

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**FIFTH REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

November 18, 2016

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1.0 Introduction and Purpose of Report

1.1 Introduction

1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Sarnia, Ontario (the “**Lougar Property**”).

1.1.2 629728 Ontario Limited (“**629**”) and Unitec Inc. (“**Unitec**”) are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.

1.1.3 Entropex, 629 and Unitec (collectively referred to as the “**Companies**”) are registered as the joint title holders to the Lougar Property.

1.1.4 Entropex is indebted to the Bank of Nova Scotia (“**BNS**”) in the amount of \$3,775,000. Entropex is indebted to Roynat Inc. (“**Roynat**”) in the amount of \$4,209,000. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.

1.1.5 The debt owing to BNS is secured by the following:

- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000;
- General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
- Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the “**Guarantors**”).

A copy of the Entropex BNS general security agreement is attached as **Appendix A**.

1.1.6 The debt owing to Roynat is secured by the following:

- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
- Guarantees dated July 31, 2014 from 629 and Unitec.

A copy of the Roynat debenture is attached as **Appendix B**.

In addition Roynat has received guarantees of its indebtedness from the Guarantors.

1.1.7 On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.

1.1.8 On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.

- 1.1.9 On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016, which expired on July 8, 2016.
- 1.1.10 The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.11 During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.12 On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix C**. The Initial Order is substantially in the form of the Model Receivership Order.
- 1.1.13 The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:
- a) Take possession of and exercise control over the property of the Companies;
 - b) Manage, operate and carry on the business of the Companies;
 - c) Initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
 - d) Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
- 1.1.14 The Receiver has submitted four previous reports to the Court, as follows:
- a) Report dated August 5, 2016 (the "**First Report**"), which included a confidential supplemental report to the Court. A copy of the First Report, without appendices, is attached as **Appendix D**. A copy of the Order approving the First Report and the endorsement of Justice Garson dated August 16, 2016 and the endorsement of Justice Leitch dated August 23, 2016 are attached as **Appendix E**.
 - b) Report dated August 31, 2016 (the "**Second Report**"). A copy of the Second Report, without appendices, the Order dated September 13, 2016 approving the relief sought therein, along with the Order dated September 27, 2016 and Endorsements are attached as **Appendix F** and **Appendix G** respectively.
 - c) Report dated September 22, 2016 (the "**Third Report**"), which included a confidential supplemental report to the Court. A copy of the Third Report, without appendices is attached as **Appendix H**. A copy of the Endorsement of Justice Leitch, the Ancillary Order and Approval and Vesting Order dated October 4, 2016 approving the Third Report and the sale described therein are attached as **Appendix I**.
 - d) Report dated October 6, 2016 (the "**Fourth Report**"), which included a confidential supplemental report as well as a second supplemental report to the Court. A copy of the Fourth Report, without appendices is attached as **Appendix J**. A copy of the Ancillary

Order and Approval and Vesting Order dated October 18, 2016 approving the Fourth Report and sale described therein are attached as **Appendix K**.

1.2 Purpose of the Receiver's Fifth Report

1.2.1 This constitutes the Receiver's Fifth Report to the Court (the "**Fifth Report**") in this matter and is filed to:

- a) Report on the Receiver's Activities since the Fourth Report;
- b) Obtain an Order approving the Fifth Report;
- c) Obtain approval of the Receiver's Statement of Receipts and Disbursements for the period July 14, 2016 to November 9, 2016;
- d) Obtain approval of the fees and expenses of the Receiver and its legal counsel; and,
- e) Obtain approval of the recommended distributions to CRA, the United Auto Workers Union, BNS and Roynat as outlined therein.

2.0 Receiver Activities since the Fourth Report

2.1 Rail Car Sale

2.1.1 As discussed in the Third Report and approved in the October 4, 2016 Order of Justice Leitch (attached as Appendix I), the Receiver completed the sale of 27 rail cars to Vidal Street Industrial Park Inc. A copy of the Receiver's Certificate is attached as **Appendix L**.

2.2 Sale to 2532612 Ontario Inc.

2.2.1 As discussed in the Fourth Report and approved in the October 18, 2016 Approval and Vesting Order of Justice Garson (attached as Appendix K), the Receiver completed the sale of the Receiver's right title and interest to the assets described therein to 2532612 Ontario Inc. ("2532612") A copy of the Receiver's certificate is attached as **Appendix M**.

2.3 Accounts Receivable

2.3.1 The book value of accounts receivable at the date of receivership was \$258,000 CAD and \$2,698,000 USD, for a converted total balance of approximately \$3,766,000 CAD (converted at an estimated exchange rate of 1.30).

2.3.2 The Receiver has confirmed that \$250,000 of the outstanding accounts receivable are subject to contra set-off claims for accounts payable due by Entropex to its customers and therefore not collectible.

2.3.3 A further \$152,000 is uncollectible due to invoicing errors, quality disputes and weight discrepancies.

2.3.4 The net balance outstanding after these adjustments was \$3,364,000.

2.3.5 The Receiver has collected \$124,000 CAD and \$2,159,000 USD, for a converted total balance of approximately \$2,930,000. All collections were converted to Canadian Dollars and deposited to the Receiver's trust account. The Receiver is continuing to pursue collections on the outstanding balance of \$433,000.

2.4 Government Accounts

2.4.1 The Receiver has filed all returns for HST and employee deductions as required by CRA.

2.5 Website

2.5.1 The Receiver has posted all public Court material and receivership notices on its website at mnpdebt.ca.

3.0 Statement of Receipts and Disbursements

- 3.1.1** Appendix N, attached, is a summary of the Receiver's Statement of Receipts and Disbursements for the period July 14 to November 9, 2016.
- 3.1.2** The Receiver has generated receipts of approximately \$8,036,000, primarily from the sale of the Lougar Property and machinery, collection of accounts receivable and the sale of inventory.
- 3.1.3** The Receiver has made disbursements of approximately \$904,000, primarily for:
- Wages, benefits and source deductions of \$363,000. As set out in the First Report, the Receiver has maintained four employees onsite at the Lougar Property full time (twenty four hours a day, seven days a week) to maintain the environmental protocols described therein.
 - \$67,000 to store and shunt rail cars;
 - \$30,000 has been paid to date to a shipping company who made a claim for shipments delivered prior to the receivership to Entropex customers, as discussed in the Fourth Report;
 - \$21,800 was spent to clean up spilled plastic pellets throughout the Lougar Property and to retain environmental experts to advise the Receiver on appropriate measures to safeguard against pellet spills; and,
 - Occupancy costs, including utilities, insurance, cleaning and phone.
- 3.1.4** The Receiver has generated a net excess of receipts and disbursements to date of \$7,132,000.
- 3.1.5** The Receiver has analyzed all receipts and disbursements, including professional fees yet to be approved by the Court as discussed in Section 4.0 below, and allocated the amounts to the secured lenders (BNS and Roynat) based on the following formulas:
- When traceable to a specific asset, allocated 100% to the appropriate lender (accounts receivable and inventory to BNS, equipment and real property to Roynat);
 - Occupancy costs and consulting fees to retain the former Chief Operating Officer are allocated 75% to dealing with machinery and equipment (Roynat) and 25% to accounts receivable and inventory (BNS);
 - Non-specific expenses and general receivership administrative expenses are split 50/50 between Roynat and BNS;
 - Advocates and the Receiver conducted detailed reviews of their time dockets and allocated the invoices to the appropriate lender based on the assets the time was spent on, or where the time was general receivership administration it is split 50/50 between Roynat and BNS;

The Statement of Receipts and Disbursements includes this secured lender allocation to determine the net realizations to date for each secured lender.

3.1.6 This allocation was reviewed by BNS and Roynat to confirm it is acceptable to them.

3.1.7 Based on the Receiver's allocation net realizations to date on BNS security are \$3,237,000 and Roynat security are \$3,894,000.

4.0 Receiver and its Counsel's Accounts

- 4.1.1 As required in the Initial Order, the Receiver is seeking the approval of its accounts and the accounts of its legal counsel for the receivership period to date.
- 4.1.2 The Receiver has submitted one invoice since the Third Report, for the period September 17, 2016 to November 9, 2016 in the amount of \$32,600, inclusive of disbursements and before HST. The invoice, together with the Receiver's affidavit of verification of fees, is attached as **Appendix O**.
- 4.1.3 Advocates LLP ("Advocates"), the Receiver's legal counsel, has submitted one invoice since the Third Report, for the period September 20, 2016 to November 7, 2016 in the amount of \$29,223.40, inclusive of disbursements and before HST. The invoice, together with the Advocates affidavit of verification of fees, is attached as **Appendix P**.

5.0 Recommended Distributions

5.1 Canada Revenue Agency

5.1.1 Canada Revenue Agency (“CRA”) has filed a proof of claim confirming a priority charge of \$687.62 for unremitted source deductions withheld from employee paycheques.

5.1.2 The Receiver proposes to pay \$687.62 to CRA in settlement of this priority charge.

5.2 Wage Earner Protection Program

5.2.1 The Receiver initiated the claims process for former employees of Entropex under the *Wage Earner Protection Program* (“WEPP”) who had claims for unpaid wages, vacation, termination and severance pay.

5.2.2 As set out under WEPP and section 81.4 of the *Bankruptcy and Insolvency Act*, Human Resources and Skills Development Canada (“HRSDC”) is entitled to a priority charge for payments of outstanding wages and vacation pay to former employees under WEPP, to a maximum of \$2,000 per employee. This amount ranks as a first charge over the current assets of the Companies in priority to the secured creditors.

5.2.3 HRSDC has not yet provided a summary of the payments made under WEPP, or its priority charge. Based on the information provided by the Receiver to HRSDC, the priority charge is expected to be a maximum of \$180,000.

5.2.4 The Receiver proposes to reserve the sum of \$180,000 to distribute to HRSDC (the “**HRSDC Reserve**”) in settlement of its priority charge, once a payment summary is received and the priority is confirmed.

5.3 United Auto Workers

5.3.1 The United Auto Workers, Local 251 (the “**Union**”), filed a claim with the Receiver claiming the following priority charges:

- A trust claim under the Employment Standards Act for unpaid vacation pay owing of \$127,032.72. Of this amount \$126,761.95 is payable to the unionized employees by HRSDC under WEPP and is included in the proposed distribution to HRSDC discussed above. The balance remaining of \$270.77 is over and above the priority charges paid or payable by HRSDC and subject to a priority charge under Section 40 of the Employment Standards Act.
- A trust claim \$4,788.88 for Union dues withheld from employees and not remitted to the Union. This amount is subject to a priority charge under Section 81.4 of the *Bankruptcy and Insolvency Act*.

5.3.2 The Receiver proposes to pay \$5,059.65 to the Union in settlement of these priority charges.

5.4 BNS and Roynat Security

5.4.1 Entropex provided security over all of their assets to BNS and Roynat as detailed at paragraphs 1.1.5 and 1.1.6 above. The debts owing by Entropex and Roynat are guaranteed by 629 and Unitec.

5.4.2 Advocates has provided the Security Opinion attached at **Appendix Q**. Subject to the customary qualifications and limitations set forth in the Security Report, Receiver's counsel has concluded that:

- a) BNS holds a valid, first ranking security as against the accounts receivable and inventory of Entropex based upon the BNS GSA subject to the charges under the Appointment Order and any priority claim by way of deemed trust;
- b) Roynat holds valid, first ranking security against the balance of the Entropex personal property subject to specific PMSI interests (covering assets excluded in the 2532612 sale) based upon the Roynat debenture subject to the charges under the Appointment Order and any priority claim by way of deemed trust;
- c) Roynat holds a valid first mortgage against the Lougar Property with BNS holding a valid second mortgage subject to charges under the Appointment Order and any priority claim by way of deemed trust; and
- d) BNS holds a valid, first ranking security against the accounts receivable and inventory of 629 and Unitec based upon the guarantees of the Entropex indebtedness, GSA's and various priority agreements.

5.4.3 All assets sold by the Receiver were owned by Entropex with the exception of the potential SRED refunds (receivables) included in the sale to 2532612 which were owned by Unitec and 629. As such, all assets sold are covered by the first ranking charges of BNS or Roynat.

5.4.4 Copies of current PPSA searches for the Companies are attached at **Appendix R** (Entropex), **Appendix S** (Unitec) and **Appendix T** (629). A copy of a parcel abstract for the Lougar Property up to October 20, 2016, the date before the sale to 2532612, is attached at **Appendix U**.

5.4.5 With the exception of the claims of CRA, HRSDC and the Union discussed above, the Receiver is not aware of any charges in priority to BNS and Roynat.

5.5 Distribution to BNS

5.5.1 As detailed on the lender allocations included in the Statement of Receipts and Disbursements, attached as Appendix N, the Receiver has generated net realizations of \$3,237,395 on BNS's security.

5.5.2 The Receiver recommends distributing \$2,984,179 of this amount to BNS, calculated as follows:

Net Realizations - BNS	\$3,237,395
Less:	
CRA priority (section 5.1) Allocated 50/50 to BNS and Roynat	344
HRSDC Reserve (section 5.2) Allocated 100% to BNS as this priority covers current assets only (i.e. accounts receivable and inventory), which are all covered by BNS's secured charge	180,000
Union priority (section 5.3) Allocated 100% as above	5,060
Unpaid MNP invoice (section 4.1.2) Allocated based on detailed docket review	15,828
Unpaid Advocates invoice (section 4.1.3) Allocated based on detailed docket review	3,784
Holdback for outstanding disbursements	48,200
Recommended distribution to BNS	\$2,984,179

5.6 Distribution to Roynat

5.6.1 As detailed on the lender allocations included in the Statement of Receipts and Disbursements, attached as Appendix N, the Receiver has generated net realizations of \$3,894,406 on Roynat's security.

5.6.2 The Receiver proposes to distribute \$3,781,995 of this amount to Roynat, calculated as follows:

Net Realizations - Roynat	\$3,894,406
Less:	
CRA priority (section 5.1) Allocated 50/50 to BNS and Roynat	344
Unpaid MNP invoice (section 4.1.2) Allocated based on detailed docket review	16,772
Unpaid Advocates invoice (section 4.1.3) Allocated based on detailed docket review	29,095
Holdback for outstanding disbursements	66,200
Recommended distribution to Roynat	\$3,781,995

6.0**Order Sought**

- 6.1** We submit this **Fifth Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to issue an Order:
- a) Approving the Receiver's Activities since the Fourth Report;
 - b) Approving the Fifth Report;
 - c) Approving the Receiver's Statement of Receipts and Disbursements for the period July 14, 2016 to November 9, 2016;
 - d) Approving the fees and expenses of the Receiver and its legal counsel; and,
 - e) Approving the recommended distributions to CRA, the United Auto Workers Union, BNS and Roynat as outlined herein.

