor-in-possession facility (the "DIP Facility"). The proposed DIP Facility is conditional on this Honourable Court granting a charge in favour of 16567 over the Company's assets (the "DIP Charge").

48. The terms of the proposed DIP Facility are set out in a Debtor in Possession Loan Agreement which is included with Forte's motion material and is attached hereto as **Appendix "J"**. The Trustee notes that this agreement is not signed. The Trustee has been advised by the Debtor's counsel that the agreement will be executed if the Court grants the DIP Charge. The material terms of the proposed DIP Facility are outlined below:

- a. permits the Debtor to borrow the aggregate sum of up to a maximum of \$450,000;
- b. shall be repayable upon the sale of the assets of the Debtor; and,
- c. shall bear interest at a rate of fifteen (15%) percent per annum compounded semi-annually.

49. The Company is requesting that this Court make an Order that the DIP Charge shall be in priority to the secured claims of all secured creditors of Forte but subordinated only to the Administration Charge and the security of the BDC.

50. As previously noted, the Landlord is providing the DIP Facility. The Trustee notes that the Landlord appears to be a single purpose entity who owns the Premises. The Premises has mortgages registered on title and, to date, the Trustee has not been provided with evidence that the Landlord can fund the DIP facility.

XII. ADMINISTRATIVE CHARGE

51. The Company is seeking an Order to amend and restate paragraphs 3 and 4 of the June 15 Order. The June 15 Order granted an Administrative Charge over the property of the Debtor. The property of the debtor includes certain Leased Equipment. The Administration Charge granted on June 15, 2017, was subordinated to the BDC in respect of the Leased Equipment.

52. Subsequent to the issuance of the June 15 Order the BDC agreed to allow an administration charge pursuant to section 64.2(1) of the BIA in an amount not to exceed \$100,000 to be obtained by the Company in priority to its secured interest in and to the Leased Equipment and that said administration charge would not represent a default and/or violation of the Forbearance Agreement.

53. Therefore, given the BDC's consent as well as the expiry of the 30 day period granted to Travelers, the Company is seeking an Order of the Court charging the Leased Equipment in priority to *all* [emphasis added] other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, pursuant to section 64.2(1) of the BIA in an amount not to exceed \$100,000 to secure the fees and disbursements of the Trustee, the Trustee's legal counsel and legal counsel for the Company.

54. For clarification, if Ordered by this Honourable Court, the Administration Charge will continue to be subordinated to the BDC in respect to all of the assets owned by the company not otherwise considered to be part of the Leased Equipment.

55. The Company is further requesting that the Administration Charge, if granted, be in priority to any debtor-in-possession facility or loan secured by the DIP Charge, if also granted.

XIII. REQUEST FOR EXTENSION

56. The Company is seeking a second extension pursuant to subsection 50.4(9) of the BIA (the "**Second Stay Extension**"). The purpose of the Second Stay Extension would be to, among other things, provide the Debtor with sufficient time to negotiate with the Interested Party a binding agreement of purchase and sale in respect of the Company's assets and, if unsuccessful in this regard, allow the Company to undertake the SISP.

57. The Trustee supports the Second Stay Extension as it is of the opinion that:

- a. the Company has acted, and is acting, in good faith and with due diligence;
- b. the Company would likely be able to make a viable Proposal if the extension being applied for were granted; and,
- c. no creditor would be materially prejudiced if the extension being applied for were granted.

58. The Trustee is also of the opinion that a Proposal developed by the Company would likely result in a higher distribution to creditors than if the extension is denied thereby resulting in a deemed bankruptcy and forced liquidation of the Company's assets.

59. The Trustee's recommendation is subject to confirmation from the Landlord of its ability to fund the DIP Facility. The Trustee will advise the creditors if the Landlord fails to fund the DIP Facility.

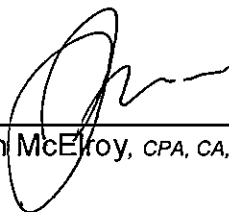
XIV. TRUSTEE'S RECOMMENDATION

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

- a. an adjournment of the SISP to a 9:30 a.m. chambers appointment on the week of August 14, 2017;
- b. the DIP Charge;
- c. the amendments to the June 15 Order; and
- d. the Second Stay Extension.

All of which is respectfully submitted this 28th day of July, 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

TAB A

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

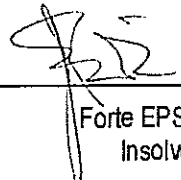
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

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 Tonic	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:
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 (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 MEDVIA AVE TORONTO ON M8Z 5L9		1,000.00

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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

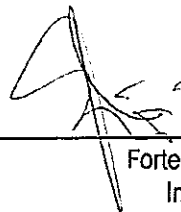
List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Sievert Financial Services Inc.	43 COLBORNE STREET TORONTO ON M5E 1E6		15,425.00
SKID - Freight Brokers, Inc.	P.O. BOX 85 SAINTE MARTHE SUR LE LAC QC J0N 1P0		2,186.55
Steam Specialties	40 CORSTATE AVE. VAUGHAN 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

TAB B

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE

W. HAINES THE 14th

DAY OF JUNE, 2017



HAINES

**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.

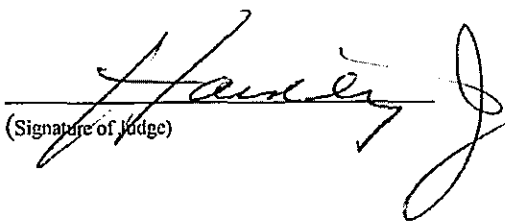
ON READING the affidavit of John Cipressi sworn June 5, 2017 and filed, the first report of Albert Gelman Inc., in its capacity as a proposal trustee (the "Proposal Trustee") dated June 9, 2017, (the "First Report") and on hearing submissions by counsel for the Debtor and counsel for the Proposal Trustee, 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.

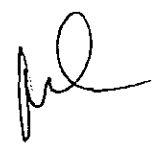
- 5. **THIS COURT ORDERS** that the time for the Debtor to file its proposal to its creditors be and the same is hereby extended to August 2, 2017.



 (Signature of Judge)

ENTERED AT / INSCRIT A TORONTO
 ON / BDOK NO:
 LE / DANS LE REGISTRE NO:

 JUN 14 2017

PER / PAR: 

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

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

June 14, 2017

(Short title of proceeding)

June 14, 2017

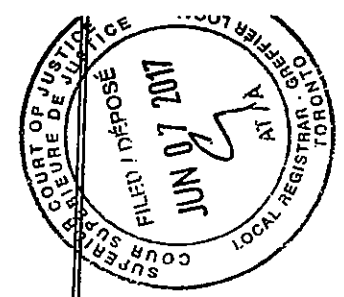
Court file no. 31-2253654
Estate File no. 31-2253654

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

I am satisfied that this motion should be granted as the terms of the attached Order.

Motion/Record

The order is without prejudice to the parties' rights to return to court and request that the Administrative Charge be in priority of claims to the equipment of the Traveller's Furniture lease.
Harty



William Harvey Jones
Barrister and Solicitor
2702-401 Bay Street,
Toronto, Ontario
M4V 3A1
LSUC # 387331

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

Lawyer for the DEBTOR/APPLICANT

TAB C

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**In the Matter of the Proposal 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 PROPOSAL TRUSTEE**

(Dated June 9, 2017)

I. INTRODUCTION

1. This first report ("**First Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as proposal trustee (the "**Trustee**") in connection with a Notice of Intention to Make a Proposal ("**NOI**") filed by Forte EPS Solutions Inc. ("**Forte**" or the "**Company**") on May 19, 2017 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). Attached hereto at **Appendix "A"** is a copy of the NOI and Certificate of Appointment issued by the Office of the Superintendent of Bankruptcy.

2. The Company advises that it had attempted to informally restructure its affairs for several months prior to filing the NOI, however, a series of events made the NOI filing a necessity so that it could negotiate with its creditors on a fair and equitable basis. The events that gave rise to the NOI filing included:

- a. on May 8, 2017, the Company's operating lender, the Business Development Bank of Canada ("**BDC**"), commenced a motion to appoint a receiver over the assets, undertakings and properties of the Company (the "**Receivership Motion**"). The Receivership Motion was adjourned with the Company and BDC entering into a forbearance agreement shortly after the NOI filing (the "**Forbearance Agreement**"). It is the Trustee's understanding that while the Receivership Motion was adjourned, BDC wanted the Company to present a structured process that would see its debt repaid;

- b. the Company had judgment creditors that were seeking to execute on their judgments;
- c. Travelers Leasing Ltd. ("**Travelers**"), a lessor of certain machinery and equipment that are integral to the Company's operations (the "**Leased Equipment**"), "tagged" the Leased Equipment and expressed its intention to repossess the Leased Equipment; and
- d. some of the Company's utility providers, which it depended on to operate its business, were threatening to stop supplying to the Company.

3. The Company has brought a motion seeking, amongst other things, an Order extending the initial stay of proceedings afforded to it under the NOI until August 2, 2017 (the "**Stay Extension**"), and an Order granting an administrative charge in the maximum aggregate amount of \$100,000 (the "**Administrative Charge**"). Of note, the Administrative Charge will be subordinate only to BDC's security in the Company's assets, but in priority to all other claims against the Company's assets.

4. The Company has served the affidavit of John Cipressi sworn June 5, 2017 (the "**Cipressi Affidavit**"), in support of its motion.

5. For the reasons explained herein the Trustee supports the relief sought by the Company in its motion and further detailed in the Cipressi Affidavit.

II. PURPOSE OF THIS REPORT

6. The purpose of this report is to:

- a. provide the Court with information pertaining to the Company, including the objectives of the Company's restructuring proceedings, which is not otherwise described in the Cipressi Affidavit;
- b. provide information to the Court regarding the actions and activities of both the Trustee and the Company subsequent to the filing of the NOI;

- c. provide information to the Court regarding the Company's Cash Flow Projections (defined below);
- d. discuss the Company's request for the Stay Extension and the Administrative Charge; and
- e. provide the Court with the Trustee's recommendations.

III. SCOPE AND TERMS OF REFERENCE

7. In preparing this 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.

8. 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.

9. This First Report has been prepared for the use of this Court and Forte's stakeholders as general information relating to Forte and to assist the Court in making a determination of whether to approve the relief sought by Forte. Accordingly, the reader is cautioned that this 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 this First Report contrary to the provisions of this paragraph.

10. Any capitalized terms not defined in this First Report shall have the meaning ascribed to them in the Cipressi Affidavit.

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

IV. BACKGROUND INFORMATION

12. The Company is owned by the Principals and is in the business of manufacturing and distributing expanded polystyrene products primarily used in the construction industry.

13. The Company employs 15 people, all located in its manufacturing plant located at 16567 Highway 12, Midland, Ontario (the "**Premises**"). The Premises is owned by 16567 Highway 12 Holdings Limited (the "**Landlord**") which is related to the Company in that John Cipressi and Andrea Zita (Dominic Zita's wife) are the owners of the Landlord. The Trustee understands that there is a lease agreement between the Landlord and the Company.

14. The Landlord has entered into an agreement of purchase and sale to sell its premises to 2306732 Ontario Inc. which is anticipated to close in late July, 2017 (the "**APS**"). The APS contemplates the Company remaining as a Tenant of the Premises and, as a result, the Company believes it will be able to maintain operations after the APS closes.

15. As described above, prior to the NOI filing the Company's ability to operate was negatively affected by various factors which included:

- a. demand and receivership proceedings commenced by its operating lender;
- b. an equipment lessor threatening to repossess the Leased Equipment;
- c. judgment creditors seeking to enforce on their judgments; and
- d. utility companies threatening to cease supplying to the Company .

16. The Company advises that it could not continue to negotiate with its creditors while under constant threat of enforcement proceedings that effectively closed the business, much less continue to satisfy existing clients and attract new business.

17. The significant tangible assets of the Company consist of manufacturing equipment which the Company uses to manufacture its products. A portion of the manufacturing equipment is leased from Travelers (defined as Leased Equipment above). The balance of the equipment is owned by the Company. It is the Trustee's understanding that the Company is in the process of obtaining an appraisal of its machinery and equipment.

18. The Company's secured creditors are as listed at paragraph 7 of the Cipressi Affidavit.

19. North Simcoe has provided the Trustee with a postponement agreement which purports to subordinate and postpone North Simcoe's security in favour of BDC's security. Attached hereto at **Appendix "B"** is a copy of the Postponement.

20. Of note, the Landlord has guaranteed the Company's debts to two of its secured creditors (namely BDC and Western Ontario Community Futures Development Corporation Association ("SOFFI")) with said guarantees being secured by mortgages on the Premises. Accordingly, the Company's indebtedness to BDC and SOFFI will likely be satisfied from the sale proceeds when the APS closes, or alternatively, assumed by a third party who is prepared to release the Landlord's guarantees.

21. The Company has listed approximately \$6 Million of unsecured claims in its NOI which includes \$3 Million owing to the Principals. Therefore, there are approximately \$3 Million of arm's length unsecured claims listed by the Company.

22. The Principals have advised the Trustee that the Company has never had proper financial statements prepared by an external accounting firm. Therefore, the Trustee has not been able to review any recent externally generated financial information prepared for the Company. It is the Trustee's understating that the Company will be engaging an external accounting firm to bring its financial reporting up to date.

V. ACTIVITIES OF THE COMPANY

23. Since the date of the filing of the NOI the Company has undertaken, among other things, the following activities:

- a. entered into the Forbearance Agreement;
- b. advised various stakeholders, including management, relevant employees and important suppliers of the restructuring proceedings;
- c. enhanced their marketing efforts to prospective customers;
- d. held preliminary discussions with one party who had approached the Company and was interested in purchasing the Company's assets;
- e. had informal discussions with various secured and unsecured creditors in respect of the restructuring proceedings;
- f. attended meetings with the Trustee and its legal counsel to discuss its objectives and options in respect of these restructuring proceedings;
- g. prepared its Cash Flow Forecast (defined below) with the assistance of the Trustee;
- h. provided the Trustee, on an ongoing basis, with financial and other information in order to allow the Trustee to monitor its cash receipts and disbursements; and
- i. started to consider options for recapitalizing and/or marketing the Company and its business.

24. As of the date of this report it is the Trustee's understanding that the Company has not made a determination as to how it will proceed with respect to its restructuring plan and, therefore, the Company is respectfully requesting an extension of time to file its proposal.

VI. ACTIVITIES OF THE TRUSTEE

25. Since the date of the filing of the NOI the Trustee has undertaken, among other things, the following activities:

- a. on May 26, 2017, the Trustee mailed to every known creditor a copy of the NOI as required under subsection 50.4(6) of the BIA. A copy of the affidavit of mailing is attached as **Appendix "C"**;
- b. subsequent to the filing of the NOI the Trustee provided a copy of the Notice of Stay of Proceedings (the "**Stay Notice**") to all known litigation claimants. Attached hereto at **Appendix "D"** is a copy of the Stay Notice;
- c. assisted the Company with the preparation of the Cash Flow Forecast (defined below);
- d. implemented procedures with the company's management and employees in order to allow the Trustee to consistently monitor the receipts and disbursements of the Company and compare same to the Cash Flow Forecast for variances;
- e. met with management and its counsel, Mr. William Harvey Jones, on several occasions to discuss, among other things, the following:
 - i. The status of the current business operations and prospects for the future;
 - ii. The potential for a sale of all or part of the business assets as part of the restructuring proceedings; and,
 - iii. How the company would finance a proposal to its creditors.
- f. communicated extensively with the Principals and the Company's legal counsel; and,
- g. communicated with several creditors and other stakeholders who contacted the Trustee directly regarding the status of the restructuring proceedings.

VII. CASH FLOW

26. On May 29, 2017 the Company filed with the Trustee its statement of forecasted cash flows prepared on a weekly basis for the period of May 22 to September 3, 2017 ("**Cash Flow Forecast**"), along with management's report on the reasonableness of the Cash Flow Forecast, in accordance with subsection 50.4(2) of the BIA. Attached hereto as **Appendix "E"** is a copy of the Cash Flow Forecast along with managements report thereon, which are prepared on the assumption that the Company continues as a going concern.

27. The Cash Flow Forecast does not include payments to any secured creditors during the forecast period. However, the Company has advised the Trustee that it will continue to make payments to Travelers in accordance with its lease agreement as the Company requires the leased equipment in order to maintain its business operations. The Company has further advised that it will be preparing a revised cash flow forecast in due course to reflect this omission.

Shareholder Advances

28. The Cash Flow Forecast indicates that the Company will require additional working capital funds in the aggregated sum of approximately \$300,000 during the period from June 12 to July 16, 2017 to fund continuing operations during the NOI period. The Principals have advised the Trustee that they will be advancing funds into the Company personally in order the fund working capital requirements during this period.

VIII. ADMINISTRATIVE CHARGE

29. The Company is seeking an Order of the Court charging the property, assets and undertakings of Forte in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, or statutory or otherwise, pursuant to section 64.2(1) of the BIA in an amount not to exceed \$100,000 to secure the fees and disbursements of the Trustee, the Trustee's legal counsel and legal counsel for the Company (defined as the Administrative Charge above).

30. Administration Charges are common in proceedings such as this and are necessary to secure the fees and disbursements of the professionals involved to enable the company to successfully complete its restructuring proceedings.

31. The Administration Charge being sought will be subordinated to the secured interests of BDC and without prejudice to Travelers' ability to argue that its security interest in the Leased Equipment is in fact a Purchase Money Security Interest.

32. Pursuant to the Forbearance Agreement, Forte and BDC agreed that any Administration Charge requested by the Company would be subordinated to BDC. Further, by virtue of the Postponement, BDC appears to be the Company's senior lender and is not subject to the stay of proceedings granted by the NOI.

33. Counsel to the Trustee has provided the Trustee with an opinion (the "Security Review") that, subject to certain standard qualifications and assumptions contemplated therein, the security of both BDC and Travelers is valid and enforceable in accordance with its terms. Attached hereto as **Appendix "F"** is a copy of the security opinion.

34. However, the Security Review questions whether Travelers interest in the Leased Equipment is, in fact, a valid Purchase Money Security Interest (a "PMSI"). Specifically, the Security Review notes that Travelers' lease in the Leased Equipment appears to be the result of a sale/leaseback transaction. Of note, section 2 of the Personal Property Security Act defines a "purchase money security interest" as:

- a. a security interest taken or reserved in collateral, other than investment property, to secure payment of all or part of its price,
- b. a security interest taken in collateral, other than investment property, by a person who gives value for the purpose of enabling the debtor to acquire rights in or to the collateral, to the extent that the value is applied to acquire the rights, or

- c. the interest of a lessor of goods under a lease for a term of more than one year,

but does not include a transaction of sale by and lease back to the seller
[emphasis added]

35. Attached hereto as **Appendix "G"** is a copy of the security documents received from Travelers.

36. If Travellers does not have a PMSI, it would still have a valid and enforceable security interest in the Leased Equipment, however, priority would then be determined by date of perfection. The Trustee notes that according to the search conducted of the personal property security registration database (the "**PPSR Database Search**"), Travelers registration was completed after the registrations completed by BDC, North Simcoe and SOFFI. The Trustee is not aware of a priorities agreement between Travelers and any of BDC, North Simcoe or SOFFI. Attached hereto as **Appendix "H"** is a copy of the PPSR Database Search of the Debtor.

37. Given the foregoing, the Trustee recommends that the Administration Charge only be subordinate to BDC's security. However, the Administration Charge given should be without prejudice to Travelers' ability to bring a motion within 30 days for an Order declaring that they have a valid PMSI and an Order further subordinating the Administration Charge to their PMSI in the Leased Equipment (if Travelers in fact has a valid PMSI over the Leased Equipment).

38. The Trustee has been made aware that a related third party may acquire or take an assignment of BDC's debt and security position. If that occurs, the Proposal Trustee may seek an amendment to the Administrative Charge Order such that the Administration Charge ranks in priority to BDC's security.

IX. REQUEST FOR EXTENSION

39. The Company is seeking the Stay Extension pursuant to subsection 50.4(9) of the BIA. The Company has advised that it will likely return to Court during the

Stay Extension to seek court approval for a sale and investment solicitation process (the "SISP") designed to attract funding so that the Company can make a proposal to its creditors. The Principals further advise that they are considering investing additional funds into the Company through a proposal. Notwithstanding the potential SISP, the Trustee understands that the Principals may still have opportunity to make a proposal to their creditors without selling the Company or seeking an external investment in the Company.

- 40. The Trustee supports the Stay Extension as it is of the opinion that:
 - a. the Company has acted, and is acting, in good faith and with due diligence;
 - b. the Company would likely be able to make a viable Proposal if the extension being applied for were granted; and,
 - c. no creditor would be materially prejudiced if the extension being applied for were granted.

41. The Trustee is also of the opinion that a Proposal developed by the Company would likely result in a higher distribution to creditors than if the extension is denied thereby resulting in a deemed bankruptcy and forced liquidation of the Company's assets.

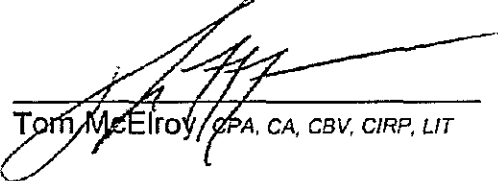
X. TRUSTEE'S RECOMMENDATION

- 42. For the reasons explained herein the Trustee respectfully recommends that this Honourable Court make an Order approving:
 - a. the Administration Charge; and
 - b. the Stay Extension.

* * *

All of which is respectfully submitted this 9th day of June, 2017.

**ALBERT GELMAN INC., solely in its
capacity as Trustee of 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

4554813.1

TAB D

FORTE EPS SOLUTIONS INC.
STATEMENT OF FORECASTED CASH FLOWS
FOR THE 15 WEEKS ENDED NOVEMBER 5, 2017

	Forecast														
	30-Jul-17	6-Aug-17	13-Aug-17	20-Aug-17	27-Aug-17	3-Sep-17	10-Sep-17	17-Sep-17	24-Sep-17	1-Oct-17	8-Oct-17	15-Oct-17	22-Oct-17	29-Oct-17	5-Nov-17
Cash balance - beginning of period	\$ 20,300	12,084	175,182	226,156	214,795	168,836	130,536	138,973	127,717	75,821	87,350	26,156	3,331	6,716	18,564
Cash receipts (includes HST)															
Collection of AR	19,325	15,200	2,309	-	-	-	-	-	-	-	-	-	-	-	-
Receipts from new projects	250	250	91,230	61,850	4,178	2,771	47,350	14,850	3,500	47,250	10,250	62,850	50,250	47,250	10,250
	16,575	15,450	93,539	61,850	4,178	2,771	47,350	14,850	3,500	47,250	10,250	62,850	50,250	47,250	10,250
Less: Costs of sales															
Product costs	-	-	-	55,000	-	-	18,000	-	-	-	50,000	50,000	-	-	-
Labour costs	7,000	-	7,500	-	10,250	-	500	3,600	8,000	-	8,000	3,750	500	-	8,000
Transport	75	75	2,375	275	-	-	-	2,600	-	-	-	-	13,500	-	-
	7,075	75	9,875	55,275	10,250	-	18,500	3,600	10,600	-	58,000	53,750	14,000	-	8,000
Net receipts after cost of goods sold	9,500	15,375	83,664	6,575	(6,074)	2,771	78,850	11,250	(7,100)	47,250	(47,750)	9,100	36,250	47,250	2,250
Disbursements (all applicable expenses include HST)															
Rent and occupancy costs	2,815	18,300	9,900	450	10,500	31,515	9,400	500	10,450	31,815	-	9,900	450	31,815	-
Equipment repairs and maintenance	1,658	182	1,100	700	1,050	1,350	400	550	550	400	800	400	800	400	800
Insurance	606	329	335	3,334	3,543	-	329	-	3,940	-	329	-	3,659	281	329
Office & General	402	80	2,419	148	300	102	1,049	1,450	3,648	182	390	2,119	446	102	380
Interest and bank charges	100	400	100	100	100	400	100	100	100	400	100	100	100	100	400
Management salaries	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000
Professional fees	2,000	32,800	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,800	2,000	2,000	2,000
Chemicals	-	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	-
Office salaries	4,618	-	18,618	-	4,610	-	4,610	6,000	4,610	-	4,618	6,500	4,610	-	4,610
Marketing	225	358	75	225	358	75	225	75	75	225	75	75	225	75	75
Vehicle expense	300	629	150	779	150	629	300	629	150	779	150	629	300	629	150
	17,718	52,277	32,689	7,734	27,611	38,871	23,413	12,304	30,521	35,721	13,444	21,723	18,550	35,402	13,744
Net Cash-flow from operations	(8,218)	(36,902)	50,975	(1,159)	(33,685)	(33,300)	5,437	(1,054)	(17,621)	11,529	(61,194)	(12,623)	17,650	11,848	(11,484)
Payments to secured creditors															
Business Development Bank of Canada					(14,275)				(14,275)				(14,275)		
Travelers Leasing Inc.				(10,202)				(10,202)				(10,202)			
Debtor-in-possession financing	200,000														
Cash balance - end of period	\$ 12,084	175,182	226,156	214,795	166,836	130,536	138,973	127,717	75,821	87,350	26,156	3,331	6,716	18,564	7,870

NOTICE TO READER:

This statement of projected cash-flow of the Company is prepared in accordance with the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report On Cash-Flow Statement and the Report On Cash-Flow Statement By The Person Making The Proposal.

For: Forte EPS Solutions Inc.

Albert Goldman 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: John Calenda
 July 24, 2017

Per: Tom McEvoy
 July 28, 2017

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

FORM 30
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

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


The Management of Forte EPS Solutions Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 24th day of July 2017, consisting of Revised Statement of Projected Cash-Flow for the fifteen week period ended November 5, 2017.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

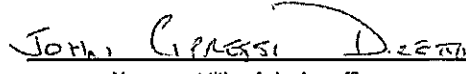
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Toronto in the Province of Ontario, this 24th day of July 2017.



Forte EPS Solutions Inc.
Debtor



Name and title of signing officer *Director*

Name and title of signing officer

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

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

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

Purpose:

The purpose of the projection is to present the Revised Statement of Projected Cash-Flow of Forte EPS Solutions Inc. (the "Company") in accordance with the requirements of subsection 50.4(2) of the Bankruptcy and Insolvency Act (Canada).

Projection Notes:

This Revised Statement of Projected Cash-Flow reflects the forecasted cash-flows of the Company for the 15 weeks ended November 5, 2017.

Assumptions:

1. This statement has been prepared for a fifteen-week period of time, on the basis that: (a) the Company files a Proposal to its creditors on or before September 11, 2017; (b) the Company's creditors approve the Proposal at a properly convened meeting of creditors held on or before October 2, 2017; and, (c) Court approval of the Company's Proposal is obtained during the week ended November 5, 2017. This cash flow forecast does not contemplate that the company will require Court approval for a third extension of time to file its Proposal ("Third Extension"). In the event that the company does require a Third Extension a revised cash flow forecast will be prepared at that time.

2. Receipts from existing and anticipated projects have been estimated by management. Costs of sales have been estimated by management based on existing and anticipated projects.

3. The receipts and applicable disbursements include HST.

4. As of the date of this report, 16567 Highway 7 Holdings Limited ("16567"), a company operating non-arm's length to the Company, owned the Company's premises. Future rent expense has been estimated.

5. All expenses have been recorded in the week they are forecast to be incurred. It is expected that some vendors currently supplying goods and services will require cash-on-delivery terms.

6. The cash flow projection includes an estimate of the Trustee's fees and disbursement, including legal fees. These amounts are subject to change.

7. Wages and benefits expense includes a provision for management salaries payable to the Dominic Zita of \$5,000 paid bi-weekly (gross).

8. On May 23, 2017 the Debtor and the Business Development Bank of Canada (the "BDC") entered into a forbearance agreement (the "Forbearance Agreement"). The Forbearance Agreement requires that the Debtor make monthly payments to the BDC in the amount of \$14,275 which are due and payable on the 22nd day of each month.

9. The Company is leasing equipment from Travelers Leasing Ltd. ("Travelers") which is critical to its ability to continue to operate as a going concern. Pursuant to the lease agreement with Travelers the Company is required to make monthly payments of \$10,202 which are due and payable on the 15th day of each month.

10. Debtor-in-possession financing ("DIP Financing") represents funds to be advanced to the Company from 16567 Highway 7 Holdings Limited. The DIP Financing is contingent upon the Court granting an Order charging the assets of Forte in favour of 16567 Highway 7 Holdings Limited in priority to existing secured creditors.

Dated at the city of Toronto in the Province of Ontario, this 24th day of July 2017.



Forte EPS Solutions Inc.

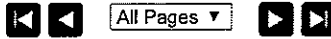
TAB E

ServiceOntario

[Main Menu](#) [New Enquiry](#)

Enquiry Result

File Currency: 24JUL 2017



Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	678306825	1	4	1	18	10MAY 2020			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
678306825		01	001		20120510 1738 1626 4104	P PPSA	3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	FORTE EPS SOLUTIONS INC.								
	Address			City	Province	Postal Code			
	16567 HIGHWAY 12			MIDLAND	ON	L4R4P4			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION								
	Address			City	Province	Postal Code			
	P.O. BOX 8, 355 CRANSTON CR.			MIDLAND	ON	L4R4K6			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount:	Date of Maturity or	No Fixed Maturity Date
			X				150000	01MAY 2015	
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	MANUFACTURING MACHINERY AND EQUIPMENT RELATED TO THE PRODUCTION OF EXPANDED POLYSTYRENE PRODUCTS.								
Registering Agent	Registering Agent								

	NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION			
	Address	City	Province	Postal Code
	PO BOX 8, 355 CRANSTON CR.	MIDLAND	ON	L4R4K6

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	FORTE EPS SOLUTIONS INC.				
File Currency	24JUL 2017				
	File Number	Family	of Families	Page	of Pages
	678306825	1	4	2	18
FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Registration Number				
	20150428 1718 1626 7025				
Record Referenced	File Number	Change Required		Renewal Years	
	678306825	B RENEWAL		5	
Individual Debtor	First Given Name	Initial	Surname		
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	FORTE EPS SOLUTIONS INC.				
Registering Agent	Registering Agent/ Secured Party/ Lien Claimant				
	NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION				
	Address	City	Province	Postal Code	
	P.O. BOX 8, 105 FOURTH STREET, UNIT B	MIDLAND	ON	L4R4K6	

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	FORTE EPS SOLUTIONS INC.						
File Currency	24JUL 2017						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	684369324	2	4	3	18	29JAN 2022	
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN							
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
684369324		001	001		20130129 1001 1862 7549	P PPSA	9
Individual Debtor	Date of Birth	First Given Name		Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number	
	FORTE EPS SOLUTIONS INC.						
	Address			City	Province	Postal Code	
	16567 HWY 12			MIDLAND	ON	L4R 4K8	
Individual Debtor	Date of Birth	First Given Name		Initial	Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number	
	Address			City	Province	Postal Code	
Secured Party	Secured Party / Lien Claimant						
	BUSINESS DEVELOPMENT BANK OF CANADA						
	Address			City	Province	Postal Code	
	151 FERRIS LANE, P. O. BOX 876			BARRIE	ONT	L4M 4Y6	

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make	Model	V.I.N.					
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	GEORGE G. CAMERON, HGR GRAHAM PARTNERS LLP								
	Address	City	Province	Postal Code					
	STE 107, 190 CUNDLES ROAD EAST	BARRIE	ONT	L4M 4S5					

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	684459225	3	4	4	18	01FEB 2019			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
684459225		001	1		20130201 0942 1200 1699	P PPSA	06		
Individual Debtor	Date of Birth	First Given Name	Initial	Surname					
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	FORTE EPS SOLUTIONS INC.								
	Address	City	Province	Postal Code					
	16567 HIGHWAY 12	MIDLAND	ONT	L4R 4K8					
Individual Debtor	Date of Birth	First Given Name	Initial	Surname					
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address	City	Province	Postal Code					
Secured Party	Secured Party / Lien Claimant								
	WESTERN ONTARIO COMMUNITY FUTURES DEVELOPMENT CORPORATION INC.								
	Address	City	Province	Postal Code					
	330 WEST ST., UNIT 10	BRANTFORD	ONT	N3R 7V5					
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make	Model	V.I.N.					