All of which is respectfully submitted this 18th day of November, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**



Per: Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President

TAB A

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GENERAL SECURITY AGREEMENT

1. ENTROPEX

(NAME OF CUSTOMER)

of 1271 LOUGAR AVENUE, SARNIA, ONTARIO, N7S6N5

(the "Customer")

(ADDRESS OF CUSTOMER)

for valuable consideration grants, assigns, transfers, sets over, mortgages and charges to THE BANK OF NOVA SCOTIA, at its Branch located at 20 QUEEN STREET WEST, 4TH FLOOR, TORONTO, ONTARIO, M5H 3R3

(ADDRESS OF BRANCH)

(the "Bank") as and by way of a fixed and specific mortgage and charge, and grants to the Bank, a security interest in the present and after acquired undertaking and property (other than consumer goods) of the Customer including without limitation all the right title, interest and benefit which the Customer now has or may hereafter have in all property of the kinds hereinafter described (the "Collateral"):

- (a) all goods comprising the inventory of the Customer including but not limited to goods held for sale or lease or that have been leased or consigned to or by the Customer or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods and timber cut or to be cut, oil, gas, hydrocarbons, and minerals extracted or to be extracted, all livestock and the young and unborn young thereof and all crops;
- (b) all goods which are not inventory or consumer goods, including but not limited to furniture, fixtures, equipment machinery, plant, tools, vehicles and other tangible personal property, whether described in Schedule "A" hereto or not;
- (c) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Customer, and all claims of any kind which the Customer now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies;
- (d) all chattel paper;
- (e) all money;
- (f) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (g) all instruments, including but not limited to bills, notes, cheques, letters of credit, and advices of credit;
- (h) all investment property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;
- (i) all intangibles including but not limited to contracts, agreements, options, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges, and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes, copyrights and other industrial or intellectual property;
- (j) with respect to the personal property described in subparagraphs (a) to (i) inclusive, all books, accounts, invoices, letters, papers, documents, disks, and other records in any form, electronic or otherwise, evidencing or relating thereto; and all contracts, investment property, securities, instruments and other rights and benefits in respect thereof;
- (k) with respect to the personal property described in subparagraphs (a) to (j) inclusive, all parts, components, renewals, substitutions and replacements thereof and all attachments, accessories and increases, additions and accessions thereto; and
- (l) with respect to the personal property described in subparagraphs (a) to (k) inclusive, all proceeds therefrom (other than consumer goods), including personal property in any form or fixtures derived directly or indirectly from any dealing with such property or proceeds therefrom, and any insurance or other payment as indemnity or compensation for loss of or damage to such property or any right to such payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument, security or investment property; and

In this Agreement, the words "goods", "consumer goods", "account", "account debtor", "inventory", "crops", "equipment", "fixtures", "chattel paper", "document of title", "instrument", "money", "security", or "securities", "intangible", "receiver", "proceeds", "accessions", "certificated security", "clearing house option", "control", "financial asset", "futures account", "futures contract", "futures intermediary", "investment property", "securities account", "securities intermediary", "security certificate", "security entitlement", and "uncertificated security" shall have the same meanings as their defined meanings where such words are defined in the Personal Property Security Act of the province or territory in which the Branch of the Bank mentioned in paragraph 1 is located, such Act including any amendments thereto, being referred to in this Agreement as "the PPSA". In this Agreement "Collateral" shall refer to "Collateral or any item thereof".

2. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all obligations of the Customer to the Bank, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank in any currency or remaining unpaid by the Customer to the Bank in any currency, whether arising from dealings between the Bank and the

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Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer and wherever incurred, and whether incurred by the Customer alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses (the "Obligations").

3. The Customer hereby represents and warrants to the Bank that:

- (a) all of the Collateral is, or when the Customer acquires any right, title or interest therein, will be the sole property of the Customer free and clear of all security interests, mortgages, charges, hypothecs, liens or other encumbrances except as disclosed by the Customer to the Bank in writing;
- (b) the Collateral insofar as it consists of goods (other than inventory enroute from suppliers or enroute to customers or on lease or consignment) will be kept at the locations specified in Schedule "B" hereto or at such other locations as the Customer shall specify in writing to the Bank and subject to the provisions of paragraph 4(j) none of the Collateral shall be moved therefrom without the prior written consent of the Bank;
- (c) the Customer's chief executive office is located at the address specified in paragraph 1;
- (d) none of the Collateral consists of consumer goods; and
- (e) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Customer in accordance with its terms.

4. The Customer hereby agrees that:

- (a) the Customer shall diligently maintain, use and operate the Collateral and shall carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) the Customer shall cause the Collateral to be insured and kept insured to the full insurable value thereof with reputable Insurers against loss or damage by fire and such other risks as the Bank may reasonably require and shall maintain such insurance with loss if any payable to the Bank and shall lodge such policies with the Bank;
- (c) the Customer shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Bank, when required, the receipts and vouchers establishing such payment;
- (d) the Customer shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) the Customer shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require, and the Customer shall permit the Bank or its authorized agents at any time at the expense of the Customer to examine all books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;
- (f) the Customer shall furnish to the Bank such information with respect to the Collateral and the insurance thereon as the Bank may from time to time require and shall give written notice to the Bank of all litigation before any court, administrative board or other tribunal affecting the Customer or the Collateral;
- (g) the Customer shall defend the title to the Collateral against all persons and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances except for those disclosed to the Bank in writing prior to the execution of this Agreement or hereafter approved in writing by the Bank prior to their creation or assumption;
- (h) the Customer shall, upon request by the Bank, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Bank to be necessary or desirable to give effect to the intent of this Agreement and the Customer hereby irrevocably constitutes and appoints the Manager or Acting Manager for the time being of the Branch of the Bank mentioned in paragraph 1, the true and lawful attorney of the Customer, with full power of substitution, to do any of the foregoing in the name of the Customer whenever and wherever the Bank may consider it to be necessary or desirable;
- (i) the Customer shall promptly notify the Bank in writing of any event which occurs that would have a material adverse effect upon the Collateral or upon the financial condition of the Customer and immediately upon the Customer's acquisition of rights in any vehicle, mobile home, trailer, boat, outboard motor for a boat, aircraft or aircraft engine, shall promptly provide the Bank with full particulars, including serial number, of such Collateral; and
- (j) the Customer will not change its name or the location of its chief executive office or place of business or sell, exchange, transfer, assign or lease or otherwise dispose of or change the use of the Collateral or any interest therein or modify, amend or terminate any chattel paper, document of title, instrument, security, investment property or intangible, without the prior written consent of the Bank, except that the Customer may, until an event of default set out in paragraph 9 occurs, sell or lease inventory in the ordinary course of the Customer's business.

5. Until an event of default occurs, the Customer may use the Collateral in any lawful manner not inconsistent with this Agreement or any other agreement to which the Bank and the Customer are parties, but the Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Customer agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith, and for such purpose shall permit the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Customer to examine and inspect the Collateral and related records and documents.

6. Before or after an event of default occurs, the Bank may give notice to any or all account debtors of the Customer and to any or all persons liable to the Customer under an instrument to make all further payments to the Bank and any payments or other proceeds of Collateral received by the Customer from account debtors or from any persons liable to the Customer under an instrument, whether before or after such notice is given by the Bank, shall be held by the Customer in trust for the Bank and paid over to the Bank upon request. The Bank may take charge of all proceeds of Collateral and may apply any money taken as Collateral to the satisfaction of the Obligations secured hereby. The Bank may hold as additional security any increase or profits, except money, received from any Collateral in the Bank's possession, and may apply any money received from such Collateral to reduce the Obligations secured hereby and may hold any balance as additional security for such part of the Obligations as may not yet be due, whether absolute or contingent. The Bank will not be obligated to keep any Collateral separate or identifiable. In the case of any instrument, security, investment property or chattel paper comprising part of the Collateral, the Bank will not be obligated to take any necessary or other steps to preserve rights against other persons.

7. Before or after an event of default occurs, the Bank may have any Collateral comprising instruments, shares, stock, warrants, bonds, debentures, debenture stock, securities or other investment property, registered in its name or in the name of its nominee and shall be entitled but not bound or required to vote in respect of such Collateral at any meeting at which the holder thereof is entitled to vote and, generally, to exercise any of the rights which the holder of such Collateral may at any time have. The Customer will also take such steps as the Bank requires to enable the Bank to obtain and maintain control of any investment property, including but not limited to arranging for any issuer of uncertificated securities, securities intermediary or futures intermediary to enter into an agreement satisfactory to the Bank to enable the Bank to obtain and maintain control. The Bank shall not be responsible for any loss occasioned by the exercise of any of any rights contemplated in this paragraph or by failure to exercise the same within the time limited for the exercise thereof.

8. Upon the Customer's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Customer shall pay to the Bank, forthwith upon written demand therefor, an amount equal to the costs, fees and expenses incurred by the Bank in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time. The "Prime Lending Rate of the Bank" means the variable per annum, reference rate of interest as announced and adjusted by the Bank from time to time for loans made by the Bank in Canada in Canadian dollars.

9. The happening of any one or more of the following events shall constitute an event of default under this Agreement:

- (e) if the Customer does not pay when due any of the Obligations;
- (b) if the Customer does not perform any provisions of this Agreement or of any other agreement to which the Customer and the Bank are parties;
- (c) if the Customer ceases or threatens to cease to carry on its business, commits an act of bankruptcy, becomes insolvent makes an assignment or proposal under the Bankruptcy and Insolvency Act, takes advantage of provisions for relief under the Companies' Creditors Arrangement Act or any other legislation for the benefit of insolvent debtors, transfers all or substantially all of its assets, or proposes a compromise or arrangement to its creditors;
- (d) if the Customer enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement;
- (e) if any proceeding is taken with respect to a compromise or arrangement or to have the Customer declared bankrupt or wound up, or if any proceeding is taken, whether in court or under the terms of any agreement or appointment in writing, to have a receiver appointed of any Collateral or if any encumbrance becomes enforceable against any Collateral;
- (f) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Customer or if any distress or analogous process is levied upon any Collateral;
- (g) if the Bank in good faith believes and has commercially reasonable grounds for believing that the prospect of payment or performance of any Obligation is or is about to be impaired or that any Collateral is or is about to be in danger of being lost, damaged, confiscated or placed in jeopardy.

10. If an event of default occurs, the Bank may withhold any future advances and may declare that the Obligations shall immediately become due and payable in full, and the Bank may proceed to enforce payment of the Obligations and the Customer and the Bank shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PPSA and other applicable legislation and those provided by this Agreement. The Bank may take possession of the Collateral, enter upon any premises of the Customer, otherwise enforce this Agreement, enforce its rights under any agreement with any issuer of uncertificated securities, securities intermediary or futures intermediary and enforce any rights of the Customer in respect of the Collateral by any manner permitted by law and may use the Collateral in the manner and to the extent that the Bank may consider appropriate and may hold, insure, repair, process, maintain, protect, preserve, prepare for disposition and dispose of the same and may require the Customer to assemble the Collateral and deliver or make the Collateral available to the Bank at a reasonably convenient place designated by the Bank.

11. Where required to do so by the PPSA, or other relevant legislation, the Bank shall give to the Customer the written notice required by the PPSA or such other relevant legislation of an intended enforcement or disposition of the Collateral by serving such notice personally on the Customer or by mailing such notice by registered mail to the last known post office address of the Customer or by electronic transmission to the last known electronic mailing or transmission address of the Customer or by any other method authorized or permitted by the PPSA or such other relevant legislation.



12. If an event of default occurs, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the PPSA or otherwise and without limitation have power (a) to take possession of the Collateral, (b) to carry on all or any part or parts of the business of the Customer, (c) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of the Collateral and for any other enforcement of this Agreement or for the carrying on of the business of the Customer on the security of the Collateral in priority to the security interest created under this Agreement, and (d) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine provided that if any such disposition involves deferred payment the Bank will not be accountable for and the Customer will not be entitled to be credited with the proceeds of any such disposition until the monies therefor are actually received; and further provided that any such receiver shall be deemed the agent of the Customer and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

13. Any proceeds of any disposition of any Collateral may be applied by the Bank to the payment of expenses incurred or paid in connection with seizing, repossessing, retaking, holding, repairing, processing, insuring, preserving, preparing for disposition and disposing of the Collateral (including reasonable solicitor's fees and legal expenses and any other reasonable expenses), and any balance of such proceeds may be applied by the Bank towards the payment of the Obligations in such order of application as the Bank may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12 shall bear interest at the rate of 3% per annum over the Prime Lending Rate of the Bank in effect from time to time, shall be payable by the Customer upon demand and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the expenses incurred by the Bank, the Customer shall be liable to pay any deficiency to the Bank on demand.

14. The Customer and the Bank further agree that:

- (a) the Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Customer, debtors of the Customer, sureties and others and with the Collateral or other security as the Bank may see fit without prejudice to the liability of the Customer and the Bank's rights under this Agreement
- (b) this Agreement shall not be considered as satisfied or discharged by any intermediate payment of all or any part of the Obligations but shall constitute and be a continuing security to the Bank for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Bank;
- (c) nothing in this Agreement shall obligate the Bank to make any loan or accommodation to the Customer or extend the time for payment or satisfaction of the Obligations;
- (d) any failure by the Bank to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations secured by this Agreement shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations secured by this Agreement;
- (e) all rights of the Bank under this Agreement shall be assignable and in any action brought by an assignee to enforce such rights, the Customer shall not assert against the assignee any claim or defence which the Customer now has or may hereafter have against the Bank;
- (f) all rights of the Bank under this Agreement shall enure to the benefit of its successors and assigns and all obligations of the Customer under this Agreement shall bind the Customer, his heirs, executors, administrators, successors and assigns;
- (g) if more than one Customer executes this Agreement their obligations under this Agreement shall be joint and several, and the Obligations shall include those of all or any one or more of them;
- (h) if the Customer is a corporation, The Limitation of Civil Rights Act of the province of Saskatchewan shall have no application to this Agreement or to any agreement or instrument renewing or extending or collateral to this Agreement or to the rights, powers or remedies of the Bank under this Agreement;
- (i) this Agreement shall be governed in all respects by the laws of the jurisdiction in which the Branch of the Bank mentioned in paragraph 1 is located;
- (j) the time for attachment of the security interest created hereby has not been postponed and is intended to attach when this Agreement is signed by the Customer and attaches at that time to Collateral in which the Customer then has any right, title or interest and attaches to Collateral in which the Customer subsequently acquires any right title or interest at the time when the Customer first acquires such right, title or interest.

The Customer acknowledges receiving a copy of this Agreement.

The Customer expressly waives the right to receive a copy of any financing statement or financing change statement which may be registered by the Bank in connection with this Agreement or any verification statement issued with respect thereto where such waiver is not otherwise prohibited by law.

Signed this 13 day of MAY 2014

Customer: ENTROPEX

Witness:

[Signature] by: [Signature]
 CRM TITLE
D. ALKMAN by: [Signature]
 TITLE

FULL NAME AND ADDRESS OF THE CUSTOMER (FOR INDIVIDUAL(S), INSERT FIRST GIVEN NAME, INITIAL OF SECOND GIVEN NAME, (FULL SECOND NAME IN ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA) IF ANY, THEN SURNAME)	IF GIVEN BY INDIVIDUAL(S) RECORD DATE OF BIRTH DAY MONTH YEAR	SEX	
		M	F
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

SCHEDULE "A"

(Description of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "A".

SCHEDULE "B"

(Location of Collateral)

If space is insufficient attach additional page headed Page 2 of Schedule "B".
1271 LOUGAR AVENUE, SARNIA, ONTARIO, N7S5N5

DATE RECEIVED MAY 16 2014
 RECORDED
 APPROVED [Signature]
 E.O.
 AUDITOR

2311119 (12/13)

B

327637-6 00082

Canadian Securities Registration Systems (ONCNS9)

Report Date: May 22, 2014

ONCNS9F283184-1
REGISTERED

REGISTRATION STATEMENT (ON)

REGISTRATION INFORMATION

Registration Number 20140522111115327864	Registration Date 22 MAY 2014	Registration Time 11:11 AM	Expiry Date 22 MAY 2019
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Reference File Number
696359376

Type of Registration SECURITY AGREEMENT	Life of Registration 5 Years
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SECURED PARTY INFORMATION

The Bank of Nova Scotia
20 Queen St West 4th floor
Toronto ON M5H 3R3 CANADA

DEBTOR INFORMATION

ENTROPEX
1271 LOUGAR AVENUE
SARNIA ON N7S 5N5 CANADA

COLLATERAL CLASSIFICATION

Inventory <input checked="" type="checkbox"/>	Equipment <input checked="" type="checkbox"/>	Consumer Goods <input type="checkbox"/>	Accounts <input checked="" type="checkbox"/>	Other <input checked="" type="checkbox"/>	Vehicle Included <input type="checkbox"/>
Amount secured \$0	Maturity date NO FIXED DATE				

Your reference F327637D6

POST REGISTRATION SEARCH WAS PERFORMED ON THE FOLLOWING

Debtor Only

44696

000215 14/05/14

TAB B

Issued to: **Roynat Inc.**
 40 King Street West, 26th Floor, Toronto, ON M5H 1K1
 Facsimile No. (416) 933-2783

ENTROPEX
 1271 Lougar Avenue
 Sarnia, ON N7S 5N5
 Fax No. (519) 332-8220

DEBENTURE

US\$3,863,000

July 28, 2014

1. 629728 ONTARIO LIMITED and UNITEC INC. carrying on business in partnership as ENTROPEX (the "Borrower") for value received hereby promises to pay to Roynat Inc. ("Roynat"), at its address specified above, the principal amount of Three Million Eight Hundred Sixty-Three United States Dollars (US\$3,863,000) in the manner hereinafter provided, together with all other moneys which may from time to time be owing hereunder or pursuant hereto. The principal amount of this Debenture will be advanced in two (2) tranches, the first of which will be in the amount of US\$2,000,000 and the second of which will be in the amount of US\$1,863,000.
2. Principal Payments. Subject to the provisions of this Debenture:
 - (a) the principal amount of the first tranche hereof shall become due and payable by instalments payable on the 15th day of each month as follows:

Number of Payments	Payment Amount	Payment Frequency	Payment Starts	Payment Ends
59	\$16,660	monthly	August 15, 2014	June 15, 2019
1	\$1,017,060	Once	July 15, 2019	July 15, 2019

and the balance of the said principal amount of the first tranche, together with interest and all other monies owing in respect of the first tranche, shall become due and payable on the 15th day of July, 2019; and
 - (b) the principal amount of the second tranche hereof shall be repaid over a five (5) year term and on a ten (10) year straight line year amortization from the date of final disbursement (similar to the first tranche) and the balance of such second tranche, together with interest and all other monies owing in respect of the second tranche, shall become due and payable on the 15th day of the last month of such five (5) year term.
3. Interest. Interest shall be payable on the 15th day of each month on the balance from time to time outstanding of the principal amount of this Debenture, any overdue interest and any other moneys due and payable hereunder, both before and after maturity, default or judgment, at the rate of interest per annum (the "Loan Rate") which is 3.25% greater than the Roynat's U.S. Floating Base Rate for the Applicable Period calculated and compounded monthly, computed from the respective dates of advance of the moneys by Roynat to the Borrower until payment in full of all moneys owing hereunder. Roynat shall notify the Borrower at least five days prior to each interest payment date of the Roynat's U.S. Floating Base Rate for the Applicable Period but the non-receipt of any such notice by the Borrower or the failure of Roynat to give such notice shall in no way limit or negate the obligation of the Borrower to pay interest on such payment date. The first interest payment date shall be the 15th day of the month in which the first advance is made by Roynat hereunder or, if the first advance is made after the 15th day of a month, the first interest

payment date shall be the 15th day of the next succeeding month. At the option of Roynat, interest accrued may be deducted from proceeds of advances hereunder.