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
	HGR GRAHAM PARTNERS LLP			
	Address	City	Province	Postal Code
	518 YONGE ST.	MIDLAND	ONT	L4R 2C5

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	698417343	4	4	5	18	29JUL 2021			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
698417343		01	007		20140729 1012 1462 0374	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	FORTE EPS SOLUTIONS INC.								
	Address			City	Province	Postal Code			
	16567 HIGHWAY 12			MIDLAND	ON	L4R4K3			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	TRAVELERS LEASING LTD.								
	Address			City	Province	Postal Code			
	500 - 4180 LOUGHEED HIGHWAY			BURNABY	BC	V5C6A7			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X						
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	(4) REZNOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X								
	(1) USED INFRA MODEL 3000-A UNIVERSAL AUTOMATIC MOULDING &								
Registering Agent	Registering Agent								
	TRAVELERS LEASING LTD.								
	Address			City	Province	Postal Code			

500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC	V5C6A7
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CONTINUED

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	698417343	4	4	6	18	29JUL 2021			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
698417343		02	007		20140729 1012 1462 0374	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
	LAMINATING MACHINE S/N 288								
	(4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2.								
	M15684-MVA-3 & M15684-MVA-4								
Registering Agent	Registering Agent								
	TRAVELERS LEASING LTD.								
	Address			City	Province	Postal Code			
	500 - 4180 LOUGHEED HIGHWAY			BURNABY	BC	V5C6A7			

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	FORTE EPS SOLUTIONS INC.						
File Currency	24JUL 2017						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status

	698417343	4	4	7	18	29JUL 2021			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
698417343		03	007		20140729 1012 1462 0374	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	(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								
Registering Agent	Registering Agent								
	TRAVELERS LEASING LTD.								
	Address				City	Province	Postal Code		
	500 - 4180 LOUGHEED HIGHWAY				BURNABY	BC	V5C6A7		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	698417343	4	4	8	18	29JUL 2021			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
698417343		04	007		20140729 1012 1462 0374	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			

		Address			City		Province		Postal Code		
Individual Debtor		Date of Birth		First Given Name			Initial		Surname		
Business Debtor		Business Debtor Name							Ontario Corporation Number		
		Address			City		Province		Postal Code		
Secured Party		Secured Party / Lien Claimant									
		Address			City		Province		Postal Code		
Collateral Classification		Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description		Year	Make			Model		V.I.N.			
General Collateral Description		General Collateral Description (1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE S/N 0714548 (1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N BMA700									
Registering Agent		Registering Agent TRAVELERS LEASING LTD.									
		Address			City		Province		Postal Code		
		500 - 4180 LOUGHEED HIGHWAY			BURNABY		BC		V5C6A7		

CONTINUED

Type of Search		Business Debtor								
Search Conducted On		FORTE EPS SOLUTIONS INC.								
File Currency		24JUL 2017								
		File Number	Family	of Families	Page	of Pages	Expiry Date		Status	
		698417343	4	4	9	18	29JUL 2021			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number		Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number		Registered Under	Registration Period
698417343			05	007			20140729 1012 1462 0374		P PPSA	7
Individual Debtor		Date of Birth		First Given Name			Initial		Surname	
Business Debtor		Business Debtor Name							Ontario Corporation Number	
		Address			City		Province		Postal Code	
Individual Debtor		Date of Birth		First Given Name			Initial		Surname	
Business Debtor		Business Debtor Name							Ontario Corporation Number	
		Address			City		Province		Postal Code	

Secured Party		Secured Party / Lien Claimant							
		Address				City	Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM								
Registering Agent	Registering Agent								
	TRAVELERS LEASING LTD.								
	Address				City	Province	Postal Code		
	500 - 4180 LOUGHEED HIGHWAY				BURNABY	BC	V5C6A7		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	698417343	4	4	10	18	29JUL 2021			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
698417343		06	007		20140729 1012 1462 0374	P PPSA	7		
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth		First Given Name			Initial	Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity	No Fixed Maturity Date

					or
Motor Vehicle Description	Year	Make	Model	V.I.N.	
General Collateral Description					
ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS OF THE COLLATERAL AND A RIGHT TO ANY INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE					
Registering Agent					
TRAVELERS LEASING LTD.					
Address			City	Province	Postal Code
500 - 4180 LOUGHEED HIGHWAY			BURNABY	BC	V5C6A7

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	698417343	4	4	11	18	29JUL 2021			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
698417343		07	007		20140729 1012 1462 0374	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model		V.I.N.				
General Collateral Description	COLLATERAL OR PROCEEDS OF THE COLLATERAL.								

Registering Agent	Registering Agent			
	TRAVELERS LEASING LTD.			
	Address	City	Province	Postal Code
	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC	V5C6A7

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages				
	698417343	4	4	12	18				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		01	005		20140729 1403 1462 0537				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	698417343			A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	FORTE EPS SOLUTIONS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	AMEND S/N ON EQUIPMENT IN GENERAL DESCRIPTION #12								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province Postal Code				
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address			City	Province Postal Code				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.
General Collateral Description	General Collateral Description (4) REZNOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X (1) USED INFRA MODEL 3000-A UNIVERSAL AUTOMATIC MOULDING &			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant TRAVELERS FINANCE LTD.			
	Address	City	Province	Postal Code
	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC	V5C6A7

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	FORTE EPS SOLUTIONS INC.					
File Currency	24JUL 2017					
	File Number	Family	of Families	Page	of Pages	
	698417343	4	4	13	18	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		02	005		20140729 1403 1462 0537	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	698417343			A AMNDMNT		
Reference Debtor/ Transferor	First Given Name			Initial	Surname	
	Business Debtor Name					
Other Change	Other Change					
Reason / Description	Reason / Description					
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname	
	Business Debtor Name					
	Ontario Corporation Number					
	Address			City	Province Postal Code	
Assignor Name	Assignor Name					
Secured Party	Secured party, lien claimant, assignee					

Address		City		Province	Postal Code				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description LAMINATING MACHINE S/N 288 (4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant TRAVELERS FINANCE LTD.								
Address		City		Province	Postal Code				
500 - 4180 LOUGHEED HIGHWAY		BURNABY		BC	V5C6A7				

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Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages				
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FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
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Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	698417343			A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name								
	Ontario Corporation Number								

Address		City		Province	Postal Code				
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
Address		City		Province	Postal Code				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
	(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								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	TRAVELERS FINANCE LTD.								
Address		City		Province	Postal Code				
500 - 4180 LOUGHEED HIGHWAY		BURNABY		BC	V5C6A7				

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Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages				
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FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
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Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Correct Period Years				
	698417343			A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
Other Change	Other Change								
Reason / Description	Reason / Description								

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname					
	Business Debtor Name			Ontario Corporation Number					
	Address		City	Province Postal Code					
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address		City	Province Postal Code					
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model		V.I.N.				
General Collateral Description	General Collateral Description								
	(1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE S/N 0714548								
	(1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N 1W1360022634								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	TRAVELERS FINANCE LTD.								
	Address		City	Province	Postal Code				
	500 - 4180 LOUGHEED HIGHWAY		BURNABY	BC	V5C6A7				

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages				
	698417343	4	4	16	18				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		05	005		20140729 1403 1462 0537				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Correct Period Years				
	698417343			A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								

Other Change		Other Change							
Reason / Description		Reason / Description							
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
Business Debtor Name								Ontario Corporation Number	
Address		City			Province Postal Code				
Assignor Name		Assignor Name							
Secured Party		Secured party, lien claimant, assignee							
Address		City			Province Postal Code				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
TRAVELERS FINANCE LTD.									
Address		City			Province Postal Code				
500 - 4180 LOUGHEED HIGHWAY		BURNABY			BC V5C6A7				

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Type of Search	Business Debtor								
Search Conducted On	FORTE EPS SOLUTIONS INC.								
File Currency	24JUL 2017								
	File Number	Family	of Families	Page	of Pages				
	698417343	4	4	17	18				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	002		20140730 1436 1462 0842				

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	698417343			A AMNDMNT					
Reference Debtor/ Transferor	First Given Name	Initial	Surname						
	Business Debtor Name	FORTE EPS SOLUTIONS INC.							
Other Change	Other Change								
Reason / Description	Reason / Description DELETE FROM GENERAL COLLATERAL (4) REZNOR GAS HEATERS S/N BBG36Q3N71997X, BBG6603H7190H, BBG66MGN72039X & BBG66MN6N72035X								
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname					
	Business Debtor Name				Ontario Corporation Number				
	Address			City	Province	Postal Code			
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.					
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant TRAVELERS FINANCE LTD.								
	Address			City	Province	Postal Code			
	500 - 4180 LOUGHEED HIGHWAY			BURNABY	BC	V5C6A7			

CONTINUED

Type of Search	Business Debtor
Search Conducted On	FORTE EPS SOLUTIONS INC.

File Currency	24JUL 2017					
	File Number	Family	of Families	Page	of Pages	
	698417343	4	4	18	18	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Cautious Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		02	002		20140730 1436 1462 0842	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	698417343			A AMNDMNT		
Reference Debtor/ Transferor	First Given Name			Initial	Surname	
	Business Debtor Name					
Other Change	Other Change					
Reason / Description	Reason / Description (4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4					
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname	
	Business Debtor Name					
	Address				City	Province Postal Code
Assignor Name	Assignor Name					
Secured Party	Secured party, lien claimant, assignee					
	Address			City	Province	Postal Code
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included
Motor Vehicle Description	Year	Make	Model		V.I.N.	
General Collateral Description	General Collateral Description					
Registering Agent	Registering Agent or Secured Party/ Lien Claimant TRAVELERS FINANCE LTD.					
	Address			City	Province	Postal Code

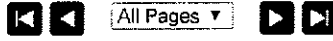


	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC	Code V5C6A7
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LAST PAGE

Note: All pages have been returned.

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TAB F

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Toronto, Ontario M5H 3P5
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Facsimile: 416.867.9192
www.lerners.ca

LERNERS

LAWYERS

June 9, 2017

FILE NUMBER 98795-00007

Albert Geiman Inc.
100 Simcoe Street, Suite 125
Toronto, ON M5H 1L2

Attention: Tom McElroy

Dear Mr. McElroy:

Re: **Forte EPS Solutions Inc. (the "Debtor") and Business Development Bank of Canada ("BDC") and Travelers Leasing Ltd ("Travelers")**

You have advised us that you have been appointed as the proposal trustee in connection with a Notice of Intention to File a Proposal filed by the Debtor under the *Bankruptcy and Insolvency Act* (Canada). You have engaged us to give you our opinion concerning certain security affecting the property of the Debtor.

We have examined copies of the following:

- 1. a General Security Agreement dated January 31, 2013 (the "**GSA**"), granted by the Debtor to BDC;
- 2. a Lease Agreement bearing no. E0195 (the "**Lease**") and a contract of sale of goods ("**Sale Agreement**"), both of which were made between the Debtor (the Lessee and Seller) and Travelers (the Lessor and Buyer), and a "**Delivery and Acceptance Certificate**" related to the Lease, all of which are dated August 1, 2014; and
- 3. a Postponement Agreement dated January 30, 2013 (the "**Postponement**"), granted by North Simcoe Community Futures Development Corporation ("**North Simcoe**") to BDC.

BDC and Travelers are collectively referred to as the "**Secured Creditors**". The GSA and Lease are collectively referred to as the "**Security Agreements**".

Searches Obtained

1. *Corporation Profile Report.* We have obtained a Corporation Profile Report dated June 6, 2017, from the Government of Canada (the "**Federal Corporate Profile Report**") with respect to the Debtor. The Corporate Profile Report confirms that the Debtor was incorporated on October 12, 2011 and lists John Cipressi and Dominic Zita as Directors of the Debtor. The Federal Corporate Profile Report notes that a Certificate of Dissolution was filed on August 14, 2016, and a Certificate of Revival was filed on November 1, 2016. The Debtor has an extra-provincial registration in Ontario. We have obtained a

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Corporation Profile Report from the Ministry of Government Services (Ontario) dated June 6, 2017 (the "Provincial Profile Report").

2. *Certificates of Status.* We have obtained a Certificate of Status dated June 6, 2017, respecting the Debtor issued pursuant to the *Canada Business Corporations Act*. The Certificate of Status confirms that the Debtor exists under the *Canada Business Corporations Act*, has filed the required annual returns, and has paid all prescribed fees required.

3. *Bank Act.* We have obtained a search of registrations against the Debtor under section 427 of the *Bank Act*. The search obtained is dated June 6, 2017, and discloses no registrations.

4. *Personal Property Security Act (Ontario) ("PPSA").* We have obtained a search against the Debtor in the personal property security registration database which is current to June 5, 2017 (the "PPSR Search"). We have also compiled a summary of the registrations (the "PPSR Summary").

5. *Writs of Execution.* We have obtained a Writs of Execution search dated June 6, 2017, against the Debtor. The Writs of Execution search disclosed two registrations against the Debtor in the County of Simcoe (Barrie):

(a) Execution no. 16-0000787 against the Debtor in favour of Pacific High Tech Ltd, issued and filed on May 18, 2016, for the judgment amount of \$448,993 USD and postjudgment interest from April 18, 2016;

(b) Execution no. 17-0000743 against the Debtor in favour of Nova Chemicals (Canada) Ltd, issued and filed on May 17, 2017, for the judgment amount of \$158,130 USD, \$3,553.57 CDN and postjudgment interest from April 13, 2017.

Copies of each search obtained against the Debtor, as well as the PPSR Summary are attached as **Schedule "B"**.

We are advised that the date of the initial bankruptcy event within the meaning of the *Bankruptcy and Insolvency Act* is May 19, 2017.

Security Review

(I) The GSA

The GSA purports to create a security interest in all of the Debtor's "present and after acquired personal property", as more particularly described at paragraph 1.1 of the GSA (the "Collateral"). The GSA purports to secure all present and future indebtedness, liabilities and obligations of the Debtor to BDC, as more particularly described at paragraph 5 of the GSA (the "Obligations"). The GSA also purports to make the Debtor liable for "any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by [BDC]", as more particularly described at paragraphs 11 and 15.3 of the GSA. It purports to be signed on behalf of the Debtor by John Cipressi as CEO.

The GSA also purports to create a purchase money security interest ("PMSI") in the Collateral to the extent that moneys advanced by BDC are used to purchase said Collateral, as more particularly described at paragraph 4 of the GSA. We have not been provided with a delivery and acceptance

certificate and as such are not able to provide an opinion as to whether BDC has a PMSI in any or all of the Collateral.

(II) The Lease

The Lease purports to create a security interest in certain equipment listed at Schedule A to the Lease (the "**Leased Collateral**") to secure the Debtor's obligation to pay monthly rental payments to Travelers (the "**Lease Obligations**"), as defined on the first page and at paragraphs 1 and 5 of the Lease. The Lease also purports to make the Debtor liable for "all loss, cost... and expenses (including actual legal fees and disbursements incurred by Lessor)" and "any and all additional unpaid Rent due", as more particularly described at paragraphs 20 and 23 of the Lease. It purports to be signed on behalf of the Debtor by Domenic Zita as Director.

The Lease also purports to create a PMSI in the Leased Collateral and the proceeds of the Leased Collateral, as more particularly described at paragraph 36 of the Lease. We are of the opinion that the Lease together with the Sale Agreement made between the Debtor and Travelers for the Leased Collateral constitutes a "sale and lease back" transaction. Sale and lease back transactions are precluded from creating a "purchase-money security interest" as that term is defined at subsection 1(1) of the PPSA. Accordingly, (and based on documents provided to date) it does not appear that Travelers has a valid PMSI in the Leased Collateral.

(III) The Postponement

The Postponement refers to a security agreement purportedly granted by the Debtor to North Simcoe and registered under the PPSA as file no. 678306825 (the "**North Simcoe Security**") and a security agreement purportedly granted by the Debtor to BDC and registered under the PPSA as file no. 684369324 (the "**BDC Security**"). The Postponement purports to subordinate and postpone the North Simcoe Security to and in favour of the BDC Security. It purports to be signed on behalf of North Simcoe by Debra Muenz as President and General Manager.

(IV) The PPSR Search

The PPSR Search discloses the registration of a financing statement made May 10, 2012, by North Simcoe against the Debtor, bearing file number 678306825 (the "**North Simcoe Registration**") and is further described in the PPSR Summaries attached. As North Simcoe has purported to subordinate its Security to BDC, we do not express an opinion of the validity and enforceability of the North Simcoe Registration.