- 4. **Prepayment.** The Borrower may prepay the principal amount of this Debenture prior to maturity either in whole at any time or, when not in default hereunder, in part from time to time on not less than 30 days' written notice upon payment of the principal amount being prepaid plus, if the funds used for the prepayment are generated from the ordinary course business operations of the Borrower, an additional amount equal to the greater of (x) three months' interest on such principal amount at the Loan Rate in effect on the date fixed by the Borrower for the prepayment and (y) 3% of the principal amount being prepaid. If the funds used for the prepayment are from any other source, an additional amount equal to the greater of (A) six months' interest at the Loan Rate on the principal amount prepaid, and (B) 3% of the principal amount being prepaid shall also be paid by the Borrower. In each case, such amount to be paid together with accrued and unpaid interest on such principal amount to the date fixed for prepayment and, in the case of prepayment in whole, all other moneys owing hereunder. The Borrower shall have no other right of prepayment. Partial prepayment will be applied in reverse order of scheduled repayment.

Notwithstanding the foregoing paragraph, the Borrower may, when not in default hereunder and provided the Loan Rate is a floating rate of interest, prepay without penalty in each year on the anniversary date of this Debenture an amount not exceeding 10% of the principal amount outstanding on the date of such prepayment, together with accrued and unpaid interest on such principal amount to the date fixed for redemption. This right may be exercised once during each 12 month period following the date of the initial advance of funds hereunder, and shall be non-cumulative.

- 4A. **Conversion to Fixed Interest Rate.** The Borrower may at any time request that Roynat provide a quotation as to the availability of fixed interest rates on the principal of this Debenture. Within 5 days after receipt of such request, Roynat shall provide a written offer to the Borrower, offering specified rates of interest for a selection of fixed interest periods as Roynat may then be able to provide and specifying a date from which the conversion would be effective (the "Conversion Date"). Such rates of interest shall be 3.25% above Roynat's U.S. Term Base Rate for the relevant periods. The offer shall stipulate any extensions of the term of this Debenture that Roynat may require. If the Borrower accepts such offer by selecting the applicable interest rate and fixed interest period, the rate so specified and accepted shall be the "Loan Rate" for all purposes of this Debenture from and after the Conversion Date for the fixed interest period selected. If such period expires before the end of the agreed extended term, the rate of interest on this Debenture shall revert to the variable rate, as provided in Section 3 hereof for the balance of the agreed extended term, but the Borrower may thereafter avail itself again of the provisions of this Section 4A. The Borrower shall forthwith execute and deliver such documentation, if any, as Roynat shall request to give effect to any interest rate conversion or extension of the term of this Debenture. The Borrower shall have no right to redeem this Debenture after conversion to a constant interest rate except as may be specified in the offer from Roynat accepted by the Borrower, notwithstanding the provisions of Section 4 hereof.

For the purposes of this Section:

"Roynat's U.S. Term Base Rate" means, at any time, the annual rate of interest (computed on the basis of a 360-day year, in each case for the actual number of days elapsed) which Roynat establishes at its principal office in Toronto as the reference rate of interest which Roynat will charge for closed fixed rate term loans in U.S. dollars made to its customers in Canada for varying durations and which it refers to as "Roynat's U.S. Term Base Rate" for that duration of loan.

- 5. **Partial Payments.** In case less than the total principal amount of this Debenture is redeemed at any time, the principal amount so redeemed shall be credited against the principal payable hereunder in inverse order of maturity.
- 6. **Security.** As security for the payment of the principal, interest and all other moneys from time to time payable under this Debenture, and the performance by the Borrower of all its obligations hereunder and to better secure the principal, interest and other monies from time to time secured hereunder, but subject to Permitted Encumbrances and to the exception as to leaseholds hereinafter contained, the Borrower hereby

grants a security interest in and grants, assigns, mortgages and charges, as and by way of a first, fixed and specific mortgage and charge to and in favour of Roynat:

- (a) all real and immoveable property, both freehold and leasehold, now owned or hereafter acquired by the Borrower, together with all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith, including without limitation the property described in Schedule "B" hereto; and
- (b) all furniture, machinery, equipment, vehicles, accessories and other tangible personal property (other than Inventory) now owned or hereafter acquired by the Borrower or in respect of which the Borrower now or hereafter has any right, title or interest, together with any proceeds of sale or disposition thereof.

And for the same consideration and purposes and subject to the same exceptions, the Borrower hereby charges as and by way of a first floating charge to and in favour of Roynat, and grants to Roynat a security interest in, the undertaking of the Borrower and all its property and assets for the time being, both present and future, and of whatsoever nature and wherever situate (other than property and assets from time to time effectively subjected to the fixed and specific mortgages and charges created hereby or by any instrument supplemental hereto).

Provided, however, and notwithstanding the above, that such fixed and specific mortgage and charge and floating charge to and in favour of Roynat shall be subject to security previously granted in favour of Her Majesty the Queen in Right of the Province of Ontario, as represented by the Minister of Research and Innovation over the equipment listed in Schedule "C" hereto.

Provided that such floating charge shall not prevent the Borrower from time to time until the security hereby constituted shall have become enforceable from selling, leasing or otherwise disposing of the property, rights and assets included in such floating charge or from making expenditures with a view to the expansion of its business or from giving security constituting Permitted Encumbrances, all in the ordinary course of its business and subject to the provisions of this Debenture. In particular, the Borrower may give security to its banker (but not to more than one banker or banking syndicate) on its Inventory or by way of assignment of its trade receivables (by way of confirmation, trade receivables do not include proceeds of life insurance policies assigned to Roynat or proceeds of the sale or disposition of property specifically mortgaged or charged hereunder or under any instrument supplemental hereto) and such security if validly perfected shall rank prior to the lien hereof on such assets without further action by Roynat. Notwithstanding any other provision of this Debenture except as provided in the foregoing sentence, the security interests constituted hereby and by any supplemental security granted to Roynat shall not be subordinate to, nor is there any intention to subordinate such security interests to, any Permitted Encumbrances or security interests held by others.

All security interests created by this Debenture attach immediately upon execution of the Debenture. The attachment of the floating charge has not been postponed and the floating charge shall attach to any particular property intended to be subject to it as soon as the Borrower has rights in such property.

All property and assets of the Borrower whether specifically charged or subjected to the floating charge are hereinafter referred to as the "Mortgaged Premises".

7. Exception as to Leaseholds. It is hereby declared that the last day of any term of years reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower is excepted out of the Mortgaged Premises, but the Borrower shall stand possessed of any such reversion upon trust to assign and dispose thereof as Roynat may direct.
8. Payments and Notice. Any payments not received by Roynat by two o'clock p.m. on a Business Day shall be deemed to have been received on the next Business Day. Any notice required or desired to be given hereunder or under any Offer of Finance or under any instrument supplemental hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by

sending the same by registered mail, postage prepaid, to Roynat or to the Borrower at their respective addresses set out above and, in the case of electronic communication, to the facsimile numbers set out above. Any notice so delivered shall be conclusively deemed given when personally delivered and any notice sent by facsimile or other means of electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice, and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments herein referred to may be changed by notice in writing given pursuant hereto.

9. Covenants.

- (a) This Debenture is issued subject to and with the benefit of all the covenants, terms and conditions in Schedule "A" hereto which Schedule forms a part hereof.
- (b) In addition to such covenants, terms and conditions, the Borrower covenants with Roynat that so long as this Debenture remains outstanding the Borrower shall:
 - (i) execute and deliver all such documents as may be necessary to maintain in force the pre-authorized payment system specified in the Offer of Finance;
 - (ii) maintain a consolidated Working Capital ratio of not less than 1.0:1.0 beginning fiscal year end May 31, 2014;
 - (iii) together with the guarantors (629728 Ontario Limited, Unitec Inc., NxGen Holdings Inc., Entropex RigidReclaim Inc. and Entropex Logistics Inc.) maintain a consolidated Debt Service Coverage Ratio of not less than 1.25:1.00. For the purposes hereof "Debt Service Coverage Ratio" is defined, with respect to the person concerned, as the ratio obtained by dividing:
 - (A) the sum of the net income, deferred income taxes, amortization and depreciation, interest on the term debt and capital leases, non-recurring or extraordinary items and gains or losses on disposals of assets, by
 - (B) the sum of regular payments of principal and interest made or required to be made on the term debt and the capital leases over the last twelve (12) months, calculated on a rolling four (4) quarter basis and tested semi-annually.
 - (iv) following the advance of the second tranche of the principal amount of this Debenture, the Borrower shall maintain a maximum ratio of total debt to tangible net worth of 2.50:1.0.
- (c) The shareholders of Unitec Inc. shall postpone repayment of their loans totalling \$4,654,596 and all interest thereon (however, such shareholder loans may begin repayment after the submission of fiscal year end 2015 results demonstrating no default exists and such repayments are approved in writing by Roynat).
- (d) The Borrower's operating lender will be permitted to obtain a second charge on the property described in Schedule "B" hereto. Any further limited fixed charges over such property must be approved, in advance, by Roynat and the amount of such limited fixed charges shall be included in the calculation of total debt as it applies to the total debt to tangible net worth covenant maximum of 2.50:1.0.
- (e) On request, the Borrower shall provide Roynat with evidence (on a semi-annual basis, or more frequently if requested) confirming all super priority remittances are current. Super priorities

include all statutory remittances including but not limited to source deductions for income tax, CPP and employment insurance premiums.


- (f) Voting Control (direct or indirect) of 629728 Ontario Limited and Unitec Inc., now vested in the Bechard family, may only change with Roynat's prior written approval.
 - (g) All indebtedness of the Borrower, all guarantors and any subsidiaries (including the forgivable loan provided by the Ministry of Research and Innovation) to Roynat or to any other lender shall be cross defaulted.
 - (h) The Borrower shall provide written evidence, satisfactory to Roynat, of payment of property taxes within forty-five (45) days of the due date for such taxes. Failure to provide such confirmation, or confirmation that any property taxes have fallen in arrears, shall result in Roynat collecting by preauthorized payment system, the tax arrears and future taxes payable.
 - (i) If there is any change from the accounting policies, practices and calculation methods used by the Borrower or any of the guarantors (629728 Ontario Limited, Unitec Inc., NxGen Holdings Inc., Entropex RigidReclaim Inc. and Entropex Logistics Inc.) in preparing any part of the required financial statements for the fiscal year most recently completed before the date of the Offer of Finance, each of the Borrower and such guarantors shall provide Roynat with all information that Roynat requires to ensure that reporting provided to Roynat after any changes are comparable to previous reporting. In addition, all calculations made for the purposes of the Offer of Finance shall continue to be made based on the accounting policies, practices and calculation methods in effect as of the date of the financial statements for the most recently-completed fiscal year. In the event of a change in the accounting policies, practices and calculation methods, Roynat retains the right (i) to act on any default under the financial covenants or any other terms and conditions as defined in the Offer of Finance or this Debenture that is disclosed by applying the previous accounting policies, practices and calculation methods, and (ii) at its discretion and acting reasonably, to amend/reset covenants that are affected by the change.
10. **Offer of Finance.** This Debenture is being issued by the Borrower to Roynat pursuant to the terms of a certain letter agreement between the Borrower and Roynat dated April 17, 2014 (such letter agreement including any amendments, restatements or substitutes thereto being herein called the "Offer of Finance"). All terms and conditions of the Offer of Finance shall remain in full force and effect, except to the extent inconsistent with the provisions of this Debenture and, in the event of any inconsistencies between the provisions of the Offer of Finance and this Debenture, the provisions of the Offer of Finance shall govern.
11. **Maximum Recovery.** If any amounts, whether on account of interest, fees, bonus or additional consideration, becomes payable to or is received by Roynat pursuant to this Debenture, the Offer of Finance, any other security document or other agreement which would exceed the maximum amount recoverable under applicable law on moneys advanced by Roynat:
- (a) any amounts so payable shall be reduced and are hereby limited to the maximum amount recoverable under applicable law;
 - (b) any amounts so received by Roynat shall, at Roynat's option, either be returned to the Borrower or, notwithstanding Section 4 hereof, be deemed to have been received by Roynat as a partial redemption of this Debenture and shall be credited against principal payable hereunder in inverse order of maturity; and
 - (c) if paragraph (a) requires the reduction in an amount or amounts payable to Roynat, Roynat in its sole discretion shall determine which amount or amounts shall be reduced to ensure compliance with this Section 11.

- 12. **Extensions and Amendments.** Any agreement for the extension of the time of payment of the moneys hereby secured or any part thereof made at, before or after maturity, and prior to the execution of a discharge or release of this Debenture, or any agreement for altering the term, rate of interest (whether increased or decreased), the amount of the principal payments hereunder or any other covenant or condition hereof, need not be registered in any office of public record but shall be effectual and binding upon the Borrower and upon every subsequent mortgagee, chargee, encumbrancer or other person claiming an interest in the Mortgaged Premises or any part thereof when executed by the Borrower and delivered to Roynat.
- 13. **Receipt.** The Borrower hereby acknowledges receipt of a true copy of this Debenture and, to the extent permitted by law, waives all rights to receive from Roynat a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Debenture or any supplemental or collateral security granted to Roynat.
- 14. **Governing Law and Headings.** This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The division of this Debenture into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.
- 15. **Invalidity, etc.** Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.
- 16. **Interest Calculations.** Interest payable on the Debenture shall be payable both before and after demand, default and judgement at the Loan Rate with interest on overdue interest at the same rate. For the purposes of the *Interest Act* (Canada), the yearly rate of interest applicable to amounts owing on this Debenture shall be calculated on the basis of a 365 day year.

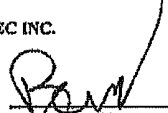
IN WITNESS WHEREOF the Borrower has executed this Debenture.

ENTROPEX, by its partners

629728 ONTARIO LIMITED

Per: 
 Name: Keith Bechard
 Title: President
 I/We have the authority to bind the corporation

UNITEC INC.

Per: 
 Name: Keith Bechard
 Title: President
 I/We have the authority to bind the corporation

SCHEDULE "A"

1. THE BORROWER HEREBY DECLARES, COVENANTS AND AGREES THAT IT:

- (a) As to Title - is the sole legal and beneficial owner of the Mortgaged Premises and owns the same free of all encumbrances other than Permitted Encumbrances;
- (b) Further Assurances - shall at its expense on the request of Roynat, execute and deliver to Roynat such further assurances and documents as Roynat may require to perfect Roynat's security on all or any part of the Mortgaged Premises, or to specifically charge any or all of the property then subject to the floating charge created hereby;
- (c) Pay Costs - shall pay all reasonable costs and expenses (including complete reimbursement for 100% of all legal fees and disbursements) of Roynat incidental to or which in any way relates to this Debenture or its enforcement including (i) the preparation, execution and filing of this Debenture and any instruments postponing, discharging, amending, extending or supplemental to this Debenture or any security required by any Offer of Finance ("Roynat's Security"); (ii) perfecting and keeping perfected Roynat's Security; (iii) maintaining the intended priority of Roynat's Security on all or any part of the Mortgaged Premises; (iv) taking, recovering or possessing the Mortgaged Premises; (v) taking any actions or other proceedings to enforce the remedies provided herein or otherwise in relation to this Debenture or the Mortgaged Premises, or by reason of a default hereunder or the non-payment of the moneys hereby secured; (vi) taking proceedings, giving notices and giving responses required under any applicable law concerning or relating to Roynat's Security, including compliance with the provisions of applicable bankruptcy, insolvency, personal property security and mortgage enforcement legislation; (vii) any inspections required to be made to the Mortgaged Premises, or the review of any plans, specifications or other documentation which may require the approval or consent of Roynat; (viii) responding to or participating in proceedings in the nature of those described in Sections 9(c), (f) and (g) hereof; and (ix) obtaining the advice of counsel and other advisors in relation to the foregoing;
- all such costs and expenses and other monies payable hereunder, together with interest at the Loan Rate, shall be payable on demand and shall upon being incurred by Roynat be secured hereby and constitute a charge on the Mortgaged Premises and any proceeds of realization;
- (d) To Pay Rents and Taxes - shall pay all rents, taxes and assessments lawfully imposed upon the Mortgaged Premises or any part thereof and upon the income and profits of the Borrower when the same become due and payable, shall show to Roynat on request receipts for such payment;
- (e) To Maintain Corporate Existence and Security - shall maintain its corporate existence, shall keep the Mortgaged Premises in good condition and repair, shall maintain the security hereby created as a valid and effective security at all times so long as any moneys are outstanding hereunder, shall carry on and conduct its business in a proper and efficient manner and in accordance with all applicable laws, regulations and judgments, shall not materially alter the kind of business carried on by it, shall advise Roynat promptly in writing of any proposed change in its name, shall observe and perform all of its obligations under leases, licences and other agreements to which it is a party so as to preserve and protect the Mortgaged Premises and the income therefrom, and shall keep proper books of accounts with correct entries of all transactions in relation to its business;
- (f) Not to Sell - shall not, except as otherwise permitted hereunder, remove, destroy, lease, sell or otherwise dispose of any of the Mortgaged Premises; provided that the Borrower may sell or otherwise dispose of furniture, machinery, equipment, vehicles and accessories in any consecutive twelve month period having a total value of less than \$100,000 which have become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens or charges, property of equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired. If any Offer of

Finance provides that the Borrower is permitted to sell or otherwise dispose of any Mortgaged Premises, at Roynat's option the proceeds of such sold or disposed of Mortgaged Premises shall be applied against those monies owing hereunder designated by Roynat at its discretion;

- (g) **No Other Liens** - shall not create, assume or suffer to exist any charge, lien, federal or provincial government priority claim arising pursuant to statute including any deemed trust, security interest or encumbrance upon any Mortgaged Premises other than Permitted Encumbrances; provided that no provision hereof shall be construed as a subordination or postponement of the security interest created hereunder to or in favour of any other charge, lien, security interest or encumbrance, whether or not it is a Permitted Encumbrance;
- (h) **To Hold Proceeds of Unauthorized Sale in Trust** - in the event the Mortgaged Premises or any part thereof are sold or disposed of prior to the full discharge of this Debenture by Roynat, in any manner not authorized by this Debenture, shall hold all proceeds of such sale or disposition received by the Borrower as trustee for Roynat until the Borrower has been fully released from this Debenture by Roynat;
- (i) **To Insure** - shall keep insured the Mortgaged Premises with reputable insurers approved by Roynat in such amounts against loss or damage by fire and other causes or perils as Roynat may reasonably require and shall pay all premiums necessary for such purposes as the same shall become due. All policies of insurance issued in respect of the Mortgaged Premises and all proceeds thereof are hereby assigned to Roynat as security for the Borrower's obligations hereunder. Each policy of insurance shall show Roynat as loss payee, as its interest may appear, shall contain such mortgage clauses as Roynat may require, shall be in terms satisfactory to Roynat and, at the request of Roynat, shall be delivered to and held by Roynat subject to the rights of holders of Permitted Encumbrances;
- (j) **To Furnish Proofs** - shall forthwith on the happening of any loss or damage furnish at its expense all necessary proofs and do all necessary acts to enable Roynat to obtain payment of the insurance moneys subject to the rights of holders of Permitted Encumbrances;
- (k) **Inspection by Roynat** - shall allow any employees or third parties retained by Roynat at any reasonable time, upon reasonable prior notice to the Borrower, to enter the premises of the Borrower to inspect the Mortgaged Premises, including without limitation the right to undertake soil, ground water, environmental or other tests, measurements or surveys in, on or below the Mortgaged Premises, and to inspect the books and records of the Borrower and make extracts therefrom, and shall permit Roynat prompt access to such other persons as Roynat may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Mortgaged Premises or the books and records of the Borrower, provided that any information so obtained shall be kept confidential, save as required by Roynat in exercising its rights hereunder or pursuant to any applicable law or court order. The Borrower shall pay all costs and expenses of third parties (including complete reimbursement for 100% of all legal fees and disbursements) retained by Roynat for purposes of inspection under this Section 1(k);
- (l) **Deliver Financial Statements** - shall deliver to Roynat within 120 days of the close of each financial year of the Borrower one copy of the annual financial statements for that year, including the balance sheet and statements of income, retained earnings and changes in financial position, prepared on a non-audit review basis by a firm of licensed public accountants satisfactory to Roynat, and within 45 days after the first half of each of the Borrower's financial years, one copy of the interim financial statements, all of which financial statements shall be signed by an authorized officer of the Borrower and prepared in accordance with generally accepted accounting principles; provided that Roynat may by written notice require audited financial statements, accompanied by the report of the Borrower's auditors, and after the giving of such notice all annual financial statements required hereby shall be audited. The Borrower shall at the same time deliver to Roynat copies of all management reports prepared by the accountants or auditors of the

Borrower together with any other statements stipulated in the Offer of Finance. The Borrower will also cause the guarantors to provide their financial statements as follows:

- (i) Unitec Inc. -- annual unconsolidated and consolidated review engagement within 120 days of fiscal year and semi-annually internally-prepared consolidated statements;
 - (ii) Entropex Logistics Inc. -- annual notice to reader within 120 days of fiscal year end;
 - (iii) 629728 Ontario Limited -- annual notice to reader within 120 days of fiscal year end; and
 - (iv) NxGen Holdings Inc. -- annual notice to reader within 120 days of fiscal year end;
- (m) Not to Create Charges - without the prior written consent of Roynat, shall not create or suffer to exist any charge or encumbrance over all or any portion of the Mortgaged Premises other than Permitted Encumbrances, and shall not permit any subsidiary to mortgage, charge or otherwise encumber any of its property or assets or issue any bonds, debentures, shares or other securities, except to the Borrower;
- (n) Not to Remove - prior to the removal of any of the Mortgaged Premises from the province in which it is situated at the date of this Debenture or to leasehold property, the Borrower shall effect such further registrations and obtain such other consents and give such other security, at the sole cost and expense of the Borrower, as may be required or desirable to protect or preserve the security hereby created, and the Borrower shall forthwith notify Roynat of the intended removal and the action proposed to be taken.
- (o) No Actions - has received no notice of and has no knowledge of any pending, potential or threatened litigation or claim for judicial or administrative action which would adversely affect the Mortgaged Premises or their use or market value;
- (p) Compliance with Environmental Laws:-
- (i) shall conduct and maintain the Mortgaged Premises and its business operations, and shall cause any tenant of the Mortgaged Premises to maintain the Mortgaged Premises and its business operations, so as to comply in all respects with all applicable Environmental Laws, including obtaining all necessary licenses, permits, consents and approvals required to own or operate the Mortgaged Premises and the business carried out on, at or from the Mortgaged Premises;
 - (ii) except as specifically permitted by Roynat in writing, the Borrower shall not permit or suffer to exist, Contaminants or dangerous or potentially dangerous conditions in, on or below the Mortgaged Premises including, without limitation, any polychlorinated biphenyls, radio-active substances, underground storage tanks, asbestos or urea formaldehyde foam insulation;
 - (iii) except as specifically disclosed to Roynat prior to the date of this Debenture with respect to pellet runoff at the Mortgaged Premises in the summer of 2013, has no knowledge of the existence of Contaminants or dangerous or potentially dangerous conditions at, on or under the Mortgaged Premises or any properties in the vicinity of the Mortgaged Premises which could affect the Mortgaged Premises or the market value thereof or in levels that exceed the standards in Environmental Laws;
 - (iv) except as specifically disclosed to Roynat prior to the date of this Debenture with respect to pellet runoff at the Mortgaged Premises in the summer of 2013, has no knowledge of the Mortgaged Premises, or any portion thereof, having been used for the disposal of waste;

- (v) except as specifically disclosed to Roynat prior to the date of this Debenture with respect to pellet runoff at the Mortgaged Premises in the summer of 2013, has not given or received, nor does it have an obligation to give, any notice, claim, communication or information regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Mortgaged Premises or any property in the vicinity of the Mortgaged Premises, including any notice pursuant to any Environmental Laws or any environmental report or audit. The Borrower shall notify Roynat promptly and in reasonable detail upon receipt of any such claim, notice, communication or information or if the Borrower becomes aware of any violation or potential violation of the Borrower or any tenant of the Mortgaged Premises, of any Environmental Laws and shall describe therein the action which the Borrower intends to take with respect to such matter;
- (vi) shall at the Borrower's expense establish and maintain a system to assure and monitor continued compliance with, and to prevent the contravention of, Environmental Laws, which system shall include periodic reviews of such compliance system;
- (vii) shall provide annual confirmation to Roynat that the Borrower is in compliance with all applicable Environmental Laws and that there is no default under this Section 1(p). The Borrower shall provide Roynat with its annual environmental questionnaire duly completed;
- (viii) shall promptly advise Roynat in writing of any material adverse change in the environmental or other legal requirements affecting the Borrower or the Mortgaged Premises upon the Borrower becoming aware of any such change, and the Borrower shall provide Roynat with a copy of any of the orders, by-laws, agreements or other documents pursuant to which any such change is effected or documented;
- (ix) shall at the Borrower's expense promptly take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Contaminant in, on, under or about any of the Mortgaged Premises, or used by the Borrower or any tenant of the Mortgaged Premises, in compliance with all material laws including, without limitation, Environmental Laws, and in accordance with the orders and directions of all applicable federal, state, provincial, municipal and local governmental authorities;
- (x) shall deliver to Roynat a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Mortgaged Premises or the Borrower now in its possession or control or forthwith after the completion thereof, or upon such materials coming into the Borrower's possession or control;
- (xi) shall at the Borrower's expense, if reasonably requested by Roynat in writing, retain an environmental consultant acceptable to Roynat, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Mortgaged Premises and deliver same to Roynat for its review; and
- (xii) shall indemnify and save harmless Roynat, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs suffered arising from or relating to any breach of the foregoing covenants of this Section 1(p), any breach by the Borrower, any tenant or any other person now or hereafter having an interest in the Mortgaged Premises which is asserted or claimed against Roynat in connection with environmental matters referred to in this Section 1(p); the presence, in any form, of any Contaminant on or under the Mortgaged Premises, or the discharge, release, spill or disposal of any contaminant by the Borrower, which is asserted or claimed against any of these indemnified persons and including, without limitation, complete reimbursement for 100% of all legal fees and disbursements and the cost or expense of any environmental

investigation, the preparation of any environmental or similar report, and the costs of any remediation. This indemnity shall survive the payment in full of all amounts secured hereunder and the discharge of this Debenture. Roynat shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Debenture.

2. **Waiver of Covenants.** Roynat may waive in writing any breach by the Borrower of any of the provisions contained in this Debenture or any default by the Borrower in the observance or performance of any covenant or condition required to be observed or performed by the Borrower hereunder, provided that no such waiver or any other act, failure to act or omission by Roynat shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of Roynat resulting therefrom.
3. **Performance of Covenants by Roynat.** If the Borrower shall fail to perform any covenant on its part herein contained, Roynat may in its absolute discretion perform any such covenant capable of being performed by it, but Roynat shall be under no obligation to do so. If any such covenant requires the payment of money or if the Mortgaged Premises or any part thereof shall become subject to any charge ranking in priority to the lien hereof, Roynat may in its absolute discretion make such payment and/or pay or discharge such charge, but shall be under no obligation to do so. All sums so paid by Roynat, together with interest at the Loan Rate, shall be payable by the Borrower on demand and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Borrower from any default hereunder or any consequences of such default.
4. **Appointment of Monitor.** If in the opinion of Roynat, acting reasonably, a material adverse change has occurred in the financial condition of the Borrower, or if Roynat in good faith believes that the ability of the Borrower to pay any of its obligations to Roynat or to perform any other covenant contained herein has become impaired or if an event of default has occurred, Roynat may by written notice to the Borrower, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Borrower or its business and affairs for the purpose of reporting to Roynat. The Borrower shall give the Monitor its full cooperation, including full access to facilities, assets and records of the Borrower and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Borrower nor shall it participate in the management of the Borrower's affairs and shall incur no liability in respect thereof or otherwise in connection with the Borrower, its business and affairs or the Mortgaged Premises. The Monitor shall act solely on behalf of Roynat and shall have no contractual relationship with the Borrower as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Debenture. All reasonable fees and expenses of the Monitor (including complete reimbursement for 100% of all legal fees and disbursements) shall be paid by the Borrower upon submission to it of a written invoice therefor. Roynat may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as Receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Borrower or the Mortgaged Premises or any part thereof.
5. **Application of Insurance Proceeds.** Any insurance moneys received by Roynat pursuant to Sections 1(f) and/or 1(j) above may at the option of Roynat be applied to rebuilding or repairing the Mortgaged Premises, or be paid to the Borrower, or any such moneys or any insurance moneys received by Roynat upon the death of any person whose life is insured under any policy of insurance assigned to Roynat as security for the obligations of the Borrower hereunder may be applied in the sole discretion of Roynat, in whole or in part, to the repayment of the principal amount hereby secured or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable hereunder in inverse order of their maturity dates.
6. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Borrower to perform its obligations hereunder or to pay the moneys hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of Roynat to interest at the Loan Rate in effect from time to time hereunder, and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Debenture or of any instruments or documents supplemental hereto shall not operate as a merger of any

investigation, the preparation of any environmental or similar report, and the costs of any remediation. This indemnity shall survive the payment in full of all amounts secured hereunder and the discharge of this Debenture. Roynat shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Debenture.