The PPSR Search discloses the registration of a financing statement made January 29, 2013, by BDC against the Debtor, bearing file number 684369324 (the "**BDC Registration**") and is further described in the PPSR Summaries attached.

The PPSR Search discloses the registration of a financing statement made February 1, 2013, by Western Ontario Community Futures Development Corporation Inc ("**SOFFI**") against the Debtor, bearing file number 684459225 (the "**SOFFI Registration**") and is further described in the PPSR Summaries attached. We have not been provided with the security documents, or any other evidence in support of the SOFFI Registration, and as such, do not express an opinion on the validity and enforceability of the SOFFI Registration.

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The PPSR Search discloses the registration of a financing statement made July 29, 2014, by Travelers against the Debtor, bearing file number 698417343 (the "Travelers Registration") and is further described in the PPSR Summaries attached.

Opinion

Based upon and relying solely on the foregoing and subject to the assumptions and qualifications hereinafter mentioned, we are of the opinion that:

1. Registration has been made in all public offices provided for under the laws of the Province of Ontario where such registration is necessary to preserve, protect or perfect the security interest created by the Security Agreements.
2. The Security Agreements create valid security interests in favour of the Secured Creditors in the Debtor's interest in the Collateral and Leased Colateral to secure payment and performance of the Obligations and Lease Obligations. However, we note that in addition to the qualifications and assumptions in Schedule "A", this opinion is subject to confirmation that the Security Agreements are genuinely signed by an authorizing signing officer of the Debtor.
3. As noted above, we express no opinion on whether BDC has a PMSI in any or all of the Collateral.
4. As noted above, it appears Travelers' security was obtained through a sale and lease back which, pursuant to section 1 of the PPSA, cannot create a PMSI.

With reference to the opinion expressed in subparagraph 2 above, it is to be noted that there are a number of other registrations to which the security interests under the Security Agreements are/may be subject, the details of which are set out in the search summary mentioned above. Our comments on these registrations are included in the summary.

The opinions expressed herein are subject to the assumptions and qualifications in **Schedule "A"** hereto.

We confirm that we are not acting for the Secured Creditor in connection with this matter.

This opinion has been delivered to you solely in connection with the matters set out herein and is not to be relied upon for any other purpose. Without our prior written consent, this opinion letter, together with the opinions expressed herein, may not be:

- (a) relied upon by any other party; or
- (b) quoted from, used or circulated in whole or in part or otherwise referred to in any manner.

Yours very truly,



Schedule "A"

1. Assumptions

For the purpose of the opinions expressed in the attached letter, we have assumed:

- (a) the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified, notarial or photostatic copies;
- (b) the accuracy and currency of the public records searched by us as referred to herein, including without limitation the accuracy of the PPSA search mentioned above in setting out the particulars of the Financing Statement;
- (c) the identity and the legal capacity of individuals signing any documents.

We have further assumed that:

- (d) Each of the Security Agreements are a valid and binding obligation of each of the parties thereto other than the Debtor;
- (e) the Financing Statements were properly executed by or on behalf of the Secured Creditors;
- (f) any uncertified corporate documents and proceedings which have examined are true and correct copies of such documents and proceedings which were in full force and effect at all relevant times;
- (g) value for each of the Security Agreements has been given by the Secured Creditor and each of the Security Agreements were delivered by the Debtor free from any subsisting condition;
- (h) the Secured Creditors did not know, and had no reason to suspect, of any deficiency of the nature mentioned in paragraph O below.

2. Qualifications

The opinions expressed in the attached letter are subject to the following qualifications:

- (a) The enforceability of each of the Security Agreements is subject to any applicable bankruptcy, insolvency, reorganization, receivership, moratorium, arrangements, winding-up and other similar laws of general application affecting the enforcement of creditors' rights generally.
- (b) We are qualified to practice law only in the Province of Ontario and the opinions expressed in the attached letter are confined to the laws of the Province of Ontario and federal laws of Canada applicable in that province. In particular, to the extent that the laws of Ontario would require the application of the laws of any other jurisdiction, no

opinion is expressed as to the laws of such other jurisdiction. Our opinion does not relate to any property situate outside Ontario (whether now or at the time the Debtor acquired rights therein) or as to the effectiveness of the Security Agreement to the extent it relates to any such property.

We have not received copies of the articles or bylaws of the Debtor or any internal corporate proceedings to confirm that each of the Security Agreements was within the Debtor's corporate power and that it was properly authorized, executed and delivered by proper signing authorities on behalf of the Debtor. However, pursuant to the *Business Corporations Act* (Ontario), the "indoor management" rule provides that any non-compliance with the articles or any lack of or defect in the authority given to the signing officers of the Debtor in respect of any of the Security Agreements may not be asserted against the Secured Creditors, except if the Secured Creditors knew of the deficiency or, by virtue of their relationship to the Debtor, ought to have known of it. No actual deficiency has come to our attention.

- (c) We express no opinion on the amount or the validity of the Obligations and Lease Obligations.
- (d) The security interests under the Security Agreements do not attach to certain types of collateral, for example rights where the granting of a security interest therein would constitute a breach of the agreement granting those rights.
- (e) We have not been given any notices or acknowledgements prescribed in part VII of the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of federal Crown debts (other than amounts owing to the Debtor under the *Income Tax Act* (Canada)) which does not comply with that Act is ineffective as between the assignor and the assignee and as against the Crown.
- (f) We express no opinion as to whether a security interest may be created in:
 - (i) property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively, "Special Property") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given; or
 - (ii) permits, quotas or licences which are held by or issued to the Debtor.
- (g) We express no opinion as to any security interest created by the Security Agreement with respect to any property of the Debtor that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Debtor that are not identifiable or traceable.
- (h) We express no opinion as to the creation or perfection of any security interest in any property or assets governed by the *Canada Shipping Act*, the *Canada Transportation Act* or the *Railways Act* (Ontario).

- (i) We express no opinion as to whether the Debtor has title to or any rights in the Collateral or Leased Collateral.
- (j) We express no opinion as to the ranking of any security interest, mortgage, charge or other interest created by the Security Agreements as against any interests held by other claimants.
- (k) We express no opinion with respect to the creation or perfection of any security interest to which the PPSA does not apply including an interest or claim in or under any policy of insurance or contract of annuity.
- (l) Our opinion does not relate to any consumer goods (within the meaning of the PPSA).
- (m) We have not received the corporate records of the Debtor and as such have not reviewed or relied upon them.
- (n) Except as expressly set forth in our opinion (and notwithstanding the definition of "Collateral" or "Leased Collateral"), our opinion does not relate to any real property or any interest therein.
- (o) We have not considered whether there are circumstances which may give rise to the possibility of the Loan Documents being set aside under provincial fraudulent preference and conveyance laws.

Federal Corporation Information

Federal Corporation Information - 799660-8

Corporation Number

799660-8

Business Number (BN)

849883707RC0001

Corporate Name

FORTE EPS SOLUTIONS INC.

Status

Active

Governing Legislation*Canada Business Corporations Act - 2011-10-12***Registered Office Address**

16567 HIGHWAY 12
MIDLAND ON L4R 4K3
Canada

Directors**Minimum 1****Maximum 10**

- John Cipressi
72 BOURGEOIS BEACH ROAD
VICTORIA HARBOUR ON L0K 2A0
Canada
- DOMINIC ZITA
2385 ERIN CENTRE BLVD.
MISSISSAUGA ON L5M 5B2
Canada

Annual Filings**Anniversary Date (MM-DD)**

10-12

Date of Last Annual Meeting

2016-11-03

Annual Filing Period (MM-DD)

10-12 to 12-11

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

- 2017 - Not due
- 2016 - Filed
- 2015 - Filed

Corporate History

Corporate Name History

2011-10-12 to Present	FORTE EPS SOLUTIONS INC.
-----------------------	--------------------------

Certificates and Filings

Certificate of Incorporation

2011-10-12

Certificate of Dissolution

2016-08-14

Certificate of Revival

2016-11-01

Date Modified: 2017-05-04

Date of Search: 2017-06-06

Request ID: 020340274
Transaction ID: 64671522
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/06. ---
Time Report Produced: 09:54:26
Page: 1

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Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1885468	FORTE EPS SOLUTIONS INC.	2011/10/12
		Jurisdiction
		CANADA
Corporation Type	Corporation Status	Former Jurisdiction
FEDERAL CORP WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
JOHN CIPRESSI 16567 HIGHWAY 12	NOT APPLICABLE	NOT APPLICABLE
MIDLAND ONTARIO CANADA L4R 4K3	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Principal Place of Business in Ontario		Letter Date
JOHN CIPRESSI 16567 HIGHWAY 12		NOT APPLICABLE
MIDLAND ONTARIO CANADA L4R 4K3	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	2011/10/12	NOT APPLICABLE

Request ID: 020340274
Transaction ID: 64671522
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/06/
Time Report Produced: 09:54:26
Page: 2

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Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1885468

FORTE EPS SOLUTIONS INC.

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

JOHN

72 BOURGEOIS BEACH ROAD

CIPRESSI

VICTORIA HARBOUR
ONTARIO
CANADA L0K 2A0

Date Began

First Director

2011/10/12

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER/MANAGER IN ONT.

NOT APPLICABLE

Request ID: 020340274
Transaction ID: 64671522
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/06
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Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1885468	FORTE EPS SOLUTIONS INC.

Last Document Recorded		Form	Date
Act/Code	Description		
CIA	INITIAL RETURN	2	2013/01/31

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.



Certificate of Compliance

Canada Business Corporations Act
s. 263.1

Certificat de conformité

Loi canadienne sur les sociétés par actions
art. 263.1

FORTE EPS SOLUTIONS INC.

Corporate name / Dénomination sociale

799660-8

Corporation number / Numéro de société

I HEREBY CERTIFY that the corporation
named above:

- exists under the *Canada Business Corporations Act*;
- has filed the required annual returns; and
- has paid all prescribed fees required.

JE CERTIFIE, par la présente, que la société ci-
dessus mentionnée :

- existe en vertu de la *Loi canadienne sur les sociétés par actions*;
- a déposé les rapports annuels exigés; et
- a acquitté les droits prescrits.

Virginie Ethier

Director / Directeur

2017-06-06

Issuance date (YYYY-MM-DD)
Date d'émission (AAAA-MM-JJ)

Confirmation Letter / Lettre de confirmation

D+H Limited Partnership / D+H Société en commandite
Suite 200, 4126 Norland Avenue, Burnaby, BC V5G 3S8

Authorized Section 427 Bank Act Registrar / Bureau d'enregistrement autorisé conformément à l'article 427 de la Loi sur les banques.

Kim Franklin
Thomson Reuters Canada Limited
333 Bay Street, Suite 400
Toronto, Ontario
M5H 2R2

2017/06/06 07:02:33 AM PDT

Ref / Objet: 04069363

Tel/Tél: 1-416-595-9522 / 1-416-687-7616
Fax/Télécopie: 1-416-348-0031
e-Mail/Courriel: info@cyberbahn.ca

Acct# 7285

Dear Sir / Madam

Monsieur / Madame

Re: **Bank Act Security - Section 427**

Objet: **Garanties données en vertu de la Loi sur les banques - article 427**

We have processed your request(s) and hereby confirm the following results: (*see below).

Nous avons donné suite à votre (vos) demande(s) et nous vous faisons part des résultats suivants: (* voir ci-dessous).

REFERENCE

REFERENCE

(2) A search has been made of the notices of intention to give security under the Bank Act registered in the province of Ontario. As at the date and time above, our records indicate the following.

(2) Nous avons examiné les préavis qui se rapportent aux garanties données en vertu de la Loi sur les banques et qui sont enregistrés pour la province de: Ontario. À la date et à l'heure indiquées ci-dessus.

Your search for the company

Votre recherche pour la société

FORTE EPS SOLUTIONS INC.

FORTE EPS SOLUTIONS INC.

returns the following results:

révèle les résultats suivants:

Type	Registration Name	Address	Date	Expires	Number	Bank
Type	Enregistrement au nom	Adresse	Date	Expires	Numéro	Banque
	de					

(2) No matches were found / Aucune donnée correspondante au registre

For Registrar / Pour le Régistraire

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 6/7/2017
File Currency Date: 06/05/2017
Family(ies): 4
Page(s): 20

SEARCH : Business Debtor : FORTE EPS SOLUTIONS INC.
Report Type: PPSA VERO
Transaction ID: 10794197

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

THIS SEARCH DOES NOT CONSTITUTE A CERTIFICATE PURSUANT TO SECTIONS 43 AND 44 OF THE PPSA.
A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
IN RESPECT OF THE FOLLOWING:

Note: Viewing of this report is optimized in landscape mode.

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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

SEARCH : Business Debtor : FORTE EPS SOLUTIONS INC.

Report Type: PPSA VERO

Transaction ID: 10794197

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
PAGE : 1

THIS SEARCH DOES NOT CONSTITUTE A CERTIFICATE PURSUANT TO SECTIONS 43 AND 44 OF THE PPSA. A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

ENQUIRY NUMBER 20170606095542.67 CONTAINS 20 PAGE(S), 4 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

TRANSACTIONID=10794197

CONTINUED... 2

RUN NUMBER : 157
 RUN DATE : 2017/06/06
 ID : 20170606095542.67
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 05JUN 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
 PAGE : 2

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 007 20140729 1012 1462 0374 P PPSA 7

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
 ADDRESS 16567 HIGHWAY 12 MIDLAND ON L4R4K3
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

BUSINESS NAME BUSINESS NAME
 ADDRESS ADDRESS
 TRAVELERS LEASING LTD. ONTARIO CORPORATION NO.

SECURED PARTY / ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 LIEN CLAIMANT TRAVELERS LEASING LTD.

COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 GOODS X V.I.N.

YEAR MAKE MODEL
 MOTOR (4) REZNOR GAS HEATERS S/N BGC36Q3N71997X, BGC6603H7190H,
 VEHICLE BGC66MGN72039X & BGC66MGN72035X
 GENERAL (1) USED INFRA MODEL 3000-A UNIVERSAL AUTOMATIC MOULDING &
 COLLATERAL TRAVELERS LEASING LTD.
 DESCRIPTION REGISTERING
 AGENT ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 3

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
698417343
CAUTION PAGE TOTAL MDTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE UNDER PERIOD
03 007 20140729 1012 1462 0374 P PPSA 7

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02 DEBTOR BUSINESS NAME ONTARIO CORPORATION NO.

03 NAME ADDRESS
04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

05 DEBTOR BUSINESS NAME
06 NAME ADDRESS ONTARIO CORPORATION NO.

07 SECURED PARTY /
08 LIEN CLAIMANT ADDRESS
09 COLLATERAL CLASSIFICATION

10 CONSUMER
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED
MATURETY OR MATURETY DATE
YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE (1) TECHNODINAMICA CONTOUR TD400/1 CUTTER S/N 20133500
13 GENERAL (1) MICRO RECYCLING "IN-A-BOX" S/N 14012467
14 COLLATERAL (1) EPS MACHINE GREENMAX A-C100 S/N 131108
15 DESCRIPTION TRAVELERS LEASING LTD.
16 REGISTERING

17 AGENT ADDRESS 500 - 4180 LOUHEED HIGHWAY BURNABY BC V5C6A7
*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 5

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
 FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 04 007 20140729 1012 1462 0374 P PPSA 7

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME
 ADDRESS INITIAL SURNAME
 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME
 ADDRESS
 SECURED PARTY /
 LIEN CLAIMANT ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 YEAR MAKE MODEL V.I.N. MATURITY OR MATURITY DATE

11 MOTOR 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 12 VEHICLE
 13 GENERAL (1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE
 14 COLLATERAL S/N 0714548
 15 DESCRIPTION (1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N BMA700
 16 REGISTERING TRAVELERS LEASING LTD.
 17 AGENT

CONTINUED...

RUN NUMBER : 157
 RUN DATE : 2017/06/06
 ID : 20170606095542.67
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 05JUN 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
 PAGE : 6

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 05 007 20140729 1012 1462 0374 P PPSA 7

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME ONTARIO CORPORATION NO.

ADDRESS FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.

DATE OF BIRTH BUSINESS NAME ONTARIO CORPORATION NO.

ADDRESS BUSINESS NAME ONTARIO CORPORATION NO.

ADDRESS BUSINESS NAME ONTARIO CORPORATION NO.