- 2. **Waiver of Covenants.** Roynat may waive in writing any breach by the Borrower of any of the provisions contained in this Debenture or any default by the Borrower in the observance or performance of any covenant or condition required to be observed or performed by the Borrower hereunder, provided that no such waiver or any other act, failure to act or omission by Roynat shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of Roynat resulting therefrom.
- 3. **Performance of Covenants by Roynat.** If the Borrower shall fail to perform any covenant on its part herein contained, Roynat may in its absolute discretion perform any such covenant capable of being performed by it, but Roynat shall be under no obligation to do so. If any such covenant requires the payment of money or if the Mortgaged Premises or any part thereof shall become subject to any charge ranking in priority to the lien hereof, Roynat may in its absolute discretion make such payment and/or pay or discharge such charge, but shall be under no obligation to do so. All sums so paid by Roynat, together with interest at the Loan Rate, shall be payable by the Borrower on demand and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Borrower from any default hereunder or any consequences of such default.
- 4. **Appointment of Monitor.** If in the opinion of Roynat, acting reasonably, a material adverse change has occurred in the financial condition of the Borrower, or if Roynat in good faith believes that the ability of the Borrower to pay any of its obligations to Roynat or to perform any other covenant contained herein has become impaired or if an event of default has occurred, Roynat may by written notice to the Borrower, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Borrower or its business and affairs for the purpose of reporting to Roynat. The Borrower shall give the Monitor its full cooperation, including full access to facilities, assets and records of the Borrower and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Borrower nor shall it participate in the management of the Borrower's affairs and shall incur no liability in respect thereof or otherwise in connection with the Borrower, its business and affairs or the Mortgaged Premises. The Monitor shall act solely on behalf of Roynat and shall have no contractual relationship with the Borrower as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Debenture. All reasonable fees and expenses of the Monitor (including complete reimbursement for 100% of all legal fees and disbursements) shall be paid by the Borrower upon submission to it of a written invoice therefor. Roynat may at its option upon the occurrence of an event of default appoint or seek to have appointed the Monitor as Receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Borrower or the Mortgaged Premises or any part thereof.
- 5. **Application of Insurance Proceeds.** Any insurance moneys received by Roynat pursuant to Sections 1(f) and/or 1(g) above may at the option of Roynat be applied to rebuilding or repairing the Mortgaged Premises, or be paid to the Borrower, or any such moneys or any insurance moneys received by Roynat upon the death of any person whose life is insured under any policy of insurance assigned to Roynat as security for the obligations of the Borrower hereunder may be applied in the sole discretion of Roynat, in whole or in part, to the repayment of the principal amount hereby secured or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable hereunder in inverse order of their maturity dates.
- 6. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Borrower to perform its obligations hereunder or to pay the moneys hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of Roynat to interest at the Loan Rate in effect from time to time hereunder, and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Debenture or of any instruments or documents supplemental hereto shall not operate as a merger of any

representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Borrower to Roynat or under any Offer of Finance.

- 7. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by Roynat. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the charges created hereby.
- 8. **Partial Discharges.** Roynat may in its sole discretion grant partial discharges or releases of security in respect of any of the Mortgaged Premises on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security constituted hereby nor shall it alter the obligations of the Borrower hereunder.
- 9. **Events of Default.** The whole of the principal balance remaining unpaid together with interest and all other moneys secured by this Debenture shall, at the option of Roynat, become immediately due and payable and the security hereby created shall become enforceable in each of the following events (each event being herein called an "event of default"):
 - (a) if the Borrower defaults in payment of the principal of or interest on this Debenture or on any other indebtedness of the Borrower to Roynat when the same becomes due;
 - (b) if the Borrower ceases or threatens to cease to carry on its business or defaults in the performance or observance of any of the covenants contained in Section 9(b) of the Debenture or in Sections 1(f), (g), (k), (m) or (n) of this Schedule or Section 4 of this Schedule;
 - (c) if the Borrower defaults in the performance or observance of any condition or covenant contained in this Debenture, other than as referred to elsewhere in this Section 9, in any other security previously, now or hereafter granted to Roynat by the Borrower or in any other instrument or agreement (including any offer of finance) which the Borrower and Roynat are now or hereafter parties to (whether alone or with others) or issued by either the Borrower or Roynat to the other, and such default continues for ten (10) days after receipt of written notice thereof by the Borrower from Roynat. For the purposes of this Section 9(c) and Section 9(j) hereof, "Roynat" shall include any affiliate which includes "Roynat" in its name including Roynat Capital Inc., Roynat Business Inc. and Roynat Business Capital Inc.;
 - (d) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by the Borrower or an officer or director of the Borrower in connection with any financing provided by Roynat including the financing provided for in this Debenture;
 - (e) if the Borrower institutes any proceeding or takes any corporate action or executes any agreement or notice of intention to authorize its participation in or commencement of any proceeding (i) seeking to adjudicate it a bankrupt or insolvent, or (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the *Companies' Creditors Arrangement Act* or any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization);
 - (f) the Borrower becomes bankrupt or insolvent or commits an act of bankruptcy, or any proceeding is commenced against or affecting the Borrower:
 - (i) seeking to adjudicate it a bankrupt or insolvent;

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- (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization); or
 - (iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian or other similar official for it or for any part of its properties and assets, including the Mortgaged Premises or any part thereof;
 - (g) any order or judgment is issued by a court granting any of the relief referred to in Section 9(f) hereof;
 - (h) if an encumbrancer or secured creditor shall appoint a receiver or agent or other similar official, or commence power of sale proceedings, over any part of the Mortgaged Premises, or take possession of any part of the Mortgaged Premises or if any execution, distress or other process of any court becomes enforceable against any of the property of the Borrower, or a distress or like process is levied upon any of such property;
 - (i) if the Borrower takes any corporate proceedings for its dissolution, liquidation or amalgamation with another Borrower or if the corporate existence of the Borrower shall be terminated by expiration, forfeiture or otherwise;
 - (j) if any guarantor of the obligations of the Borrower to Roynat defaults in the performance of any condition or covenant in favour of Roynat or if any party to an instrument or agreement supplemental or collateral to this Debenture or the financing provided for herein defaults thereunder, and such default continues for ten (10) days after receipt of written notice thereof by the Borrower from Roynat;
 - (k) if Roynat, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the obligations is or is about to be impaired or that the Mortgaged Premises or any part thereof is or is about to be placed in jeopardy;
 - (l) If Voting Control of the Borrower shall change without the prior written consent of Roynat;
 - (m) if a default or acceleration occurs under any agreement, promissory note, debt obligation, guarantee or otherwise now or hereafter granted by the Borrower to any bank or other financial institution or to any other lender of funded indebtedness and such is not cured or remedied within any applicable cure period; or
 - (n) if the Borrower or any guarantor of the obligations of the Borrower pursuant hereto defaults in the payment of the principal of or interest on any other indebtedness (including, without limitation, the forgivable loan provided by the Ministry of Research and Innovation) when the same becomes due or the Borrower or any such guarantor or any subsidiary company defaults in the performance or observance of any condition or covenant contained in any agreement with respect to any such other indebtedness and such is not cured or remedied within any applicable cure period.
10. **Enforcement.** Upon the happening of any event of default, Roynat may exercise any rights, powers or remedies available to Roynat at law or in equity or under applicable legislation and, in addition, shall have the following rights, powers and remedies:
- (a) to enter upon and take possession of all or any part of the Mortgaged Premises;

- (b) to hold, use, repair, preserve and maintain all or any part of the Mortgaged Premises and make such replacements thereof and additions thereto as Roynat shall deem advisable;
- (c) to exercise all powers necessary to the performance of all functions provided for herein including without limitation the powers to purchase on credit, to borrow money in the Borrower's name or in its own name and to advance its own money to the Borrower at such rates of interest as it may deem reasonable;
- (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon all or any part of the Mortgaged Premises whether by public auction or by private sale or lease in such manner as Roynat in its absolute discretion may determine, provided that it shall not be incumbent on Roynat to sell, lease or dispose of the said property but that it shall be lawful for Roynat peaceably to use and possess the same without hindrance or interruption by the Borrower, or any other person or persons whomsoever, and to receive income from such property and to convey, transfer and assign to a purchaser or purchasers the title to any undertaking, property and assets so sold and provided further that in the case of a sale on credit Roynat shall only be liable to account to the Borrower, any subsequent encumbrancers and others for moneys actually received by Roynat;
- (e) to appoint by instrument in writing any person or persons to be a Receiver of all or any portion of the undertaking, property and assets hereby charged, to fix the Receiver's remuneration and to remove any Receiver so appointed and appoint another or others in his stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the undertaking, property and assets hereby charged; and
- (g) to retain the Mortgaged Premises in satisfaction of the monies owing hereunder.

11. Powers of Receiver.

- (a) Any Receiver shall have all of the powers of Roynat set out in Section 10 of this Schedule and, in addition, shall have the following powers:
 - (i) to carry on the business of the Borrower and to enter into any compromise or arrangement on behalf of the Borrower; and
 - (ii) with the prior written consent of Roynat to borrow money in his name or in the Borrower's name, for the purpose of carrying on the business of the Borrower and for the preservation and realization of the undertaking, property and assets of the Borrower including, without limitation, the right to pay persons having prior charges or encumbrances on properties on which the Borrower may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the Mortgaged Premises in priority to this Debenture;
- (b) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Borrower for the purposes of:
 - (i) carrying on and managing the business and affairs of the Borrower, and
 - (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and Roynat shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Borrower irrevocably authorizes Roynat to give instructions to the Receiver relating to the performance of its duties as set out herein.

12. Application of Moneys. All moneys actually received by Roynat or by the Receiver pursuant to Sections 10 and 11 of this Schedule shall be applied:
- (a) first, in payment of claims, if any, of secured creditors of the Borrower, including any claim of the Receiver pursuant to Section 11(a), ranking in priority to the charges created by this Debenture as directed by Roynat or the Receiver;
 - (b) second, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver (including complete reimbursement for 100% of all legal fees and disbursements) and the exercise by the Receiver or Roynat of all or any of the powers granted to them under this Debenture, including the reasonable remuneration of the Receiver or any agent or employee of the Receiver or any agent of Roynat and all outgoings properly paid by the Receiver or Roynat in exercising their powers as aforesaid;
 - (c) third, in or towards the payment to Roynat of all moneys due to it by the Borrower in such order as Roynat in its sole discretion may determine;
 - (d) fourth, in or towards the payment of the obligation of the Borrower to persons, if any, with charges or security interests against the Mortgaged Premises ranking subsequent to those in favour of Roynat; and
 - (e) fifth, subject to applicable law, any surplus shall be paid to the Borrower.
13. Restriction on Borrower and its Officers and Directors. Upon the Borrower receiving notice from Roynat of the taking of possession of the Mortgaged Premises or the appointment of a Receiver, all the powers, functions, rights and privileges of each of the directors and officers of the Borrower with respect to the properties, business and undertaking of the Borrower shall cease unless specifically continued by the written consent of Roynat.
14. Discharge and Satisfaction. Upon payment by the Borrower to Roynat of all moneys hereby secured, these presents shall cease and become null and void and the Mortgaged Premises shall revert to the Borrower without any acknowledgement or formality, but Roynat shall upon the request and at the expense of the Borrower, execute and deliver to the Borrower a full release and discharge.
15. No Obligation to Advance. Neither the issue and delivery of this Debenture nor the advance of any funds hereunder shall obligate Roynat to advance any further funds hereunder or otherwise make credit available to the Borrower, nor will Roynat have any liability for any failure or delay on its part to exercise any rights hereunder.
16. Limited Power of Attorney. The Borrower appoints, effective as of and from the date of a default hereunder that has not been cured within any applicable cure period (if any), and only for such period of time as any such default shall be continuing, Roynat as the Borrower's attorney, with full power of substitution, in the name and on behalf of the Borrower, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Borrower has agreed to execute, deliver and do hereunder, under any Offer of Finance or otherwise, or as may be required by Roynat or any Receiver to give effect to this Debenture or in the exercise of any rights, powers or remedies hereby conferred on Roynat or any Receiver, and generally to use the name of the Borrower in the exercise of all or any of the rights, powers or remedies hereby conferred on Roynat or any Receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Borrower or for any other reason.
17. Amalgamation. The Borrower acknowledges that if it amalgamates with any other corporation or corporations (a) the Mortgaged Premises and the lien created hereby shall extend to and include all the property and assets of each of the amalgamating corporations and the amalgamated corporation and to any

property or assets of the amalgamated corporation thereafter owned or acquired, and (b) the term "Borrower", where used herein shall extend to and include each of the amalgamating corporations and the amalgamated corporation. Nothing in this Section 17 shall be interpreted as permitting the Borrower to amalgamate in violation of any covenant of the Borrower contained herein or in any other agreement binding the Borrower.

- 18. Assignment. This Debenture may be assigned by Roynat to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of Roynat hereunder, and all references herein to Roynat shall include such assignee. The Borrower may not assign this Debenture or any of its rights or obligations hereunder. This Debenture shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Debenture and the security interest or any part thereof to enforce any rights hereunder, the Borrower shall not assert against the assignee any claims or defence which the Borrower now has or hereafter may have against Roynat.

- 19. Judgment Currency. To the extent permitted by applicable law, the obligations of the Borrower in respect of any amount due under this Debenture shall, notwithstanding any payment in any other currency (the "Other Currency") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the currency in which it is due (the "Agreed Currency") that Roynat may, in accordance with normal banking procedures, purchase with the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which Roynat receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Borrower shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Borrower not discharged by that payment shall, to the extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect.

- 20. Taxes and Reserve. In case Roynat is or becomes subject to any tax with respect to payments of principal, interest or other amounts by the Borrower hereunder (except for taxes on the overall net income of Roynat) or to any reserve or similar requirement against assets held by, or deposits in or for the account of, or loans by, an office of Roynat, or to any other condition with respect to this Debenture (an "Obligation"), and the result of any of the foregoing is to increase the cost to Roynat of making or maintaining the loan provided for herein or to reduce the income receivable by Roynat in respect of the loan provided for herein, then the Borrower shall pay to Roynat on demand that amount which shall compensate Roynat for such additional cost or reduction in income. In addition, the Borrower shall indemnify, defend and hold Roynat harmless from and against the payment or incurring of an Obligation. The Borrower shall pay any amounts owing pursuant to the preceding sentence upon demand. A certificate of Roynat setting forth the amount of such additional compensation or indemnity amount and the basis therefore shall be submitted by Roynat to the Borrower and shall be conclusive evidence, in the absence of manifest error, of such amount.

- 21. Interpretation. As used herein the following expressions shall have the following meanings:
 - (a) "Applicable Period", with respect to any Interest Period, means the period commencing on the 8th day of the month in which such Interest Period commences and ending on the 7th day of the following month, except that if the rate of interest hereunder is being determined:
 - (i) for the purpose of redemption by the Borrower, the Applicable Period shall end on the 7th day preceding the redemption date; or
 - (ii) for any other purpose, other than the payment of interest on the day following an Interest Period, the Applicable Period shall end on the day preceding the day on which the rate is being determined and the following Applicable Period shall commence on such day.
 - (b) "Business Day" means any day except Saturday, Sunday or a statutory holiday.

- (e) "Contaminant" means any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause: (i) impairment of the quality of the natural environment for any use that can be made of it, (ii) injury or damage to property or to plant or animal life, (iii) harm or material discomfort to any person, (iv) an adverse effect on the health of any person, (v) impairment of the safety of any person, (vi) rendering any property or plant or animal life unfit for use by man, (vii) loss of enjoyment of normal use of property, or (viii) interference with the normal conduct of business, and includes any pollutant or contaminant as defined in any applicable Environmental Laws and any biological, chemical or physical agent which is regulated, prohibited, restricted or controlled.
- (d) "Environmental Laws" means the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules, regulations, licences, orders, permits, decisions or requirements concerning Contaminants, occupational or public health and safety or the environment and any other order, injunction, judgment, declaration, notice or demand issued thereunder;
- (c) "Interest Period" means each monthly period commencing on the 15th day of a month and ending on the 14th day of the following month.
- (f) "Inventory" means property of the Borrower held for sale including products purchased for resale, finished goods, work in process and raw materials but not including any property not intended to be directly incorporated in finished goods or products to be sold.
- (g) "Loan Rate" means the rate of interest specified in Section 3 of the Debenture.
- (h) "Permitted Encumbrances" means any of the following:
- (i) liens for taxes, assessments, governmental charges or levies not at the time due;
 - (ii) easements, rights of way or other similar rights in land existing at the date of this Debenture which in the aggregate do not materially impair the usefulness in the business of the Borrower of the property subject thereto;
 - (iii) rights reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition to the continuance thereof;
 - (iv) any lien or encumbrance the validity of which is being contested by the Borrower in good faith and in respect of which either there shall have been deposited with Roynat cash in an amount sufficient to satisfy the same or Roynat shall be otherwise satisfied that its interests are not prejudiced thereby;
 - (v) any reservations, limitations, provisos and conditions expressed in any original grant from the Crown;
 - (vi) title defects or irregularities which, in the opinion of counsel to Roynat, are of a minor nature and in the aggregate shall not materially impair the usefulness in the business of the Borrower of the property subject thereto;
 - (vii) validly perfected security given by the Borrower to its banker (but not to more than one banker or banking syndicate) on its Inventory or under assignments of its trade receivables;

- (viii) a second ranking charge given by the Borrower to its operating lender on the Mortgaged Premises (such charge to rank behind the charge over the Mortgaged Premises granted by the Borrower pursuant to this Debenture);
- (ix) validly perfected security given by the Borrower to Her Majesty the Queen in Right of the Province of Ontario, as represented by the Minister of Research and Innovation over the equipment listed in Schedule "C"; and
- (x) purchase money security interests consisting of any validly perfected charge, lien, security interest or other encumbrance, created, assumed or arising by operation of law after the date hereof, to provide or secure the whole or any part of the consideration for the acquisition of tangible personal property other than inventory, where
 - (A) the principal amount secured thereby does not exceed the cost to the Borrower of such property,
 - (B) the Borrower's obligation to repay is secured only by the property so acquired by the Borrower,
 - (C) the property is not being acquired as a replacement or substitution for property and assets which are specifically charged hereby, and
 - (D) such security includes the renewal or refinancing of any such purchase money security interest on the same property provided that the indebtedness secured and the security therefor is not increased and remains validly perfected.
- (i) "Receiver" shall include one or more of a receiver, receiver-manager or receiver and manager of all or a portion of the undertaking, property and assets of the Borrower appointed by Roynat pursuant to this Debenture or by a court of competent jurisdiction.
- (j) "Roynat" means Roynat Inc., its successors and assigns and, where applicable, includes those for whom it acts as nominee or agent.
- (k) "Roynat's U.S. Floating Base Rate for the Applicable Period" means, with respect to any Applicable Period, the arithmetic average (rounded to three decimal places) of the annual rate of interest which is the rate determined as being the 1 month U.S. dollar LIBOR rate displayed and identified as such on the Telerate Screen (Page 3750), as published by the British Bankers Association as of 11:00 a.m. (London time) on each Business Day during such Applicable Period, plus .50%; provided, however, if such rate does not appear on the Telerate Screen (Page 3750) as contemplated on any Business Day during such Applicable Period, then the rate on such Business Day shall be the Prime Lending Rate of The Bank of Nova Scotia for U.S. dollar loans as at approximately 10:00 a.m. (Toronto, Ontario time) on such Business Day."
- (l) "Voting Control" means the ownership of a sufficient number of outstanding shares of a corporation to elect a majority of its directors; and "Voting Control of the Borrower" means the Voting Control of the Borrower stated in the Offer of Finance or such different Voting Control as shall have been effected with the prior written consent of Roynat.
- (m) "Working Capital" of a Borrower means the excess of its current assets over its current liabilities calculated in accordance with generally accepted accounting principles with any dissent as to the calculation thereof being conclusively resolved by Roynat; and "Consolidated Working Capital" means the Working Capital of the Borrower and all its subsidiaries calculated on a consolidated basis.

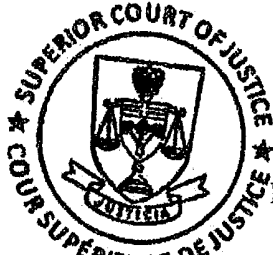
SCHEDULE "B"

1271 Lougar Avenue, Sarnia, Ontario and described legally as Part of Lots 25-27 on Plan 616; Part of Lot 24, 28 on Plan 616 as in L802109 & Part 1 on 2SR-8552, Cit of Sarnia, County of Lambton - PIN No.: 43280-0070 (LT) (LRO/25)

SCHEDULE "C"

Detailed Description of Equipment	Serial Number or Vendor
West Salem De-baler	12110
ITech Optical Sort Equipment	05022938, 05022947
CEG Oil Compressors	All4732253
Hamos Electrostatic Separation	EKS-1031-0
Harris Baler	04998286
Electrical Drops	3 phase electrical
Conveyors	Baler In-Feed Conveyor
Pelletier Wire Remover	08-089
3 Phase 500k Electrical Transformer	TBD
ITech Optical Sort Lines	TBD

TAB C



ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE
JUSTICE GRACE

)
)
)

THURSDAY, THE 14
DAY OF JULY, 2016

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ORDER
(appointing Receiver)

THIS MOTION made by the ^{moving party - 21} Plaintiff for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") ~~and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA")~~ appointing MNP Ltd. ("MNP") as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Entropex, 629728 Ontario Limited ("629") and Unitec Inc. ("Unitec") (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 80 Dundas Street, London, Ontario.

ON READING the affidavit of Paul Waters sworn July 11, 2016 and the Exhibits thereto, the affidavit of service of Kelly Bryant sworn July 12, 2016, the consent of MNP to act as the Receiver and on hearing submissions of counsel ^{moving party - 21} for the Plaintiff, ~~and by~~

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due

to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) ^{1/23} days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order

shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and to ^{Purchase money} any security interest entitled to priority ^{over it} to the making party under the Personal Property Security Act. D

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge ^{of the Commercial List} of the Ontario Superior Court of Justice. (in Bankruptcy and Insolvency Act)

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA ^{and to any purchase money security interest entitled to priority over the moving party under the Personal Property Security Act.}

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol by MNP and found at MNP.debt.ca.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any

other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

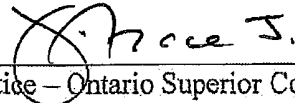
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the ^{moving party} Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the ^{moving party} Plaintiff's security or, if not so provided by the ^{moving party} Plaintiff's security, then on a substantial indemnity basis to be paid by ^{moving party}

the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



Justice – Ontario Superior Court of Justice
– In Bankruptcy and Insolvency

Grace J.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties Entropex, 629728 Ontario Limited and Unitec Inc. (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

df

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

MNP Ltd., solely in its capacity
as Receiver of Entropex, 629728 Ontario
Limited and Unitec Inc., and not in its personal
capacity or corporate capacity.

Per: _____

Name:

Title:



THE BANK OF NOVA SCOTIA

ENTROPEX ET AL

v.

Plaintiff

Defendants

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at London

ORDER

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Solicitors for the Plaintiff
165075/kbu

00089

TAB D

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**FIRST REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

August 5, 2016

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1.0 *Introduction and Purpose of Report*

1.1 Introduction

1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Sarnia, Ontario (the “**Lougar Property**”).

1.1.2 629728 Ontario Limited (“**629**”) and Unitec Inc. (“**Unitec**”) are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.

1.1.3 Entropex, 629 and Unitec (collectively referred to as the “**Companies**”) are registered as the joint title holders to the Lougar Property.

1.1.4 Entropex is indebted to the Bank of Nova Scotia (“**BNS**”) for approximately \$3,500,000 CDN. Entropex is indebted to Roynat Inc. (“**Roynat**”) for approximately \$3,260,000 million USD. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.

1.1.5 The debt owing to BNS is secured by the following:

- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000 CDN;
- General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
- Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the “**Guarantors**”).

1.1.6 The debt owing to Roynat is secured by the following:

- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
- Guarantees dated July 31, 2014 from 629 and Unitec.

In addition Roynat has received guarantees of its indebtedness from Nxgen Holdings Inc. Entropex Logistics Inc. and Entropex Rigidreclaim Inc.

1.1.7 According to a PPSA search, the Companies’ secured creditors include the following:

Entropex

- Roynat has registered its debenture against twelve forklifts as well as against all equipment, inventory, receivables and accounts due for rent (also registered against Unitec and 629);
- BNS has registered a general security agreement;
- Unitec has registered a general security agreement;

- Delage Landen Financial Services Inc. has registered a charge against two forklifts (also registered against Unitec);
- Xerox has registered a charged against equipment with no description; and,
- Ryder Truck Rental Canada Ltd. has registered a charge against a vehicle.

Unitec (excluding registrations against both Unitec and Entropex listed above)

- Roynat has registered its debenture;
- BNS has registered a general security agreement;
- Kevin, Timothy, Keith and Christopher Bechard, as well as Carolyn Hannon, Patricia Pequegnat and Joan Hett have registered a general security agreement;
- Deragon Leasing Inc. has registered a charge against one vehicle; and,
- National Leasing Inc. has registered a charge against lighting as described in a lease agreement.

629 (excluding registrations against both 629 and Entropex listed above)

- Roynat has registered a general security agreement; and
- BNS has registered a general security agreement.

- 1.1.8 On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.
- 1.1.9 On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.
- 1.1.10 On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016 (the "**Forbearance Agreement**"), which expired on July 8, 2016.
- 1.1.11 The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.12 During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.13 On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix A**. The Initial Order is substantially in the form of the Model Receivership Order.

1.1.14 The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:

- Take possession of and exercise control over the property of the Companies;
- Manage, operate and carry on the business of the Companies;
- Initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
- Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.

1.2 Purpose of the Receiver's First Report

1.2.1 This constitutes the Receiver's First Report to the Court (the "**First Report**") in this matter and is filed to:

- Seek approval of the First Report and the Supplement to the First Report, and the Receiver's activities as outlined therein;
- Seek approval of the proposed changes to the environmental Protocols as outlined therein; and,
- Report to the Court in respect of the realization strategy and process being undertaken by the Receiver and obtain approval of same.

2.0***Initial Receiver Activities***

2.1 Possession

- 2.1.1 Upon its appointment the Receiver attended the Lougar Property to serve the principal, Keith Bechard, with a copy of the Initial Order and take possession.
- 2.1.2 The Receiver changed the locks and photographed the Lougar Property and all assets located therein.
- 2.1.3 The Receiver temporarily engaged a security company to conduct period site visits of the Lougar Property.
- 2.1.4 The Receiver conducted a count of Entropex's inventory and prepared lists of the equipment and vehicles.
- 2.1.5 Entropex leased offsite office space where the accounting team worked, and the books and records were stored. The Receiver relocated these books and records to the Lougar Property. The Receiver did not occupy or take possession of the offsite office space.

2.2 Operations

- 2.2.1 Upon the expiry of the Forbearance Agreement on July 8, 2016, BNS and Roynat advised Entropex there would be no more credit under the existing facilities. As such, management of Entropex stopped purchasing new material and began to wind down operations during the week preceding the receivership.
- 2.2.2 Entropex was operating in a cash deficit. Based on an internally prepared forecast, Entropex was expected to lose an average of \$74,600 per week through July and August.
- 2.2.3 The Entropex workforce was unionized and the Receiver faced potential exposure for successor employer liability if operations were carried on by the Receiver.
- 2.2.4 In 2013, after a heavy rain, plastic pellets were washed off the Lougar Property into the municipal drain and sewer system. Entropex spent approximately \$1.4 million to clean the spill. The MOE issued an order requiring Entropex to develop a plan to improve the storm water management and drainage capabilities of the Lougar Property. A plan was submitted and approved by the MOE; however, the enhancements to the Lougar Property have not yet begun. Entropex put in temporary measures to prevent another leak, discussed in more detail below. However, the risk of another environmental spill remains. The Receiver felt this risk would be higher if operations were continued.
- 2.2.5 For these reasons set out above the Receiver did not continue the operations of Entropex. Operations were shut down immediately upon the appointment of the Receiver.

2.3 Environmental

- 2.3.1 Although the operations of Entropex were wound down, the Lougar Property is contaminated with small plastic pellets (Entropex's finished product) from pre-receivership operations and there continues to be risk that these pellets could be washed into the municipal sewer and drainage system in the event of a heavy rain.

2.4 Existing Environmental Protocols

2.4.1 Following the 2013 spill, Entropex initiated environmental protocols (“the **Protocols**”) to mitigate this risk, including:

- Screens were placed in drains to filter plastic pellets from water that flowed through before it was released to the municipal drainage system;
- In the event of rain a team of Unionized employees would go to the parking lot to direct water to these filtered drains and scrape the screens to prevent them getting clogged; and,
- Sandbags were placed around portions of the driveway to contain water while it was filtered and drained properly.

2.4.2 Management of Entropex advised the Receiver that a team of at least four people must be onsite at Entropex 24 hours a day, seven days a week, to ensure the Protocols were followed if it rained.

2.4.3 On July 9, 2016 the Receiver advised the Ministry of the Environment (the “**MOE**”) of the Receivership, the termination of the unionized employees and shut down of the plant.

2.4.4 The Receiver engaged Pinchin Ltd. (“**Pinchin**”), an environmental engineering and consulting firm to attend the Lougar Property, identify risks of environmental contamination and provide advice and recommendations on how to mitigate these risks.

2.4.5 The Receiver has retained sufficient former Entropex staff members and temporary employees through an agency to maintain the Protocols at a cost of approximately \$90,000 per month.

2.5 Lougar Property Clean Up

2.5.1 The Receiver has engaged Diresco Inc. (“**Diresco**”) a local remediation and restoration company to:

- Sweep the entire paved area in front of the plant to remove plastic pellets;
- Sweep all corners and edges to remove plastic pellets;
- Sweep to remove all plastic pellets from outside machinery;
- Clean the screened area in the catch basins to remove plastic pellets; and,
- Vacuum and clean water and pellets in catch basins.

2.5.2 The Receiver and Diresco contacted the MOE to advise of the planned cleanup efforts outlined above. The MOE advised the cleanup efforts were reasonable.

2.5.3 Pinchin is conducting a review of the site for any other potential improvements to redirect and contain water in the event of rain.

2.6 Alternate Environmental Protocols

- 2.6.1 As an alternative to the Protocols, Diresco has provided a quote to supply a response team of five people that would attend the Lougar Property in the event of rain to manage the water flow and carry out the Protocols (the "Alternate Plan"). Diresco would require the Receiver maintain one site supervisor familiar with the existing storm water management procedures at the Lougar Property 24 hours a day, 7 days a week, who would alert Diresco when the response team is needed and then immediately commence dealing with the rain water. This would significantly reduce costs to the receivership to monitor and respond to the storm water, from approximately \$90,000 per month to approximately \$22,000 per month.
- 2.6.2 The Receiver has reviewed the Alternate Plan with Pinchin and the MOE. Pinchin has advised that since Entropex is no longer operational and the site has been cleaned by Diresco, thereby significantly reducing the risks of pellet contamination into the municipal sewer and drainage system, the Alternate Plan is a reasonable and appropriate response plan to respond to a storm. The MOE had no concerns with the plan; however, would not provide specific instruction on the appropriate level of monitoring after the cleanup.
- 2.6.3 As such, the Receiver recommends reducing the coverage maintained on the Lougar Property from four people on location 24 hours a day, 7 days a week, to one person, with the Diresco five person response team on standby to attend as needed. This change is expected to save the estate approximately \$68,000 per month in ongoing occupancy costs while at the same time providing sufficient water management coverage given the changed circumstances at the Lougar Property.

2.7 Ube Warehouse

- 2.7.1 Entropex leased a warehouse at 21 Ube Drive, Sarnia, Ontario (the "Ube Warehouse"). The warehouse contained some equipment and over 2.0 million kilograms of plastic that could not be used in Entropex's recycling operations (the "Ube Inventory").
- 2.7.2 Management advised the Receiver that the Ube Inventory had a book value of approximately \$2.3 million; but was not usable and should be disposed of. Management estimated the costs to dispose of the Ube Inventory would be approximately \$175,000.
- 2.7.3 The Receiver met with the landlord of the Ube Warehouse to advise the equipment would be removed and relocated to the Lougar Property and that the Receiver would not occupy the Ube Warehouse or take possession of the Ube Inventory. The Receiver offered that if so requested by the landlord, it would try and find a buyer for the Ube Inventory so it would be removed from the Ube Warehouse. The landlord has not yet confirmed this request of the Receiver.

2.8 Accounts Receivable

- 2.8.1 The book value of accounts receivable at the date of receivership was \$3,742,000.
- 2.8.2 The Receiver, and/or a representative of Entropex, contacted customers who depended on ongoing supply from Entropex to advise of the receivership and shut down. The Receiver felt that receivable collections would be maximized if customers had as much time as possible to find alternate supply.
- 2.8.3 The Receiver engaged the former Entropex Accounts Receivable Clerk to process all outstanding invoices and interact with customers to collect all accounts outstanding.

2.8.4 The Receiver notified the accounts receivable insurer of the receivership.

2.8.5 The Receiver has collected \$954,288 in accounts receivable to date.

2.9 Inventory Liquidation

2.9.1 The book value of raw material and finished goods inventory, excluding the UBE inventory, at the date of receivership was \$168,000 and \$285,000 respectively.

2.9.2 The Receiver engaged the former Entropex Sales Manager to sell the inventory. All sales were conducted on an "as-is/where-is" basis with no representations or warranties by the Receiver.