COLLATERAL CLASSIFICATION ADDRESS
 CONSUMER

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 Maturity OR Maturity Date

YEAR MAKE MODEL V.I.N.

11 MOTOR
 12 VEHICLE
 13 GENERAL TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS,
 14 COLLATERAL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS THERETO,
 15 DESCRIPTION AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM
 16 REGISTERING TRAVELERS LEASING LTD.

17 AGENT ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 7

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
698417343

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES NO. OF PAGES SCHEDULE 20140729 1012 1462 0374 P PPSA 7
 01 DATE OF BIRTH 06 007 007 FIRST GIVEN NAME INITIAL SURNAME PERIOD

02 DEBTOR BUSINESS NAME ONTARIO CORPORATION NO.
 03 NAME ADDRESS
 04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
 05 DEBTOR BUSINESS NAME ONTARIO CORPORATION NO.
 06 NAME ADDRESS
 07 SECURED PARTY / ADDRESS
 08 LIEN CLAIMANT ADDRESS
 09 COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 YEAR MAKE MODEL V. I. N.

11 MOTOR
 12 VEHICLE
 13 GENERAL ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS OF THE
 14 COLLATERAL COLLATERAL AND A RIGHT TO ANY INSURANCE PAYMENT OR OTHER PAYMENT
 15 DESCRIPTION THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE
 16 REGISTERING TRAVELERS LEASING LTD.
 17 AGENT ADDRESS 500 - 4180 LOUHEED HIGHWAY BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 8

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
 FILE NUMBER
 698417343

00	CAUTION FILING	PAGE NO. OF PAGES	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	07	007	007	20140729 1012 1462 0374	20140729 1012 1462 0374	P PPSA	7

01 DATE OF BIRTH : 07
 FIRST GIVEN NAME :
 INITIAL :
 SURNAME :

02 DEBTOR :
 03 NAME :
 BUSINESS NAME :
 ADDRESS :
 DATE OF BIRTH :
 FIRST GIVEN NAME :
 INITIAL :
 SURNAME :

04 DEBTOR :
 05 NAME :
 BUSINESS NAME :
 ADDRESS :
 DATE OF BIRTH :
 FIRST GIVEN NAME :
 INITIAL :
 SURNAME :

06 DEBTOR :
 07 NAME :
 BUSINESS NAME :
 ADDRESS :
 DATE OF BIRTH :
 FIRST GIVEN NAME :
 INITIAL :
 SURNAME :

08 COLLATERAL CLASSIFICATION :
 09 CONSUMER :
 GOODS :
 INVENTORY :
 EQUIPMENT :
 ACCOUNTS :
 OTHER :
 INCLUDED :
 MOTOR VEHICLE :
 AMOUNT :
 DATE OF :
 MATURITY :
 OR :
 MATURITY DATE :

10 YEAR MAKE :
 MODEL :
 V. I. N. :

11 MOTOR :
 12 VEHICLE :
 13 GENERAL :
 14 COLLATERAL :
 15 DESCRIPTION :
 16 REGISTERING :
 AGENT :

17 ADDRESS :
 500 - 4180 LOUGHEED HIGHWAY
 BURNABY BC V5C6A7
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 9

RUN NUMBER : 157
 RUN DATE : 2017/06/06
 ID : 20170606095542.67
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 05JUN 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : P5SR060
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FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL MOTOR VEHICLE REGISTRATION NUMBER	REGISTERED UNDER
01	01	005	20140729 1403 1462 0537
21	RECORD REFERENCED	FILE NUMBER 698417343	
22		PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED A AMENDMENT INITIAL SURNAME	RENEWAL YEARS CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME FORTE EPS SOLUTIONS INC.	
25	OTHER CHANGE		
26	REASON/ DESCRIPTION	AMEND S/N ON EQUIPMENT IN GENERAL DESCRIPTION #12	
27			
28			
02/	DEBTOR/ TRANSFEREE	DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME	
03/		BUSINESS NAME	
06		ADDRESS	
04/07	ASSIGNOR		
29	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE		ONTARIO CORPORATION NO.
08			
09	COLLATERAL CLASSIFICATION	ADDRESS	
	CONSUMER		
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE DATE OF MATURITY OR NO FIXED MATURITY DATE
10			
11	MOTOR VEHICLE	YEAR MAKE MODEL	V.I.N.
12	GENERAL COLLATERAL	(4) REZNOR GAS HEATERS S/N BGG36Q3N71997X, BGG6603H7190H, BGG66MGN72039X & BGG66MGN72035X	
13	DESCRIPTION	(1) USED INFRA MODEL 3000-A UNIVERSAL AUTOMATIC MOULDING & TRAVELERS FINANCE LPD.	
14	REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT	ADDRESS 500 - 4180 LOUGHEED HIGHWAY	BURNABY BC V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

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RUN NUMBER : 157
 RUN DATE : 2017/06/06
 ID : 2017060609542.67
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 05JUN 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
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FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 RECORD FILE NUMBER 20140729 1403 1462 0537
 REFERENCED PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 A AMENDMENT YEARS PERIOD
 FIRST GIVEN NAME INITIAL SURNAME
 23 REFERENCE
 24 DEBTOR/ BUSINESS NAME
 TRANSFEROR
 25 OTHER CHANGE
 26 REASON/
 27 DESCRIPTION
 28
 02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR/
 03/ TRANSFEREE BUSINESS NAME
 06
 04/07 ADDRESS
 29 ASSIGNOR
 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
 08
 09 ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF NO FIXED
 AMOUNT MATURITY OR MATURITY DATE
 YEAR MAKE MODEL V.I.N.
 11 MOTOR
 12 VEHICLE
 13 GENERAL LAMINATING MACHINE S/N 288
 14 COLLATERAL (4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2,
 15 DESCRIPTION M15684-MVA-3 & M15684-MVA-4
 16 REGISTERING AGENT OR TRAVELERS FINANCE LTD.
 17 SECURED PARTY/ ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 LIEN CLAIMANT

ONTARIO CORPORATION NO.

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

RUN NUMBER : 157
 RUN DATE : 2017/06/06
 ID : 20170606095542.67
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED DN : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 05JUN 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : PSSR060
 PAGE : 11

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 03 005 20140729 1403 1462 0537
 2.1 RECORD FILE NUMBER 698417343
 REFERENCED PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 A AMENDMENT YEARS PERIOD
 22 FIRST GIVEN NAME INITIAL SURNAME
 23 REFERENCE
 24 DEBTOR/ BUSINESS NAME
 TRANSFEROR
 25 OTHER CHANGE
 26 REASON/
 27 DESCRIPTION
 28
 02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR/
 03/ TRANSFEREE BUSINESS NAME
 06
 04/07 ADDRESS
 29 ASSIGNOR
 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
 08
 09 ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER MOTOR VEHICLE DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE
 10
 YEAR MAKE MODEL V.I.N.
 11 MOTOR
 12 VEHICLE
 13 GENERAL (1) TECHNODINAMICA CONTOUR TD400/1 CUTTER S/N 20133500
 14 COLLATERAL (1) MICRO RECYCLING "IN-A-BOX" S/N 14012467
 15 DESCRIPTION (1) EPS MACHINE GREENMAX A-C100 S/N 131108
 16 REGISTERING AGENT OR TRAVELERS FINANCE LTD.
 17 SECURED PARTY/ ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 LIEN CLAIMANT

ONTARIO CORPORATION NO.

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 12

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PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	04	005	20140729 1403 1462 0537		

RECORD REFERENCED	FILE NUMBER	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
21	698417343			A AMENDMENT		

REFERENCE	DEBTOR/ TRANSFEROR	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME
23					
24					
25					
26					
27					
28					

DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02/05				
03/06				
04/07				

ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ADDRESS
29		
08		
09		

COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE	DATE OF MATURITY	NO FIXED MATURITY DATE
10									
11									
12									
13									
14									
15									
16									
17									

YEAR MAKE MODEL V.I.N.

(1) UNITED "SMART 1" TABLE MODEL ELECTROMECHANICAL TESTING MACHINE

S/N 0714548

(1) HIRSCH MOVICON X MONOLITH E4 PLATFORM S/N 1W1360022634

REGISTERING AGENT OR TRAVELERS FINANCE LTD.

SECURED PARTY/ ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7

LIEN CLAIMANT

ONTARIO CORPORATION NO.

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

87

RUN NUMBER : 157
 RUN DATE : 2017/06/06
 ID : 20170606095542.67
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 05JUN 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

REPORT : P5SR060
 PAGE : 13

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 RECORD FILE NUMBER 20140729 1403 1462 0537
 21 REFERENCED PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 A AMENDMENT INITIAL SURNAME PERIOD
 22 REFERENCE FIRST GIVEN NAME
 23 DEBTOR/ BUSINESS NAME
 24 TRANSFEROR
 25 OTHER CHANGE
 26 REASON/
 27 DESCRIPTION
 28
 02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR/
 03/ TRANSFEREE BUSINESS NAME
 06
 04/07 ADDRESS
 29 ASSIGNOR
 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
 08
 09 ADDRESS
 COLLATERAL CLASSIFICATION
 CONSUMER MOTOR VEHICLE DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE
 10 YEAR MAKE MODEL V.I.N.
 11 MOTOR
 12 VEHICLE
 13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION
 16 REGISTERING AGENT OR TRAVELERS FINANCE LTD.
 17 SECURED PARTY/ ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 LIEN CLAIMANT

ONTARIO CORPORATION NO.

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 14

88

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	01	002	20140730	1436 1462	0842
21	RECORD REFERENCED	FILE NUMBER	698417343		
22		PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS
23	REFERENCE		FIRST GIVEN NAME	A AMENDMENT	CORRECT PERIOD
24	DEBTOR/TRANSFEROR	BUSINESS NAME	FORTE EPS SOLUTIONS INC.	INITIAL	SURNAME
25	OTHER CHANGE				
26	REASON/	DELETE FROM GENERAL COLLATERAL			
27	DESCRIPTION	(4) REZINOR GAS HEATERS S/N BGG36Q3N71997X, BGG6603H7190H, BGG66MGNT2039X & BGG66MGN72035X			
28	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
02/					
05	DEBTOR/	BUSINESS NAME			
03/	TRANSFEREE				
06		ADDRESS			
04/07					
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			
08					ONTARIO CORPORATION NO.
09		ADDRESS			
		CONSUMER			
		GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	AMOUNT	DATE OF MATURITY OR MATURITY DATE
10		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	TRAVELERS FINANCE LTD.			
17	SECURED PARTY/LIEN CLAIMANT	ADDRESS	500 - 4180 LOUGHEED HIGHWAY	BURNABY	BC V5C6A7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

89

RUN NUMBER : 157
 RUN DATE : 2017/06/06
 ID : 201706095542.67
 TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
 FILE CURRENCY : 05JUN 2017

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 RECORD FILE NUMBER 698417343 20140730 1436 1462 0842
 REFERENCED

PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 A AMENDMENT YEARS PERIOD
 22 FIRST GIVEN NAME INITIAL SURNAME
 23 REFERENCE
 24 DEBTOR/ BUSINESS NAME
 TRANSFEROR
 25 OTHER CHANGE
 26 REASON/ (4) ENGINEERED AIR MAKE UP UNITS S/N M15684-MVA-1, M15684-MVA-2,
 27 DESCRIPTION M15684-MVA-3 & M15684-MVA-4
 28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR/
 03/ TRANSFEREE BUSINESS NAME
 06
 04/07 ADDRESS
 29 ASSIGNOR
 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
 08
 09 ADDRESS

COLLATERAL CLASSIFICATION
 CONSUMER
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT Maturity OR Maturity DATE
 YEAR MAKE MODEL V.I.N.
 11 MOTOR
 12 VEHICLE
 13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION
 16 REGISTERING AGENT OR TRAVELERS FINANCE LTD.
 17 SECURED PARTY/ ADDRESS 500 - 4180 LOUGHEED HIGHWAY BURNABY BC V5C6A7
 LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 16

ONTARIO CORPORATION NO.

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY SEARCH RESPONSE

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
 FILE NUMBER
 684369324
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES NO. OF PAGES SCHEDULE 20130129 1001 1862 7549 P PPSA UNDER PERIOD
 01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME 9
 02 DEBTOR BUSINESS NAME FORTE EPS SOLUTIONS INC. ONTARIO CORPORATION NO.
 03 NAME ADDRESS 16567 HWY 12 MIDLAND ON L4R 4K8
 04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 05 DEBTOR BUSINESS NAME BUSINESS DEVELOPMENT BANK OF CANADA ONTARIO CORPORATION NO.
 06 NAME ADDRESS 151 FERRIS LANE, P. O. BOX 876 BARRIE ONT L4M 4Y6
 07 SECURED PARTY / ADDRESS
 08 LIEN CLAIMANT BUSINESS DEVELOPMENT BANK OF CANADA
 09 COLLATERAL CLASSIFICATION ADDRESS 151 FERRIS LANE, P. O. BOX 876 BARRIE ONT L4M 4Y6
 10 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 X X X X X X X
 YEAR MAKE MODEL V.I.N.
 11 MOTOR
 12 VEHICLE
 13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION
 16 REGISTERING GEORGE G. CAMERON, HGR GRAHAM PARTNERS LLP
 17 AGENT ADDRESS STE 107, 190 CUNDLES ROAD EAST BARRIE ONT L4M 4S5
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 18

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PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01			REGISTRATION		
			NUMBER		
31	RECORD	FILE NUMBER	20150428 1718 1626 7025	RENEWAL YEARS	5
	REFERENCED	CHANGE REQUIRED	B RENEWAL		
32	INDIVIDUAL DEBTOR				
33	BUSINESS DEBTOR	FORTE EPS SOLUTIONS INC.		ONTARIO CORPORATION NO.	
	SECURED PARTY/LIEN CLAIMANT/REGISTERING AGENT				
08/16	NAME	NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION			
09/17	ADDRESS	P.O. BOX 8, 105 FOURTH STREET, UNIT B MIDLAND		ON	L4R4K6

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 20

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REPORT : PSSR060
PAGE : 20

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY SEARCH RESPONSE

RUN NUMBER : 157
RUN DATE : 2017/06/06
ID : 20170606095542.67
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : FORTE EPS SOLUTIONS INC.
FILE CURRENCY : 05JUN 2017

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
698417343	20140729 1012 1462 0374	20140729 1403 1462 0537	20140730 1436 1462 0842	
684459225	20130201 0942 1200 1699			
684369324	20130129 1001 1862 7549			
678306825	20120510 1738 1626 4104	20150428 1718 1626 7025		

7 REGISTRATIONS(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

PPSA Summary Chart – Forte EPS Solutions Inc.

Current to June 5, 2017

File No.	Registration No.	Regin. Period	Debtor	Secured Creditor	Collateral											
					CG	In	Eq	Ac	oth	MV						
678306825	20120510 1738 1626 4104	3 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L4R 4P4	North Simcoe Community Development Corporation PO Box 8, 224 Cranston Cr. Midland, ON L4R 4K6			X									Secured Amount: \$150,000 Date of Maturity: May 1, 2015 Manufacturing machinery and equipment related to the production of expanded polystyrene products.
	20150428/ 1718 1626 7025		Renewal 5 years													
684369324	20130129 1001 1862 7549	9 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L4R 4K8	Business Development Bank of Canada 151 Ferris Lane, PO Box 876 Barrie, ON L4M 4Y6		X	X	X	X	X	X					
684459225	20130201 0942 1200 1699	6 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L4R 4K8	Western Ontario Community Development Corporation Inc. 330 West St., Unit 10 Brantford, ON N3R 7V5		X	X	X	X	X	X					No fixed maturity date.
698417343	20140729 1012 1462 0374	7 years	Forte EPS Solutions Inc. 16567 Highway 12 Midland, ON L4R 4K8	Travelers Leasing Ltd. 500 – 4180 Loughheed Highway Bunaby, BC V5C 6A7			X									(4) Reznor gas heaters S/N BGG36Q3N71997X, BGG6603H7190H, BGG66MGN72039X & BGG66MN6N72035X; (1) Used infra model 3000-A universal automatic moulding & laminating machine S/N 288 (4) engineered air make up units S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4; (1) Technodinamica contour TD400/1 cutter S/N 20133500; (1) Micro

File No.	Registration No.	Regin. Period	Debtor	Secured Creditor	Collateral
					<p>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 BMA700; together with all attachments, accessories, replacements, substitutions, additions, and improvements thereto, and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral or proceeds of the collateral and a right to any insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.</p>
	20140729 1403 1462 0537		Amend General Description.	Collateral	<p>(4) Reznor gas heaters S/N BBG36Q3N71997X, BBG6603H7190H, & BBG66MGNT2039X; (1) Used BBG66MN6N72035X; (1) Used infra model 3000-A universal automatic moulding & laminating machine S/N 288 (4) engineered air make up units S/N M15684-MVA-1, M15684-MVA-2, M15684-MVA-3 & M15684-MVA-4; (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</p>

File No.	Registration No.	Regin. Period	Debtor	Secured/Creditor	Collateral						
					CG	In	Eq	Ac	Oth	MV	
	20140730 1436 1462 0842				S/N 1W1360022634						
					Delete: (4) Reznor gas heaters S/N BGG36Q3N71997X, BGG6603H7190H, BGG66MGN72039X & BGG66MN6N72035X;						

4559707.1

Writs of Execution

OWL - Ontario Writs Locator(TM) Report

Date of Search:

June 06, 2017

Name Searched:

FORTE EPS SOLUTIONS INC.