2.9.3 The Receiver has sold and collected \$127,000 in inventory sales post receivership.

2.10 Employees

2.10.1 Prior to the receivership, Entropex had approximately 30 non-union and 115 unionized employees. Upon the appointment of the Receiver, Entropex management met the employees to advise they had been terminated as a result of the receivership and plant shut down.

2.10.2 The Receiver retained the former Entropex Human Resources Manager to prepare and issue T4's and Records of Employment to all employees, and calculate employee claims for unpaid wages, vacation, and notice pay under the Wage Earner Protection Program ("WEPP").

2.10.3 The Receiver has begun the claim process for the employees as required under the WEPP legislation.

2.10.4 The Receiver released all personally owned tools to former employees.

2.10.5 The Receiver retained 25 former Entropex employees. Eighteen of these individuals were retained to carry out the environmental Protocols that require four people onsite 24/7. The remainder were retained to assist with the inventory count, sales, accounting support and asset identification.

2.11 Insurance

2.11.1 MNP notified the existing insurance provider of its appointment as Receiver and requested to be added to the policy as named insured, which the insurance provider has done. The Receiver is reviewing coverage levels to determine any deficiencies or potential reductions.

2.12 Third Party Assets

2.12.1 Upon receiving confirmation of ownership, the Receiver has released certain third party assets that were at the Lougar Property upon its appointment. These assets included vending machines and employee tools and belongings.

2.13 Cash and Banking

2.13.1 Immediately after its appointment the Receiver requested all BNS accounts be frozen and set to accept deposits only.

2.13.2 The Receiver is not aware of bank accounts at any other institution.

2.13.3 The Receiver opened a trust account to handle all receipts and disbursements with respect to the Receivership administration.

2.14 Potential Sale Negotiation

2.14.1 On July 27, 2016 the Receiver received an offer to purchase the assets of the Companies. The offer contemplated the Receiver would conduct a two-week marketing campaign under a stalking horse sales process. The Receiver worked to negotiate terms of the sale; however, the prospective purchaser was ultimately unable to waive conditions included in the offer.

2.15 Notice

2.15.1 On July 22, 2016, the Receiver issued notice of its appointment pursuant to Section 245 of the *Bankruptcy and Insolvency Act* to all known creditors of the Companies and the Office of the Superintendent of Bankruptcy. A copy of the Section 245 notice is attached hereto as **Appendix B**.

2.15.2 The Receiver has setup a page on it's website at mnpdebt.ca to publically post all relevant receivership documents, including the Initial Order.

2.16 Independent Counsel

2.16.1 The Receiver has retained Advocates LLP ("**Advocates**") as independent counsel to provide an opinion to the Receiver on the validity and enforceability of the secured creditors' claims.

2.16.2 Advocates has reviewed all leases entered into by the Companies for various assets and has advised that all but the following are valid and enforceable:

- Ryder Truck Lease dated June 30, 2015;
- Xerox Lease dated November 9, 2012;
- Pitney Bowes Lease dated November 21, 2013;
- Waste Management Compactor Lease dated November 9, 2011;
- MCS Equipment Lease dated July 25, 2014;
- De Lage Landen Lease dated March 17, 2015;
- Hewitt Material Handling Lease dated July 14, 2014;
- Modspace Lease No. 073812;
- Modspace Lease No. 099726;
- Modspace Lease No. 099726F;
- Modspace Lease No. 154970;
- Modspace Lease dated February 4, 2015; and,

- Procor Lease dated February 1, 2016.

(collectively referred to as the “**Challenged Leases**”)

2.16.3 The Receiver will make arrangements to release or buyout the validly registered leases. The Receiver will notify the impacted leasing companies of the Challenged Leases and the issues identified therein and request additional information, if available.

3.0***Marketing and Sale of Assets***


- 3.1 Pursuant to the Initial Order, the Receiver is authorized to market any or all of the assets and operations of the Companies, including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.2 The Receiver describes herein, the sale process it wishes to undertake and will be seeking the Court's approval of same (the "Sale Process").
- 3.3 Working with MNP Corporate Finance, the Receiver developed a list of 124 parties potentially interested in purchasing the assets and undertakings of the Companies (including competitors and other industry players). The Receiver intends to mail the individuals on this list a notice of the Sale Process and invitation for proposals (the "Invitation for Proposals").
- 3.4 The Receiver proposes that it advertise the Invitation for Proposals for the sale of the Companies' assets and/or operations in the financial section of the national edition of the Globe & Mail within one week of the Court's approval of the proposed marketing process.
- 3.5 The deadline to submit offers has been established as 2:00 p.m. on Friday, September 16, 2016. This provides prospective bidders 30 days to complete their due diligence and prepare an offer.
- 3.6 The Receiver has prepared a Confidential Information Memorandum (the "CIM") which provides a brief overview of the Companies' operations and assets, and the Receiver's terms and conditions of sale. Due to the confidential nature of the CIM, the Receiver is disclosing it to the Court via supplementary report, which we request that the Court keep sealed. The Companies' assets being offered for sale include the Receiver's right, title and interest, if any, in the Lougar Property, inventory, equipment, vehicles and intellectual property owned by Entropex.
- 3.7 In addition to the CIM, interested parties must execute a confidentiality agreement (the "Confidentiality Agreement") if they wish to obtain more detailed financial information and perform due diligence. Upon receipt of the executed Confidentiality Agreement potential purchasers will be provided with access to a virtual data room that will provide further details relating to, among other things, the Companies' current and historical financial operating results and position.
- 3.8 A copy of the Invitation for Proposals and the Confidentiality Agreement including legal terms for the use of the data room are attached as **Appendix C**.
- 3.9 The Receiver has commissioned an appraisal of the Lougar Property.
- 3.10 The Receiver anticipates a high number of offers will be received for the personal property from industry players and liquidators. These offers will be used to determine the current realizable value of the personal property, and as such the Receiver does not intend to commission an appraisal of the equipment, inventory or vehicles.

4.0***Order Sought***

- 4.1 We submit this **First Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to:
- (a) Approve the First Report of the Receiver and the Supplement to the First Report of the Receiver, and the activities of the Receiver described herein;
 - (b) Seek approval of the proposed changes to the environmental Protocols as outlined therein;
 - (c) Approve the Sales Process described in Section 3.0 of this First Report; and,
 - (d) Approve the sealing of the Supplement to the First Report and its contents.

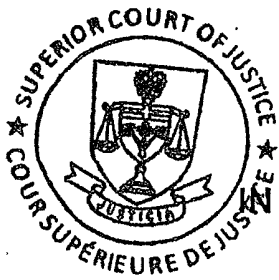
All of which is respectfully submitted this 5th day of August, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**


Per: Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President

TABLE

Court File No. 35-1979333T



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

THE HONOURABLE)
MISTER JUSTICE GARSON)
TUESDAY, THE 16TH
DAY OF AUGUST, 2016

BETWEEN:

(Court Seal)

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ORDER

THIS MOTION, made by the Receiver for an Order approving the Receiver's First Report, as well as other relief, was heard this day at the Court House, 80 Dundas St., London, Ontario, N6A 6A3.

ON READING the Receiver's First Report, and upon reading the Confidential Supplement to the First Report, and upon hearing the submissions of the lawyers for the Receiver, and upon being advised that Keith Bechard, as a representative of the Defendants, is in attendance and consents to the within Order, and upon being advised that all persons listed on the service list were served with the Motion Record as evidenced by the Affidavit of Service filed,

SERVICE

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

APPROVAL OF REPORT AND ACTIVITIES

2. **THIS COURT ORDERS** that the First Report of the Receiver dated August 5, 2016 (the "First Report") and the Receiver's activities and conduct detailed and reported therein, be and are hereby approved.

3. **THIS COURT ORDERS** that the Confidential Supplement to the First Report dated August 5, 2016 (the "Confidential Supplement") and the Receiver's activities and conduct detailed and reported therein, be and are hereby approved.

SEALING OF CONFIDENTIAL SUPPLEMENT

4. **THIS COURT ORDERS** that the Confidential Supplement, filed with the Court separate and apart from the First Report, shall hereafter be filed in the within Court File in a sealed envelope or other appropriately sealed container and that only the Court and its clerk shall be entitled to open and review the contents without a further Order of the Court. The sealed envelope or container shall be endorsed with the title of proceedings in this action and a label identifying the contents as being "The Confidential Supplement to the First Report of the Receiver dated August 5, 2016", and the words "SUBJECT TO PROTECTIVE ORDER" and a statement in the following form: "THIS ENVELOPE IS NOT TO BE OPENED EXCEPT BY THE COURT OR ITS CLERKS OR BY OTHER PERSONS BY ORDER OF THE COURT".

See 49) attached



4a

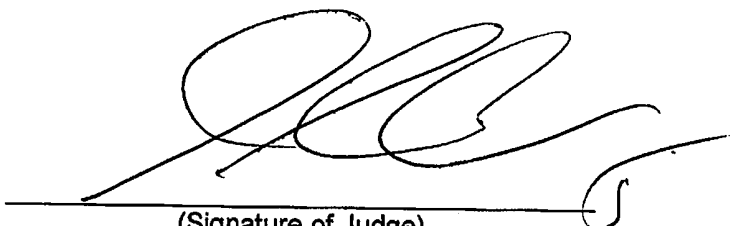
THIS COURT ORDERS that the sealing of the Confidential Supplement shall be in effect until the earlier of ninety (90) days from the date of the within Order and such further Order of this Court terminating, extending or otherwise addressing the sealing Order.

ENVIRONMENTAL PROTOCOLS

5. **THIS COURT ORDERS** that the relief sought relating to changes recommended by the Receiver to the Environmental Protocols presently in place at the property municipally known as 1271 Lougar Avenue, Sarnia, Ontario (the "Real Property"), as detailed in the First Report, be and is hereby adjourned to Tuesday August 23, 2016.

SALES PROCESS

6. **THIS COURT ORDERS** that the sales process recommended by the Receiver and detailed in the First Report and the Confidential Supplement, being an Invitation for Proposals process with a deadline for proposals of September 16, 2016 (the "Sales Process"), be and is hereby approved and the Receiver is hereby authorized to proceed as recommended with the Sales Process.



(Signature of Judge)

THE BANK OF NOVA SCOTIA
Plaintiff

-and- ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

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

**PROCEEDING COMMENCED AT
LONDON**

ORDER

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

David S. Swift (40107N)
D.Swift@AdvocatesLLP.com
Tel: (519) 858-8220 ext. 235
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Lawyers for the receiver

File Number: 16056

000088

THE BANK OF NOVA SCOTIA
Plaintiff

-and-

ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
PROCEEDING COMMENCED AT
LONDON

MOTION RECORD

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Lawyers for the receiver

File Number: 16056

David Swift for ANP
No one else appearing

AUG 16 2016

Upon reviewing materials and
upon hearing and submissions
and upon being satisfied
that actions and just in the
actions of Receiver are the
appropriate and upon being
satisfied that a sealing order is
necessary to protect the remaining
connected interests of Entropex
order to be in accordance with
draft signed by me.

[Signature]
w/assent

ENDORSEMENT

Court File No.: 35 - 1979333T

Date: August 23, 2016

PLAINTIFF: The Bank of Nova Scotia	DEFENDANT: Entropex, 629725 Ontario Limited or Entropex Inc.
COUNSEL:	COUNSEL:

MNP Ltd. was appointed Receiver of all the assets of the Defendants July 14, 2016. Subsequently the Receiver's First Report of a sale price has been approved Aug 16, 2016.

The Receiver now seeks an order approving changes to the "Environmental Protocols" "presently in place" at the property of the Ds. Specifically the Receiver asks the court to approve & authorize the reduction of on site coverage 24 hours/day, 7 days a week from 4 people to one person (the supervisor) & the hiring of Diresco Inc to provide a 5 person response team which is to be available 24 hours/day, 7 days a week to attend the property when notified by the Supervisor in the event of rain. Counsel for the P supports the motion, counsel for the employee union takes no position, the balance of the parties on the service list have not responded with the exception of the City of Sarnia which has filed an email stating it "understands the concerns" outlined in the "Severed Creditors Objection to alterate Entropex Stormwater Management Plan" This latter document was presented to the court by Mr Beclard who is a director, officer & shareholder of the debtor defendants and also a severed creditor.

(2)

Mr Beaton queries the viability & adequacy of what is proposed, the ~~qualifications~~ ^{qualifications of the party} the Receiver ~~could do as well~~ ^{which we will Pollutech, referenced below,} the qualifications, ability & experience of Dirco Inc. He notes that the DS proposal is motivated by the desire to reduce monthly operating expense but expresses concern that office staffing is inadequate; the cleanup completed is insufficient ~~preparation~~ ^{preparation} for an acute staff reduction, and the service provider's operational & financial capability is uncertain. Overall, Mr Beaton submits that ~~the~~ ^{the} Receiver proposes puts the property at risk. ~~the~~ ^{the} information provided by the Receiver, ~~establishes~~ ^{establishes} that both in the record & by Mr Smith orally!

- ① an environmental spill occurred in 2013 - as a result of a storm a large amount of pallets entered the city storm sewers
- ② the DS performed remediation work
- ③ by Provincial officers on a dated January 29, 2013, the Ministry of the Environment ("MOE") required the DS to improve its stormwater management
- ④ the DS applied for approval of ~~stormwater~~ ^{stormwater} management works & included a report prepared by Pollutech Environmental Limited ("Pollutech") dated Sept 23, 2014
- ⑤ the MOE issued an Amended Environmental Compliance Approval dated July 28, 2015 reporting sewage works, described in the Sept 2014 application, which were to be completed within 5 years of the approval
- ⑥ this approval required the DS, amongst other

trip, to install a monitor temporary erosion
 + sediment control & to implement a spill
 contingency plan

⑦ The First Report of the Receiver indicates
 that a risk of another environmental spill remains,
 & believes the risk to less if operations were
 discontinued; however, notwithstanding the
 cessation of operations risk of contamination
 continues; to maintain the protocols which the
 DS have followed since the 2013 spill 4 people
 have been on site 24/7, seven days/week;
 the Receiver has engaged Diresco to "clean up"
 the property; the Receiver retained Pinchin Ltd,
 an environmental engineering & consultancy firm
 & has reviewed the alternate plan & proposals
 with Pinchin which has advised the alternate
 plan is reasonable & appropriate; the MOE had
 no concerns with the alternate plan but "would
 not provide specific instructions on the appropriate
 level of monitoring after the clean-up."

Having reviewed the First Report in the context of the
 information outlined above, I am not satisfied that
 the relief requested can be ordered on this
 record.

I find that Mr Beckett, whose interests are
 aligned with the Receiver, has raised legitimate
 concerns & questions which are not addressed
 or answered in the First Report, particularly
 when the MOE has taken the positive set out
 above.

In these circumstances, the court is not in a
 position to authorize a change to the current
 environmental protocols.

Jane Porter

TAB F

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**SECOND REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

August 31, 2016

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- Appendix Y - Waste Management Agreement
- Appendix Z - Vincent Agreement

1.0

Introduction and Purpose of Report

1.1 Introduction

1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Sarnia, Ontario (the “**Lougar Property**”).

1.1.2 629728 Ontario Limited (“**629**”) and Unitec Inc. (“**Unitec**”) are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.

1.1.3 Entropex, 629 and Unitec (collectively referred to as the “**Companies**”) are registered as the joint title holders to the Lougar Property.

1.1.4 Entropex is indebted to the Bank of Nova Scotia (“**BNS**”) for approximately \$3,500,000 CDN. Entropex is indebted to Roynat Inc. (“**Roynat**”) for approximately \$3,260,000 million USD. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.

1.1.5 The debt owing to BNS is secured by the following:

- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000 CDN;
- General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
- Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the “**Guarantors**”).

A copy of the Entropex BNS general security agreement is attached as **Appendix A**.

1.1.6 The debt owing to Roynat is secured by the following:

- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
- Guarantees dated July 31, 2014 from 629 and Unitec.

A copy of the Roynat debenture is attached as **Appendix B**.

In addition Roynat has received guarantees of its indebtedness from Nxgen Holdings Inc. Entropex Logistics Inc. and Entropex Rigidreclaim Inc.