The following writs of execution were retrieved:

ENFORCEMENT OFFICE: BARRIE

WRIT NUMBER:

16-0000787

17-0000743

333 Bay Street, Suite 400
Toronto, Ontario, M5H 2R2
T 416.306.3070 1.800.267 0183
F 416.348.0031
www.carswelllegalsolutions.com



WRIT DETAILS REPORT / RAPPORT DES DÉTAILS DU BREF

SHERIFF OF / SHÉRIF DE : COUNTY OF SIMCOE (BARRIE)

CERTIFICATE # / N° DE CERTIFICAT : 31440195-6713636B

DATE OF CERTIFICATE / DATE DU CERTIFICAT : 2017-JUN-06

SHERIFF'S STATEMENT

IT IS HEREBY CERTIFIED THAT THE INFORMATION CONTAINED BELOW IS A TRUE REPRESENTATION OF INFORMATION WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE EXECUTION ACT, AT THE TIME OF THE REPORT REQUEST.

DÉCLARATION DU SHÉRIF

IL EST CERTIFIÉ, PAR LA PRÉSENTE, QUE LES RENSEIGNEMENTS CI-APRÈS REPRODUISENT EXACTEMENT L'INFORMATION CONTENUE DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA LOI SUR L'EXÉCUTION FORCÉE AU MOMENT DE LA DEMANDE DE RAPPORT.

FILE DETAILS / DÉTAILS DU DOSSIER

EXECUTION # / N° D'EXÉCUTION FORCÉE : 16-0000787
ISSUE DATE / DATE DE DÉLIVRANCE : 2016-MAY-18
EFFECTIVE DATE / DATE DE PRISE D'EFFET : 2016-MAY-19
COURT FILE OR REFERENCE # / N° DE DOSSIER DU TRIBUNAL OU DE RÉFÉRENCE : CV-16-545247
COURT TYPE / TYPE DE TRIBUNAL : SCJ - CIVIL
JURISDICTION / TERRITOIRE DE COMPÉTENCE : TORONTO

DEBTOR SEARCH NAME(S) / NOM(S) DU(DES) DÉBITEUR(S) RECHERCHÉ(S)

#	DEBTOR TYPE / TYPE DE DÉBITEUR	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
1.	COMPANY / SOCIÉTÉ	FORTE EPS SOLUTIONS INC.

PARTY DETAILS / COORDONNÉES DES PARTIES**DEFENDANT / DÉFENDEUR**

1.	NAME / NOM	FORTE EPS SOLUTIONS INC.
	ADDRESS / ADRESSE :	16567 HWY 12 PO BOX 245, MIDLAND, ONTARIO, L4R 4K8

CREDITOR / CRÉANCIER C/O LAWYER/AGENT / A/S PROCUREUR/AGENT

1.	COMPANY / SOCIÉTÉ	PACIFIC HIGH TECH LTD.
----	-------------------	------------------------

ADDRESS / ADRESSE :	C/O FOGLER, RUBINOFF LLP 77 KING STREET WEST P.O. BOX 95, SUITE 3000, TORONTO, ONTARIO, M5K 1G8	(6)
TELEPHONE / TÉLÉPHONE :	4168649700	
FAX / TÉLÉCOPIEUR :	4169418852	

LAWYER/AGENT / PROCUREUR/AGENT SAME AS FIRST CREDITOR / MÊME QUE LE PREMIER CRÉANCIER

NAME / NOM	MACDOUGALL, W. ROSS
FIRM NAME / NOM DE L'ENTREPRISE	FOGLER, RUBINOFF LLP
ADDRESS / ADRESSE	77 KING STREET WEST TD CENTRE NORTH TOWER P.O. BOX 95, SUITE 3000 TORONTO ONTARIO M5K 1G8 TEL: 4168649700 FAX: 4169418852

FINANCIAL TRANSACTIONS / OPÉRATIONS FINANCIÈRES

#	FEE OR PAYMENT / FRAIS OU PAIEMENT	TRANSACTION DATE / DATE D'OPÉRATION	AMOUNT / MONTANT	REFERENCE OR NOTES / RÉFÉRENCE OU NOTES
1.	FEE / FRAIS	2016-MAY-18	CDN 188.84	REMOTE ISSUE/FILE
2.	PAYMENT / PAIEMENT	2016-MAY-24	CDN 74.78	PAYMENT GARN

COMMENTS / REMARQUES

ISSUED & FILED BY SABRINA SANTOIANI ON MAY 18, 2016 12:08 P.M. EST REMOTELY

FEE OF \$188.84 COLLECTED

JUDG CURR: USD, JUDG AMOUNT: 448993.03

JUDG INTE RATE: 2.0000, JUDG START DATE: 2016-04-18

JUDG DEBTOR: FORTE EPS SOLUTIONS INC.

AMT IN CDN \$ SUFFICIENT TO PURCHASE \$448,993.03 USD AT THE CLOSE OF BUSINESS ON THE 1ST DAY WHICH THE BANK QUOTES A CDN \$ RATE FOR THE PURCHASE OF USD \$ BEFORE THE DAY OF PAYMENT IS RECEIVED BY THE PLAINTIFF

COST CURR: CDN, COST AMOUNT: 750.00

COST INTE RATE: 2.0000, COST START DATE: 2016-04-18

2017-05-31 - NOTICE OF INTENTION (TO MAKE A PROPOSAL) FILED ON 2017-05-31 BY OF ALBERT GELMAN INC., AT 100 SIMCOE STREET, STE. 125

TORONTO, ON

M5H 3G2

ON BEHALF OF FORTE EPS SOLUTIONS INC. AS AGAINST THE FOLLOWING DEBTORS:

FORTE EPS SOLUTIONS INC.

CAUTION:

ENSURE THAT THE NAME AND EXECUTION# (NUMBER) MATCH YOUR REQUEST.

CERTIFICATE # / N° DE CERTIFICAT:

31440195-6713636B

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AVERTISSEMENT :

ASSUREZ-VOUS QUE LE NOM ET LE NUMÉRO DU DOSSIER D'EXÉCUTION FORCÉE SONT LES MÊMES QUE CEUX QUI SE TROUVENT DANS VOTRE DEMANDE.

**CHARGE FOR THIS REPORT /
FRAIS POUR CE RAPPORT :** CDN 6.35

WRIT DETAILS REPORT / RAPPORT DES DÉTAILS DU BREF
SHERIFF OF / SHÉRIF DE : COUNTY OF SIMCOE (BARRIE)

CERTIFICATE # / N° DE CERTIFICAT : 31440196-1634725B

DATE OF CERTIFICATE / DATE DU CERTIFICAT : 2017-JUN-06

SHERIFF'S STATEMENT

IT IS HEREBY CERTIFIED THAT THE INFORMATION CONTAINED BELOW IS A TRUE REPRESENTATION OF INFORMATION WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT*, AT THE TIME OF THE REPORT REQUEST.

DÉCLARATION DU SHÉRIF

IL EST CERTIFIÉ, PAR LA PRÉSENTE, QUE LES RENSEIGNEMENTS CI-APRÈS REPRODUISENT EXACTEMENT L'INFORMATION CONTENUE DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA DEMANDE DE RAPPORT.

FILE DETAILS / DÉTAILS DU DOSSIER

EXECUTION # / N° D'EXÉCUTION FORCÉE : 17-0000743
ISSUE DATE / DATE DE DÉLIVRANCE : 2017-MAY-17
EFFECTIVE DATE / DATE DE PRISE D'EFFET : 2017-MAY-18
COURT FILE OR REFERENCE # / N° DE DOSSIER DU TRIBUNAL OU DE RÉFÉRENCE : SP7485/14
COURT TYPE / TYPE DE TRIBUNAL : SCJ - CIVIL
JURISDICTION / TERRITOIRE DE COMPÉTENCE : SARNIA

DEBTOR SEARCH NAME(S) / NOM(S) DU(DES) DÉBITEUR(S) RECHERCHÉ(S)

#	DEBTOR TYPE / TYPE DE DÉBITEUR	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
1.	COMPANY / SOCIÉTÉ	FORTE EPS SOLUTIONS INC.

PARTY DETAILS / COORDONNÉES DES PARTIES
DEFENDANT / DÉFENDEUR

1.	NAME / NOM	FORTE EPS SOLUTIONS INC.
	ADDRESS / ADRESSE :	16567 HWY 12, MIDLAND, ONTARIO, L4R 4K8

CREDITOR / CRÉANCIER
 C/O LAWYER/AGENT / A/S PROCUREUR/AGENT

1.	COMPANY / SOCIÉTÉ	NOVA CHEMICALS (CANADA) LTD.
	ADDRESS / ADRESSE :	1086 MODELAND ROAD, SARNIA, ONTARIO, N7T 8C7
	TELEPHONE / TÉLÉPHONE :	5193463287

FAX / TÉLÉCOPIEUR :	5194812823	104
---------------------	------------	-----

LAWYER/AGENT / PROCUREUR/AGENT SAME AS FIRST CREDITOR / MÊME QUE LE PREMIER CRÉANCIER

NAME / NOM	MCELREA, COLIN
ADDRESS / ADRESSE	2 FERRY DOCK HILL, P.O. BOX 2196, SARNIA ONTARIO N7T 7L8 TEL: 5193368770 FAX: 5193361811 CMCELREA@SARNIALAW.COM

JUDGMENT/COST DETAILS (FROM ORIGINAL WRIT) / DÉTAILS DU JUGEMENT/DÉPENS (DU BREF ORIGINAL)

#	JUDGMENT OR COSTS / JUGEMENT OU DÉPENS	AMOUNT / MONTANT	INTEREST RATE / TAUX D'INTÉRÊT	START DATE / DATE DE DÉBUT
1.	JUDGMENT / JUGEMENT	USD 158,130.25	2.0000%	2017-APR-13
	COSTS / DÉPENS	CDN 3,553.57	2.0000%	2017-APR-13
	AGAINST DEBTORS / CONTRE LES DÉBITEURS	FORTE EPS SOLUTIONS INC.		

FINANCIAL TRANSACTIONS / OPÉRATIONS FINANCIÈRES

#	FEE OR PAYMENT / FRAIS OU PAIEMENT	TRANSACTION DATE / DATE D'OPÉRATION	AMOUNT / MONTANT	REFERENCE OR NOTES / RÉFÉRENCE OU NOTES
1.	FEE / FRAIS	2017-MAY-17	CDN 203.84	REMOTE ISSUE/FILE

COMMENTS / REMARQUES

ISSUED & FILED BY MCELREA, COLIN ON MAY 17, 2017 11:42 A.M. EST REMOTELY
FEE OF \$203.84 COLLECTED

2017-05-31 - NOTICE OF INTENTION (TO MAKE A PROPOSAL) FILED ON 2017-05-31 BY OF ALBERT GELMAN INC., AT
100 SIMCOE STREET, STE. 125

TORONTO, ON

M5H 3G2

ON BEHALF OF FORTE EPS SOLUTIONS INC. AS AGAINST THE FOLLOWING DEBTORS:

FORTE EPS SOLUTIONS INC.

CAUTION:

ENSURE THAT THE NAME AND EXECUTION# (NUMBER) MATCH YOUR REQUEST.

AVERTISSEMENT :

ASSUREZ-VOUS QUE LE NOM ET LE NUMÉRO DU DOSSIER D'EXÉCUTION FORCÉE SONT LES MÊMES QUE CEUX QUI SE
TROUVENT DANS VOTRE DEMANDE.

CHARGE FOR THIS REPORT / FRAIS POUR CE RAPPORT : CDN 6.35

TAB G

POSTPONEMENT

WHEREAS North Simcoe Community Futures Development Corporation ("NSCFDC") has, by way of security agreement, certain security interests (the "North Simcoe Security") over the assets of Forte EPS Solutions Inc. ("Forte"), which North Simcoe Security is perfected by registration under the *Personal Property Security Act* (Ont.) (the "PPSA") as File Number 678306825;

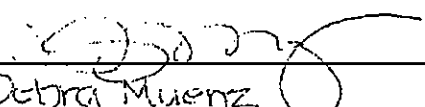
AND WHEREAS Business Development Bank of Canada ("BDC") has a security interest (the "BDC Security") over all of the present and after acquired undertaking and property of Forte as more particularly set out in a General Security Agreement between Forte and BDC, which BDC Security interest is perfected by registration under the PPSA as File No. 684369324;

NOW THEREFORE for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, NSCFDC does hereby subordinate and postpone the security constituted by the North Simcoe Security to and in favour of the security constituted by the BDC Security.

DATED the ^{30th} day of January, 2013.

NORTH SIMCOE COMMUNITY FUTURES DEVELOPMENT CORPORATION

Per:


Name: Debra Muenz
Title: President/G.M.

I now authority to bind the corporation.

TAB H

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Section 244(1))

TO: 16567 HIGHWAY 12 HOLDINGS LIMITED and FORTE EPS SOLUTIONS INC., insolvent persons.

TAKE NOTICE THAT:

1. Western Ontario Community Futures Development Corporation Inc., secured creditors, intend to enforce their security on the property of the insolvent persons described below:

All personal property of Forte EPS Solutions Inc., including, without limitation, all equipment, inventory, accounts, and intellectual property; and

The real property of 16567 Highway 12 Holdings Limited known as Part Lot 101, Concession 2, Tay, Being Parts 1 and 3, Plan 51R-14263, Town of Midland, County of Simcoe.

2. The security that is to be enforced is in the form of:

A General Security Agreement from Forte EPS Solutions Inc. dated January 30, 2013; and

A Real Property Mortgage from 16567 Highway 12 Holdings Limited Registered as # SC1041655 on February 21, 2013.

3. The total amount of indebtedness secured by the security is \$383,479.03 as at January 31, 2015, plus accruing interest, costs and any applicable HST.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at London, Ontario this 26th day of August 2015.

Western Ontario Community Futures
Development Corporation Inc.,
By its Lawyers Advocates LLP,
Per:



Angelo C. D'Ascanio

NOTICE OF INTENTION TO SELL
(PURSUANT TO SECTIONS 63(4) AND (5) OF THE
PERSONAL PROPERTY SECURITY ACT)

TO: See Schedule "A"

TAKE NOTICE that pursuant to a General Security Agreement between Forte EPS Solutions Inc., as debtor, and Western Ontario Community Futures Development Corporation Inc. as secured creditor, dated January 30, 2013, the said secured party intends to dispose of the Collateral thereby secured unless the Collateral is redeemed.

1. The Collateral is composed of all personal property of whatsoever kind and whensoever acquired by the debtor, or in respect of which the debtor has or hereafter may have rights including, without limitation, all inventory, equipment, machinery, fixtures, furniture, and other tangible personal property thereof.
2. The amount required to satisfy the obligations of the debtor secured by the said General Security Agreement totals on account of principal \$383,479.03 as of the 31st day of January 2015, together with interest thereon until the date of payment at the rate of 6.25% per year, calculated monthly.
3. The estimated expenses of the secured party pursuant to Section 63(1)(a) and Section 63(5)(c) of the Personal Property Security Act are \$2,000.00.
4. Upon receipt of payment, the payor will be credited with any rebates or allowances to which the debtor is entitled by law or under the said General Security Agreement.
5. That upon payment of the amounts due as above described, any person entitled to receive notice may redeem the collateral.
6. Unless the amounts due as above described are paid by the 27th day of September, 2015, said Collateral will be disposed of and the debtor and the Guarantors of its obligations will be liable for any deficiency.
7. Unless payment of the amounts due as above described are received by the 27th day of September 2015, there will be a private sale, public tender or public sale of the said Collateral. In the event of there being a public sale, you will be advised of the date, time and place.

DATED at London, Ontario this 26th day of August, 2015.

Western Ontario Community Futures Development
Corporation Inc.,
By its Lawyers Advocates LLP,
Per:



Angelo C. D'Ascanio

SCHEDULE "A"

- TO:** Forte EPS Solutions Inc.
16567 Highway 12
Midland, ON L4R 4K8
- AND TO:** 16567 Highway 12 Holdings Limited
16567 Highway 12
Midland, ON L4R 4K8
- AND TO:** John Cipressi
16567 Highway 12
Midland, ON L4R 4K8
- AND TO:** Dominic Zita
16567 Highway 12
Midland, ON L4R 4K8
- AND TO:** North Simcoe Community Futures Development Corporation
P.O. Box 8
355 Cranston Drive
Midland, ON L4R 4K6
- AND TO:** Business Development Bank of Canada
151 Ferris Lane
P.O. Box 876
Barrie, ON L4M 4Y6
- AND TO:** First Source Mortgage Corporation
1 Valleybrook Drive, Suite 100
Toronto, ON M3B 2S7
- AND TO:** Travelers Leasing Ltd.
500 – 4180 Lougheed Highway
Burnaby, B.C. V5C 6A7

TAB I

CONTRACT OF SALE OF GOODS (Absolute)

THIS CONTRACT dated the 1 day of August, 2014.

and made IN PURSUANCE OF THE "SALE OF GOODS ACT"

BETWEEN Forte EPS Solutions Inc.
16567 Highway 12
Midland, ON, L4R 4K3 (hereinafter called the Seller) OF THE FIRST PART

AND

TRAVELERS LEASING LTD.
500 - 4180 Lougheed Hwy.
Burnaby, BC V5C 6A7 (hereinafter called the Buyer) OF THE SECOND PART

WHEREAS the Seller

- (a) is possessed of the goods and specific goods, hereinafter described, and
- (b) has agreed with the Buyer for the absolute sale to him of the same upon the terms and conditions and for the consideration hereinafter set forth.

NOW THIS INDENTURE WITNESSETH:

In consideration of and for the sum of Five Hundred Fifty Six Thousand Five Hundred Thirty Three and 87/100 (\$492,507.85 + HST) Dollars of lawful money of Canada, paid by the Buyer to the Seller at or before the sealing and delivery of this Contract, the receipt whereof the Seller hereby acknowledges, the Seller hereby sells, assigns, transfers and sets over all the right, title, interest, property, claim and demand of the Seller thereto and therein, unto the Buyer, to and for his sole and only use forever.

SCHEDULE: AS PER ATTACHED EQUIPMENT SCHEDULE

The Seller hereby covenants, promises and agrees to and with the Buyer

- (a) that all of the said goods are now IN THE POSSESSION OF the Seller as defined in the SALE OF GOODS ACT.
- (b) that he, the Seller, is now rightfully and absolutely possessed of and ENTITLED TO the said goods, Alta hereby sold and assigned, and to all and every part of them (Save as aforesaid).
- (c) that he, the Seller, now has himself GOOD RIGHT TO SELL and ASSIGN the said goods unto the Buyer in the manner aforesaid and according to the true intent and meaning of this contract. (Save as aforesaid)
- (d) that the said goods are FREE AND CLEAR of all charges and encumbrances of every nature and kind whatsoever save and except for those charges and encumbrances set forth and described in Schedule.

- (e) that he, the Seller will INDEMNIFY and save harmless the Buyer from any and all charges and encumbrances not so set forth and described in the Schedule.
- (f) that the Buyer shall and may from time to time, and at all times hereafter, peaceably and quietly have, hold, possess and enjoy the said goods hereby, sold and assigned, and all and every part of them, to and FOR HIS OWN USE and benefit without any manner of hindrance, interruption, molestation, claim or demand whatsoever of, from or by him, the Seller, or any person whomsoever.
- (g) that he, the Seller, shall from time to time, and at all times hereafter, upon every reasonable request of the Buyer, but at the expense of the Buyer, make, do and execute, or cause or procure to be made, done and executed, all such FURTHER ACTS, deeds and assurances for the more effectual assignment and assurance of the said hereby sold and assigned goods unto the Buyer, in the manner aforesaid, and according to the true intent and meaning of this Contract, as shall be reasonably required by the Buyer.

All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this agreement shall be read and held as made by and with, granted to and imposed upon the parties hereto, and their respective heirs, executors, administrators, successors and permitted assigns; wherever the singular or masculine is used, it shall be construed as meaning the plural or the feminine or the body politic or the corporate where the context or the parties hereto so require, and where a party is more than one person, all covenants shall be deemed joint and several.

IN WITNESS WHEREOF the Seller has hereunto set his hand the 1 day of August, 2014.

SIGNED, SEALED AND DELIVERED

in the presence of

WITNESS
 Address
 City

Forte EPS Solutions Inc. - SELLER

Signature [Handwritten Signature]
 Dominic Zita, Director

GST/HST # 84988 3707

CERTIFIED COPY OF A RESOLUTION OF
THE BOARD OF DIRECTORS OF
Forte EPS Solutions Inc.
(the "Company")

WHEREAS for the purpose of carrying out its objects, the Company wishes to lease certain equipment from TRAVELERS LEASING LTD. (the "Lessor") upon terms and conditions previously agreed to.

NOW THEREFORE BE IT RESOLVED:


- 1 That the Company enter into a Sale/Leaseback Agreement with respect to the equipment with the Lessor.
- 2 That Director _____ and/or _____ of the Company be and they are hereby authorized, instructed and empowered on behalf of and in the name of the Company to execute and sign the Bill of Sale, Sale/Leaseback Agreements, schedules, purchase orders and ancillary documentation provided by the Lessor and to affix or cause to be affixed thereto the corporate seal of the Company and generally perform all such acts and do all things as may be required to give full effect to this resolution.

CERTIFICATE

I, the undersigned Officer of the Company, do hereby certify under the seal of the Company that the foregoing is a true and correct copy of a resolution passed and adopted by the directors of the Company in strict accordance with the constitution of the Company and the said resolution is at this date in full force and effect and is wholly unrevoked or unamended.

DATED at _____, this 1 day of August 2014.

Forte EPS Solutions Inc.

X 

Dominic Zita, Director

SCHEDULE TO THE CONTRACT SALE OF GOODS

This schedule is in addition to Contract Sale of Goods dated Aug 1, 2014 between TRAVELERS LEASING LTD. (Buyer) and Forte EPS Solutions Inc. (as Seller) 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

Buyer:
Travelers Leasing Ltd.

Seller:
Forte EPS Solutions Inc.

[Signature]
Authorized Signor

[Signature]
Dominic Zita, Director



LESSOR: TRAVELERS LEASING LTD.
HEAD OFFICE: VANCOUVER

LEASE AGREEMENT

LEASE NO. E0195

G.S.T. NO: 815852777RT0001

LESSEE NAME Forte EPS Solutions Inc.	
ADDRESS 16567 Highway 12	TEL.NO. (905) 564-3325
CITY/PROV. Midland, ON	POSTAL CODE L4R 4K3
CONTACT/TITLE Domenic Zita, Director	BANK NAME and ADDRESS: ()
FAX NO. ()	
COLLATERAL VENDOR Sale/Leaseback, NAME AND ADDRESS	
LOCATION OF COLLATERAL 16567 Highway 12, Midland ON L4R 4K3 (if different than above)	
LESSEE OWNS PREMISES <input checked="" type="checkbox"/>	NAME & ADDRESS OF LANDLORD IF COLLATERAL IS TO BE PLACED IN RENTED PREMISES
QUANTITY	COLLATERAL DESCRIPTION (include model and serial no's.)
	See attached Schedule "A"

LEASING PARTICULARS

TERM NO. OF MONTHS	NO. OF PAYMENTS	PAYMENT WILL BE MADE IN ADVANCE: MONTHLY <input checked="" type="checkbox"/> QUARTERLY <input type="checkbox"/> OTHER <input type="checkbox"/> SPECIFY	RENTAL AMOUNT EXCLUDING PST & GST/HST	GST/HST	PROV. SALES TAX	PROV.	TOTAL AMOUNT	PER DIEM RENTAL
66	66		\$9,027.85	\$1,173.62	\$0.00	ON	\$10,201.47	\$
DEPOSIT HELD AGAINST FINAL INITIAL TERM PAYMENTS		LEASE COMMENCEMENT DATE (For completion by Travelers only) July 30 / 14						

LESSOR	LESSEE
This lease (herein called the "Lease") shall not become binding upon Lessor until accepted in writing as evidenced by the signature of a duly authorized officer of Lessor in the space provided below.	The undersigned certifies that he has read the entire lease and accepts the terms and conditions thereof and acknowledges that this is the entire agreement and that there are no other agreements no contained herein.
DATE OF LESSOR'S ACCEPTANCE OF CONTRACT August 1 2014	Lessee's Full Legal Name Forte EPS Solutions Inc.
On Behalf of Travelers Leasing Ltd.	
By: Authorized Signature <i>[Signature]</i>	Each one of the undersigned certifies that he is duly authorized to execute this Lease.
Title:	By: Domenic Zita, Director <i>[Signature]</i>
	By:
	Witness to all: _____
	Witness Name: _____

CHANGES MUST BE INITIALED BY ALL LEASE SIGNATORIES

Terms and conditions of the lease

1. LEASE: Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the Collateral described above together with all parts, accessories and equipment now or hereafter attached to or forming a part thereof and all proceeds therefrom including trade-ins, chattel paper, documents of title, contract rights, rental payments, insurance payments and other property and obligations received as a result of the said Collateral being sold, dealt with or otherwise disposed of (the "Collateral").

2. NON-CANCELLABLE LEASE: This Lease cannot be canceled or terminated except by Lessor, as provided herein.

3. NO REPRESENTATION OR WARRANTIES: Lessee has selected the Collateral and the Vendor. Lessee acknowledges that Lessor has made no representation or warranty with respect to the Collateral, its condition, design, fitness or purchase price, durability, suitability or fitness for the use intended by Lessee or as to any other matter or thing whatsoever, and all warranties and conditions whether statutory or implied are to the extent permitted by law excluded. Lessee shall unconditionally and without set off pay the rent stipulated even if the Collateral does not operate as intended by Lessee or at all as represented by the manufacturer or Vendor, or the Collateral operates or fails to operate in a manner that could give rise to a fundamental breach of contract, or is unacceptable for any other reason whatsoever. Lessor hereby assigns to Lessee, for the Term hereof only, all assignable rights under any warranty given to Lessor by the Vendor or manufacturer of the Collateral. If the Collateral is returned to Lessor for any reason whatsoever Lessee agrees to reassign to Lessor such warranties, guarantees, service contracts and representations previously assigned to Lessee by Lessor.

4. TERM: Notwithstanding the delivery date of the Collateral, this Lease is for a term commencing on the Lease Commencement Date and, unless sooner terminated as provided for herein, ending at the expiry of the number of months indicated under the heading "Term" in the Leasing Particulars (the "Term").

5. RENT: Lessee shall pay to Lessor the Rent as set out in the Leasing Particulars as follows: first rental payment upon Lessee's execution hereof and subsequent rental payments on the first day of each month thereafter, or other calendar period indicated in the Leasing Particulars, throughout the Term, Rent and any other amounts due, are payable without set off or abatement and in no event such rents be refunded to Lessee. This Lease shall not terminate, or the obligations of the Lessee be otherwise affected, by reason of defect in, or damage to, or loss of possession of, or loss of use of, or destruction of Collateral from whatever cause, the prohibition of Lessee's use of the Collateral, the interference of such use by any private person or entity, or for any other cause, whether similar or dissimilar to the foregoing; it being the intention of the parties hereto that the rental amount payable by Lessee hereunder shall continue to be available in all events in the manner and at the time specified unless the obligation to pay the same shall be terminated in the express provisions of this Lease.

6. INTEREST ON OVERDUE PAYMENTS: Lessee shall without notice, pay a late charge of \$10.00 for each month or part thereof for which said Rent or other sum shall be delinquent plus interest at a rate of 74% per annum on any overdue rentals and, upon written notice from Lessor at the same rate on all other amounts required to be paid by Lessee hereunder which have been paid by Lessor. Such interest is to be calculated and compounded monthly not in advance add to accrue from the date when such arrears were due and payable hereunder before and after maturity, default judgment until such arrears are paid in full.

7. NET LEASE: Lessee shall pay or reimburse Lessor for all expenses, fees, charges, claims and fines incurred or arising in connection with the registration, financing, possession, use or operation of the Collateral and all taxes and duties (other than taxes on income levied on Lessor under the Income Tax Act of Canada or any other corresponding Provincial Income Tax Act) on or relating to the Collateral. All other expenses and outgoings relating to the Collateral or any manner or thing shall be borne by Lessee. The rental herein provided shall be absolutely net to Lessor free of all set off, expenses or outgoings of any kind or nature. If Lessee fails to repair and restore, to procure and maintain insurance as herein provided or to pay any fees, expenses, charges or claims on or in connection with the Collateral or otherwise perform as herein required, Lessor may do so and shall be entitled to immediate reimbursement from Lessee without prejudice to any other of Lessor's rights or remedies hereunder.

8. PRE-AUTHORIZED PAYMENT: Lessee agrees that it will authorize Lessor to automatically draw Lease payments on Lessee's appointed financial institution via Lessor's Pre-authorized Payment Plan. Payment by other means must receive the Lessor's prior approval and nevertheless will be subject to a service fee at Lessor's sole discretion.

9. ACCEPTANCE: Upon delivery and acceptance of the Collateral, Lessee shall execute and deliver to Lessor a Delivery and Acceptance Certificate in a form prescribed by Lessor.

10. TITLE: Lessor shall at all times have the title to the Collateral acquired by Lessor from the Vendor. Lessee shall have no right, title or interest in the Collateral other than the right of possession and use during the Term upon the terms and conditions herein contained. Lessor shall at Lessor's request place labels, plates or other identification on the Collateral showing Lessor's title thereto as Lessor may request.

11. PERSONAL PROPERTY: The Collateral is and shall at all times remain personal or movable property and shall not be affixed or attached to any lands, buildings, motor vehicles or other chattels without the prior written consent of the Lessor. In the event Lessor grants its permission, Lessee shall install the said Collateral in a manner which will permit its removal without material injury to the Collateral or to the place of installation. Lessee shall be responsible for any damage done to any real estate, building or structure by the removal of the Collateral and shall indemnify and save harmless the Lessor therefrom. If the Collateral is to be delivered to leased premises Lessee shall upon Lessor's request advise Lessor of the name and address of the landlord of such leased premises and obtain a postponement of the landlord's interest in the Collateral to the interest of Lessor.

12. LOCATION AND USE: The Collateral shall be located and used at the place designated herein and not elsewhere, without the prior written consent of Lessor. The use of the Collateral shall not be changed to any use which would result in a change of capital cost allowance class, without the prior written consent of Lessor. Lessee shall cause the Collateral to be maintained and operated carefully. In compliance with manufacturer's recommendations, and applicable laws and legislation, by competent and duly qualified personnel only, and for business purposes. Lessee shall comply with and conform to all Federal, Provincial, Municipal and other laws, ordinances and regulations in any way relating to the possess, use or maintenance of the Collateral. Lessor shall have the right and Lessee shall allow Lessor free access to inspect the Collateral on request.

13. INSTALLATION, MAINTENANCE AND REPAIR: Lessee shall, at its expense, be responsible for the delivery, installation, removal and return, maintenance and repair (including necessary replacements) of the Collateral by a party acceptable to the Lessor. Lessee shall not, without prior written consent of the Lessor, make any alterations to the Collateral. All such alterations, additions or improvements shall be at Lessee's expense and shall belong to, and become property of Lessor, immediately upon being made.

14. COLLATERAL TO BE KEPT FREE OF ALL LIENS, LEVIES AND CHARGES: Lessee shall keep the Collateral free of liens, claims and encumbrances, and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, Provincial and Federal), which may be levied or assessed directly or indirectly against, or on account of the said Collateral or any interest therein or use thereof. If Lessee shall fail to pay such license fees, registration fees, assessments, charges and taxes, as the case may be. In which event the costs thereof shall constitute so much additional rent, which shall be forthwith due and payable and Lessor shall be entitled to all the rights and remedies provided herein in the event of default of payment of rent.

15. ASSIGNMENTS AND SUBLETTING: Lessee shall not transfer, deliver up possession of, or forfeit the said Collateral, and the Lease hereby granted shall not be assignable by Lessee without written permission of Lessor, which permission may be arbitrarily withheld. Lessor may at any time assign all or part of its interest in the Collateral or this Lease and nothing contained herein shall prevent the Lessor from assigning, pledging, mortgaging, transferring or otherwise disposing, either in whole or in part, of Lessor's rights hereunder. Lessee hereby accepts such assignments and waives signification of the act of assignment and the delivery of a copy thereof.

16. LOSS AND DAMAGE: The Collateral shall be at the risk of Lessee. In the event that any item of Collateral shall be lost, stolen, destroyed or damaged beyond repair, for any reason, or in the event of any condemnation, confiscation, theft or seizure, or expropriation of such item, Lessee shall promptly notify Lessor and if Lessor so demands, forthwith pay as a genuine pre-estimate of liquidated damages for loss or bargain and not as a penalty, the present worth of the aggregate of all unpaid amounts due hereunder as rent or otherwise to the expiration of the Term (as if the Lease had not been terminated).

17. INSURANCE: Lessee shall obtain and maintain for the entire Term of this agreement, at its own expense, property damage and liability insurance against loss or damage to the Collateral, including without limitation, loss by fire, (including extended coverage) theft, collision and such other risks of loss as customarily covered by insurance on the type of Collateral leased hereunder and by prudent operators of business similar to that in which Lessee is engaged, in such amounts, in such form and with such insurers which shall be satisfactory to Lessor. The amount of insurance on the type of Collateral shall not be less than the greater of the full replacement value of the Collateral or the installments of rents then remaining and unpaid hereunder. Each insurance policy will name Lessee and Lessor as insureds, will name Lessor as loss payee thereof and will contain a clause requiring the insurer to give Lessor at least 30 days' written notice of any alterations in the terms of such policy or of the cancellation thereof.

At Lessor's request, Lessee shall furnish to Lessor a certificate of insurance, or other evidence satisfactory to Lessor, that such insurance coverage is in effect, provided, however that Lessor shall be under no duty to ascertain the existence of, or to examine such insurance policy, or to advise Lessee in the event such insurance shall not comply with the requirement hereof. Lessee further agrees to give Lessor prompt notice of any damage or loss of the Collateral or any part thereof.

Lessee will, at its expense, make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lessor that Lessor desires to do so on Lessee's expense. Proceeds of insurance will be disbursed by Lessor against satisfactory invoices for repair or replacement of Collateral provided this Lease not then be in default. Performance by Lessee under this paragraph will not affect or release Lessee's obligations and liabilities herein elsewhere provided.

18. PURCHASE OPTION: (A) purchase option exists unless specifically mentioned herein. The exercise of any purchase option is subject to there be no default under the Lease at the option date and to stay days prior written notice to Lessor. The option price shall be payable together with all applicable taxes and any other monies due under the Lease, in cash prior to the transfer of title to the Collateral, which transfer shall be on an as is, where is basis without any warranties or representation as to its marketability, durability quality or condition.

19. RETURN OF COLLATERAL: Upon expiration of the Lease Term, Lessee, at its own risk and expense, will immediately return the Collateral to Lessor in the same condition as when delivered, ordinary wear and tear excepted, at such location as Lessor shall designate. If Lessee fails to return the equipment at the expiry of the rental term, this Lease may, at the option of Lessor, be automatically extended for successive one-month periods on the same terms and conditions as applied during the rental term.

20. INDEMNITY: Lessee hereby indemnifies Lessor and agrees to save Lessor harmless (from and against) all loss, cost (including taxable costs on a solicitor and client basis) and expenses (including actual legal fees and disbursements incurred by Lessor) whatsoever arising in connection with this Lease, the purchase price, the Collateral and the use thereof, including but not limited to its manufacture, selection, purchase price, the Collateral and the use thereof, including but not limited to its manufacture, selection, purchase price, delivery, possession, use, operation or return and recovery of claims under any insurance policy relating to the Collateral and enforcement of the rights of Lessor hereunder.

21. DEFAULT: Lessee acknowledges that Lessor has purchased the Collateral at the specific request of Lessee, which has personally selected the Collateral for the purpose of this Lease, and that rentals hereunder and loss to Lessor in the event of default, are dependent in part upon the cost of the Collateral to Lessor, the Term and the minimum return expected by Lessor from the sale of the Collateral at the end of the Term. Each of the following is an act of default:

- (a) Lessee fails to make any rental payment or pay any other sum after the same is due and payable; or
- (b) Lessee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of 10 days after written notice thereof by Lessor; or
- (c) Any representation or warranty made by Lessee herein or in any document or certificate furnished to Lessor in connection herewith or pursuant hereto shall prove to be incorrect at any time in any material respect; or
- (d) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of trustee or receiver, or a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed within a period of 70 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee and if instituted against Lessee shall not be dismissed within a period of 20 days; or
- (e) If the Collateral or any material part thereof is seized under legal process, confiscated, sequestered or attached or if a distress is levied thereon; or
- (f) If Lessee is a corporation and
 - (i) the control or beneficial ownership thereof changes from that which existed at the date of execution of this Lease;
 - (ii) the Lessee changes its name without obtaining the prior written consent of Lessor;
 - (iii) any special resolution is passed on other proceedings taken regarding the wind-up of the corporation; or
 - (iv) it ceases to carry on the business presently conducted by it; or
- (g) Lessee shall suffer the loss or suspension of any licenses, permits, or other operating authorities required for the present operation of its business or any part of it; or
- (h) Lessee defaults under any other agreement to which Lessee and Lessor are parties; or

Initials *X* *LB*

(l) If Lessor in good faith believes and has commercially reasonable grounds to believe itself insecure or that the prospect of payment or performance by Lessee hereunder is about to be impaired or that the Collateral is about to be placed in jeopardy.

22. REMEDIES: Upon the happening of default Lessor may:

- (a) take possession of the Collateral and for that purpose enter any premises where the Collateral is located whether or not the Collateral is affixed to any such premises, and sell, lease or otherwise dispose of the Collateral by public or private means and upon such terms and consideration as Lessor may in its sole discretion accept. Lessee hereby waives any damages or claim to damages arising from any retaining of possession under the terms of this Lease; or
- (b) in the name of and as the irrevocable appointed agent and attorney for the Lessee and without terminating or being deemed to have terminated this Lease take possession of the Collateral and proceed to lease the Collateral to any other person, firm or corporation on such terms and conditions, for such rental and for such period of time as Lessor may deem fit and receive such rental and hold the same and apply the same against any monies expressed to be payable from time to time by Lessee hereunder; or
- (c) terminate this Lease and by written notice to Lessee require Lessee to forthwith pay to Lessor on the date specified in such notice, as a genuine pre-estimate of liquidated damages for loss of a bargain and not as penalty the present worth of the aggregate of all unpaid amounts due hereunder as rent or otherwise to the expiration of the Term (as if the Lease had not been terminated) less the net amount received by Lessor on any sale, lease or other disposition of the Collateral.

No one or more of the remedies referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedies referred to herein or otherwise available to Lessor at law or in equity; and in particular pursuant to the Personal Property Security Act or other similar legislation of the jurisdiction under whose laws this Lease may from time to time be interpreted. If upon disposition of the Collateral under this Lease or under the provisions of any remedies available to Lessor there shall be a surplus, such surplus shall be the property of Lessor.

23. EXPENSE UNDER DEFAULT: If Lessee repudiates the Lease or is in default thereunder Lessee shall be liable for any and all unpaid additional Rent due or to become due hereunder and other costs and expenses incurred by reason of any event of repudiation or of default or the exercise of Lessor's remedies in respect thereof, including all costs and expenses incurred in connection with the placing of such Collateral in the condition required by Section 13 and in returning the Collateral as required by Section 19.

24. WAIVER BY LESSOR: No delay or omission to exercise any right or remedy accruing to Lessor upon any breach or default of Lessee will impair any such right or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach or default be deemed a waiver of any other breach or default, heretofore or hereafter occurring. Any waiver, permit, consent or approval on the part of Lessor of any breach or default under this Lease or of any provision or condition hereof, must be in writing and will effect only to the extent in such writing specifically set forth. All remedies, either under this Lease or at law or in equity or otherwise afforded to the Lessor, are cumulative and not alternate.

25. WAIVER BY LESSEE: To the extent not prohibited by law or statute, Lessee hereby waives the benefit of all provisions of all applicable conditional sales, regulatory credit and other statutes and regulations made thereunder any and all Provinces and Territories of Canada, which would in any manner affect, resist or limit the rights of Lessor hereunder, including, without limiting the generality of the foregoing, all of Lessee's rights, benefits and protections given or afforded by the provisions of the Limitations of Civil Rights Act of Saskatchewan as amended. Lessee also waives and assigns to Lessor the right of any statutory exemption from execution or otherwise and further waives any right to demand security for costs in the event of litigation.

26. BINDING UPON HEIRS, SUCCESSORS AND ASSIGNS: Subject to the terms hereof this Lease shall endure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives, provided that nothing in this clause contained shall impair any of the provisions hereinbefore set forth prohibiting transfer or subletting of the said Collateral by Lessee, or assignment of this Lease by Lessee without the written consent of Lessor.

27. FURTHER ASSURANCES: Lessee agrees to do all things and execute all documents as may reasonably be required by Lessor in order to give effect to this Lease including and to provide Lessor with a security interest and a purchase money security interest in the Collateral and a security interest in the proceeds of the Collateral.

28. SEVERABILITY: Any provision of this Lease prohibited by or unlawful or unenforceable under any applicable law or jurisdiction shall, at the sole option of Lessor, be ineffective as to such jurisdiction without invalidating the remaining provisions of this Lease, provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Lessee.

29. INTERPRETATION: It is hereby agreed by and between the parties hereto that whenever the context of this Lease so requires, the singular number shall include the plural and vice versa, and that words importing the masculine gender shall include the feminine and neuter genders, and that in case more than one Lessee is named as Lessee, the liability of such Lessees shall be joint and several, without benefit of division or discussion.

30. APPLICABLE LAW: This Lease agreement shall be interpreted and enforced in accordance with the laws of the Province where in the said Collateral is to be located according to the terms hereof.

31. TIME: Time is of the essence of this Lease.

32. CREDIT INVESTIGATION: Lessee hereby consents to Lessor conducting a personal investigation or credit check upon Lessee subject to the applicable legislation. Lessee must at request of Lessor or Assignee provide financial statements on Lessee within 90 days of Lessee's fiscal year end.

33. NAME CHANGE, ETC.: Lessee shall promptly notify Lessor in writing of
(a) any change in Lessee's name;
(b) any transfer, authorized or unauthorized, by Lessee of any interest in or benefit from the Collateral;
(c) any change, authorized or unauthorized, by Lessee in the location of any Collateral; and
(d) any change in the location of Lessee's Head Office specified above.

34. CHOICE OF LANGUAGE: The parties hereby acknowledge that they have required this contract and all other agreements and notices required or permitted to be entered into or given pursuant hereto, to be drawn up in the English language. Les parties reconnaissent avoir demandé que le présent contrat ainsi que tous autres ententes ou avis requis ou permis a être conclu ou donné en vertu des décisions du présent contrat, soient rédigés dans langue anglaise.

35. HEADINGS: The insertion of headings in the Lease is for convenience of reference only and shall not affect the interpretation thereof.

36. PURCHASE MONEY SECURITY INTEREST: This Lease grants to Lessor a purchase money security interest in the Collateral, unless this Lease shall constitute a sole leaseback of the Collateral, and a security interest in proceeds of the Collateral which are present and after acquired personal property, fixtures and crops.

37. NOTICES: Any notice required or permitted to be given by the provisions hereof must be in writing and will be conclusively deemed to have been received by a party hereto on the day it is delivered to Lessor, at its head office in Burnaby and Lessee at the address contained herein.

38. ENTIRE AGREEMENTS: This Lease together with any purchase order, delivery and acceptance certificate, schedules, amendments or additions which are accepted in writing by Lessor constitute the entire agreement between Lessor and Lessee.

39. COPY OF AGREEMENT: Lessee acknowledges receipt of a copy of this Lease and waives all right to receive from Lessor copies of financing statements, financing change statements or verification statements filed with respect to this Lease.

40. PPSA WORDS AND EXPRESSIONS: Words and expressions used herein that have been in the Personal Property Security Act of the jurisdiction under whose laws this lease may from time to time be interpreted shall have the same meaning herein.

41. PERSONAL INFORMATION: I hereby authorize Travelers and any of its representatives or partners to collect, use and disclose my personal information for the purposes of investigating and providing financial services. I have been informed by Travelers or its partners or representatives, that my personal information is collected, used and disclosed for the following purposes: (1) to collect credit and related financial information from me, from credit agencies, and from any parties listed herein, (2) to use the information collected to determine my financial situation and confirm my identity, to provide financial services I have requested and to offer additional products and services of Travelers that may be of benefit to me, (3) to share the information with assignees, bankers or funding partners of Travelers, (4) to share the information collected and any information on my commercial dealings with Travelers with credit agencies or other financial institutions. Further, I specifically acknowledge that Travelers may assign this agreement and any related agreements in whole or in part from time to time and I agree that any personal information collected in relation to this agreement may be made available to any such proposed assignee.

42. Confirmation of payable status: Lessee certifies to TRAVELERS LEASING LTD, or its Assign (the Bank) that the information provided in this statement and on any accompanying reports is complete and accurate in all respects as at the date specified above. Furthermore, the Lessee certifies that all sums owed privileged and preferred creditors, including government agencies have been paid and are current amounts owing in accordance with the permitted time frame for payment set by the particular creditor/agency. The Lessee agrees to maintain such payables in a current status while indebted to the Bank and to provide the Bank with confirmations of the status of such outstanding payables from time to time upon request.

In addition to providing the information specified above, the Lessee hereby authorizes the Bank to make inquiries of government departments including Revenue Canada, the Provincial Treasurer, the Worker's Compensation Board, and applicable municipal government departments, and the Borrower hereby directs such departments to provide the Bank information respecting the Borrower's status of payments due to such government departments and/or agencies.

Initials 

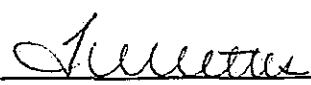
SCHEDULE A

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



LEASE NO. E0195

Delivery and Acceptance Certificate

- 1. We represent and warrant that all of the Equipment described in the lease agreement ("Lease") made between Travelers Leasing Ltd. ("Lessor") and the Lessee and numbered as captioned herein has been received, installed and is operating satisfactorily.
- 2. We have read the Lease and understand the terms thereof and, in particular but not limited to, those entitled "Non Cancellable Lease" and "No Representations or Warranties".
- 3. We acknowledge that the Lessor is not a manufacturer or distributor of the Equipment, nor is the Lessor an agent of the Vendor, and that the essential element of this Lease is financing only.
- 4. We hereby authorize Lessor to pay the Vendor invoice and to commence the Lease.

Date: August 1/14

Lessee's Full Legal Name

Forte EPS Solutions Inc.

BY: X [Signature]
Dominic Zita, Director

TAB J

DEBTOR IN POSSESSION LOAN AGREEMENT

THIS AGREEMENT made as of the day of August 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 \$450,000.00 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 o. 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 four hundred and fifty thousand (\$450,000) to the Borrower. Subject to the provisions of the Definitive Laon Documentation, 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 events 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 1075 Queensway Street East
 Mississauga, Ontario

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.

10.4 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 Loan Agreement this day of August 2017.

Forte EPS Solutions Inc.

Per: _____ C/S
[Authorized Signing Officer]

16567 Highway 12, Holdings Limited

Per: _____ C/S
[Authorized Signing Officer]

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

**SECOND REPORT OF THE PROPOSAL TRUSTEE
(RETURNABLE JULY 31, 2017)**

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

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Lawyers for the Proposal Trustee