1.1.7 On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.

1.1.8 On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.

- 1.1.9 On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016 (the "**Forbearance Agreement**"), which expired on July 8, 2016.
- 1.1.10 The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.11 During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.12 On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix C**. The Initial Order is substantially in the form of the Model Receivership Order.
- 1.1.13 The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:
- a) Take possession of and exercise control over the property of the Companies;
 - b) Manage, operate and carry on the business of the Companies;
 - c) Initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
 - d) Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
- 1.1.14 On August 5, 2016, the Receiver submitted a report (the "**First Report**"), attached without appendices as **Appendix D**, and a confidential supplemental report to the Court. A copy of the Order approving the First Report and the endorsement of Justice Garson dated August 16, 2016 and the endorsement of Justice Leitch dated August 23, 2016 and issued on August 29, 2016 are attached as **Appendix E**.

1.2 Purpose of the Receiver's Second Report

- 1.2.1 This constitutes the Receiver's Second Report to the Court (the "**Second Report**") in this matter and is filed to:
- a) Report the results of a security review conducted by the Receiver's independent legal counsel to the Court; and,
 - b) Request the Court issue an Order:
 - declaring the interests of the lessors and rental companies described therein to be subordinate to that of Roynat and BNS;
 - allowing the Receiver to dispose of the leased assets free and clear of the lessors and rental companies by way of an Approval and Vesting Order to subsequently be obtained by the Receiver; and

- allowing the Receiver to distribute the proceeds of sale of the leased assets to Roynat or BNS in priority to the lessors and rental companies pursuant to a Distribution Order to subsequently be obtained by the Receiver.

2.0***PPSA Searches***

2.1 Entropex

2.1.2 According to a search conducted pursuant to the Personal Property Security Registration System ("PPSA Search") dated August 31, 2016 the secured creditors of Entropex include the following:

- a) Roynat has made registrations with respect to three specific lease agreements relating to twelve (12) forklifts;
- b) Roynat has made a registration with respect to its debenture against all equipment, inventory, receivables and accounts (also registered against Unitec and 629);
- c) BNS has made a registration with respect to its general security agreement;
- d) Unitec has made a registration with respect to a general security agreement;
- e) Delage Landen Financial Services Canada Inc. has made a registration with respect to two forklifts (also registered against Unitec);
- f) Xerox has made a registration with respect to equipment with no description;
- g) Ryder Truck Rental Canada Ltd. has made a registration against a vehicle; and,
- h) Hewitt Material Handling has made a registration against a forklift.

2.1.3 A copy of the Entropex PPSA search is attached as **Appendix F**.

2.2 Unitec

2.2.1 According to a PPSA Search dated August 31, 2016 the secured creditors of Unitec include the following (excluding registrations against both Unitec and Entropex listed above):

- a) Roynat has made a registration with respect to a general security agreement;
- b) BNS has made a registration with respect to a general security agreement;
- c) Kevin, Timothy, Keith and Christopher Bechard, as well as Carolyn Hannon, Patricia Pequegnat and Joan Hett have made a registration with respect to a general security agreement;
- d) Deragon Leasing Inc. has made a registration with respect to one vehicle; and,
- e) National Leasing Inc. has made a registration with respect to lighting as described in a lease agreement.

2.2.2 A copy of the Unitec PPSA search is attached as **Appendix G**.

2.3 629

2.3.1 According to a PPSA Search dated August 31, 2016 the secured creditors of 629 include the following (excluding registrations against both 629 and Entropex listed above):

f) Roynat has registered a general security agreement; and

g) BNS has registered a general security agreement.

2.3.2 A copy of the 629 PPSA search is attached as **Appendix H**.

3.0 Security Review and Challenged Leases

- 3.1.1** The Receiver's independent legal counsel, Advocates LLP ("**Advocates**"), has reviewed the security registered by BNS and Roynat, as well as various other leasing/long term rental agreements.
- 3.1.2** Advocates has provided an opinion that the security registered by BNS and Roynat against the Companies is valid and enforceable and that the relative priorities of BNS and Roynat are as follows:
- (i) Entropex – BNS is in first priority position with respect to inventory and accounts while Roynat is in second priority position with respect to all remaining assets, subject to the priority of De Lage Landen and Xerox with respect to their specific secured assets;
 - (ii) 629 – BNS is in first priority position with respect to inventory and accounts while Roynat is in second priority position with respect to all remaining assets; and
 - (iii) Unitec – BNS is in first priority position with respect to inventory and accounts while Roynat is in second priority position with respect to all remaining assets, subject to the potential priority of National Leasing Group with respect to its specific secured asset.
- 3.1.3** Advocates has further provided an opinion that certain of the leasing/long term rental agreements, details of which are set out below, that relate to assets in the possession of the Receiver, represent either unsecured interests or secured interests subordinate to both BNS and Roynat. As such, it is the position of the Receiver that these assets ought to be included in the assets that can be sold by the Receiver free and clear of the interest of the subject lessor with the proceeds to be distributed to either Roynat or BNS as the senior secured creditors.
- 3.2 Procor Limited**
- 3.2.1** Entropex entered into a Rail Car Lease Agreement with Procor Limited ("**Procor**") dated August 27, 2001 (the "**Procor Lease**"). The Procor Lease provides the following:
- (i) Procor will lease to Entropex rail cars as set out in Riders added to the Procor Lease;
 - (ii) The Riders shall be part of the agreement between the parties;
 - (iii) The rental period for each leased rail car will be as set out in the applicable Rider; and
 - (iv) The Procor Lease shall be governed by the laws of the Province of Ontario.
- 3.2.2** In addition to the Procor Lease, the Receiver has located a Rider dated December 20, 2012 and described as Rider No.4 ("**Rider No.4**"), a renewal letter dated November 23, 2015 ("**Renewal #1**") and a renewal letter dated June 21, 2016 ("**Renewal #2**").
- 3.2.3** A copy of the Procor Lease, Rider No.4, Renewal #1 and Renewal #2 are attached as **Appendices I, J, K and L** respectively.
- 3.2.4** Following its appointment, the Receiver determined that Entropex is in possession of 27 rail cars leased from Procor pursuant to the Procor Lease.

3.2.5 A review of Rider No. 4, Renewal #1 and Renewal #2 provides the following information:

- (i) Entropex leased 23 rail cars pursuant to Rider No. 4 with the rental periods starting anywhere from December 20, 2012 to January 25, 2013 but all ending on December 31, 2015. As a result, all were leased for a term of more than one year;
- (ii) Cancellation notice could be provided by either party under the terms of Rider No. 4 however if such notice was not given by the end of the rental period, the rental period would automatically continue on a month-to-month basis;
- (iii) Renewal #1 provides that it is a “renewal proposal for the continued supply of the 23” rail cars which are scheduled to expire at the end of December 2015 and goes on to offer a new revised lease term of three years commencing January 1, 2016. There is a hand written note on Renewal #1 to change the number of rail cars from 23 to 27. Renewal #1 was accepted by Entropex on January 29, 2016;
- (iv) Renewal #2 indicates that it relates to a renewal for 23 rail cars and addition of 4 rail cars that are presently covered by Rider No. 4 and the Procor Lease; and
- (v) Renewal #2 includes an appendix that lists 27 rail cars with 23 of these being the same rail cars listed in Rider No. 4.

3.2.6 The Receiver has received a legal opinion which provides that a lessor of rail cars may perfect a security interest in those rail cars by either registering under the PPSA, or by making a registration through the office of the Registrar General of Canada at Industry Canada pursuant to the Canada Transportation Act (the “CTA”).

3.2.7 As can be seen from a review of Appendix D, Procor did not make a PPSA registration against Entropex.

3.2.8 On August 4, 2016, the Receiver’s legal counsel carried out a Railway Documents search through Industry Canada with respect to Procor and determined that although Procor has made 22 total registrations between January 1, 2000 and August 4, 2016, no registration was made as against Entropex. Attached as **Appendix M** is a copy of the Railway Tool search.

3.2.9 The Receiver has received a legal opinion providing that since Procor does not have a registration under either the PPSA or CTA it does not have a valid and enforceable secured interest in the railcars and therefore is subordinate to the claims of the perfected secured creditors.

3.2.10 The Receiver wrote to Procor on August 9, 2016 to advise of this opinion and request any additional documentation to support its secured claim. Procor’s legal counsel has advised that it disputes the Receiver’s right to sell the rail cars; however, has not yet provided a basis for this position.

3.3 Vacuum Trucks of Canada

3.3.1 Entropex entered into a rental agreement with Vacuum Trucks of Canada (“**Vacuum**”) dated November 20, 2014 (the “**Vacuum Agreement**”). A copy of the Vacuum Agreement is attached as **Appendix N**.

- 3.3.2 The Vacuum Agreement is for a Guzzler Classic Tele Boom Wash with serial number 14-09G-6010 and chassis with VIN 1NKDL70X1FJ436310. In layman's terms it is a chassis with a vacuum attached to it.
- 3.3.3 The Rental Terms and Conditions of the Vacuum Agreement are illegible; however, this is the only copy available to the Receiver. There is a Lessee's Insurance Undertaking attached as part of the Vacuum Agreement that provides the term of the lease is November 26, 2014 to April 19, 2015.
- 3.3.4 We are advised that despite the stated term of the lease, Entropex has had continuous possession of the asset since November, 2014.
- 3.3.5 The legal opinion received by the Receiver is that since Entropex has had possession of the leased asset for more than one year, the PPSA applies to the Vacuum Agreement. Since Vacuum does not have a registration under the PPSA it does not have a valid and enforceable secured interest in this asset.
- 3.3.6 The Receiver wrote to Vacuum on August 11, 2016 to advise of this opinion and request any additional documentation to support its secured claim. As of the date of this report Vacuum has not responded.
- 3.4 Ryder Truck Rental Canada Ltd.**
- 3.4.1 Entropex entered into a Truck Lease and Service Agreement with Ryder Truck Rental Canada Ltd. ("Ryder") dated June 30, 2015 (the "Ryder Agreement"). A copy of the Ryder Agreement, signed by Entropex on July 22, 2015 and by Ryder on July 28, 2015 is attached as **Appendix O**. Also included as part of Appendix J is a completed Ryder Truck Rental Agreement Customer Information form (the "Customer Information Form").
- 3.4.2 The Ryder Agreement is for a 2011 International Prostar truck with serial number 1HSCUAPR2BJ388378.
- 3.4.3 The documents attached as Appendix M were provided to the Receiver by Ryder on July 26, 2016 by way of email. In that email, the Receiver was advised that Entropex took possession of the subject vehicle on September 17, 2015. Attached as **Appendix P** is a copy of the July 26, 2016 email.
- 3.4.4 The PPSA search included at Appendix D shows a registration made by Ryder on June 24, 2016 against equipment and motor vehicle with the same VIN as contained in the Ryder Agreement.
- 3.4.5 The legal opinion received by the Receiver is that the PPSA registration made by Ryder had the effect of perfecting Ryder's security interest; however, since it was made more than 15 days following the date of delivery of the truck, it does not qualify for a Purchase Money Security Interest ("PMSI") priority. It is therefore subordinate to all other security interests perfected prior to June 24, 2016.
- 3.4.6 Since Roynat registered a security interest prior to June 24, 2016 against equipment, with motor vehicle included, the legal opinion obtained by the Receiver is that it has a priority over Ryder.
- 3.4.7 The Receiver wrote to Ryder on July 26, 2016 to advise of this opinion and request any additional documentation to support its secured claim. Ryder's legal counsel has advised Advocates that it

is reviewing the security; however, as of the date of this report no further information has been provided.

3.5 De Lage Landen Financial Services Canada Inc.

- 3.5.1** Entropex entered into two lease agreements with De Lage Landen Financial Services Canada Inc. (“**DeLage**”) dated March 17, 2015 bearing Lease No. 577211, attached as **Appendix Q**, and Lease No. 577212, attached as **Appendix R** (collectively the “**DeLage Agreements**”). These versions of the DeLage Agreements are not signed by a representative of DeLage; however, they are the only versions available to the Receiver and we have assumed that they are final and enforceable.
- 3.5.2** The DeLage Agreements are for a 2011 Caterpillar 2C600 forklift with serial number AT83F31065 and a 2012 Caterpillar 2C600 forklift with serial number AT83F31350.
- 3.5.3** We are advised that Entropex has had possession of these assets since March, 2015.
- 3.5.4** The PPSA search included at Appendix D shows a registration made by DeLage on December 19, 2013 against equipment accounts and other, with motor vehicle included. However, the registration includes specific reference to two 2012 Caterpillar forklifts that are the subject of a different lease.
- 3.5.5** Since the registration contains limiting language (i.e. limiting to the assets described in the registration) it does not perfect an interest in favour of DeLage for the assets described in the DeLage Agreements. As such, DeLage does not have a valid and enforceable secured interest in these assets.
- 3.5.6** The Receiver wrote to DeLage on July 26, 2016 to advise of this opinion and request any additional documentation to support its secured claims. As of the date of this report DeLage has not responded.

3.6 Hewitt Material Handling

- 3.6.1** Entropex entered into a Lift Truck Rental Agreement with Hewitt Material Handling (“**Hewitt**”) on or about July 14, 2014 (the “**Hewitt Agreement**”). A copy of the Hewitt Agreement is attached as **Appendix S**. This version of the Hewitt Agreement is not executed; however, it is the only version available to the Receiver and we have assumed that it is final and enforceable.
- 3.6.2** The Hewitt Agreement is for an A1 2C5000 lift truck with serial number AT3540645.
- 3.6.3** We are advised that Entropex has had possession of the asset since July 14, 2014. This appears to be confirmed by the signed Pre-Shipping Document and Becker Bros. Trucking Inc. invoice attached as part of Appendix, both of which are dated July 14, 2014.
- 3.6.4** The legal opinion received by the Receiver is that since Entropex has had possession of the leased asset for more than one year, the PPSA applies to the Hewitt Agreement. Since Hewitt did not have a registration under the PPSA as of the date the Receiver was appointed it does not have a valid and enforceable secured interest in this asset.
- 3.6.5** The Receiver wrote to Hewitt on July 26, 2016 to advise of this opinion and request any additional documentation to support its secured claim. Counsel for Hewitt responded on August

29, 2016 to advise that a PPSA registration was made by Hewitt on August 25, 2016 and therefore Hewitt had a valid security interest in the leased forklift.

- 3.6.6** The Receiver subsequently obtained an updated legal opinion as a result of the Hewitt PPSA registration. That opinion is that although Hewitt did register security on August, 25, 2016 such that its interest became secured, since the registration was greater than 15 days from the date of delivery of the assets, the registration does not qualify for a PMSI priority. As such, the registration is subordinate to the prior-ranking charges of Roynat, BNS and Unitec.
- 3.6.7** Advocates advised Hewitt's legal counsel of the updated legal opinion and position of the Receiver that Hewitt remains in a subordinate position. Advocates has since been advised by Hewitt's legal counsel that it needs to review further documentation and information before a final position can be determined.

3.7 Modspace Financial Services

- 3.7.1** Entropex entered into five separate lease agreements with Modspace Financial Services ("**Modspace**"), as follows:

- Lease 73812 dated June 28, 2010, attached as **Appendix T**, for a 2010 Modspace model SNGL10-601411 10 x 40 foot trailer with serial number 140020968;
- Lease 99726 dated November 15, 2010, attached as **Appendix U**, for a 2010 Modspace model DESS-155650 12 x 40 foot trailer with serial number 240002112;
- Lease 99726F dated November 15, 2010, attached as **Appendix V**, for various furniture;
- Lease 154970 dated March 15, 2012, attached as **Appendix W**, for a 2012 Modspace model DESS-103716 12 x 40 foot trailer with serial number 1240P209398; and,
- Lease dated February 1, 2015, attached as **Appendix X**, for a 2014 Modspace model SNGL1020 10 x 20 foot trailer with no specified serial number.

(Collectively the "**Modspace Agreements**") These versions of the Modspace Agreements are not executed; however, they are the only versions available to the Receiver and we have assumed that they are final and enforceable.

- 3.7.2** We are advised that Entropex has had possession of the assets since on or around the lease dates.
- 3.7.3** The Receiver has received a legal opinion that since Entropex has had possession of the leased assets for more than one year, the PPSA applies to the Modspace Agreements.
- 3.7.4** Since Modspace does not have a registration under the PPSA it does not have valid and enforceable secured interest in the assets.
- 3.7.5** The Receiver wrote to Modspace on July 26, 2016 to advise of this opinion and request any additional documentation to support its secured claim. As of the date of this report Modspace has not responded.

3.8 Waste Management of Canada Corporation

- 3.8.1** Entropex entered into a lease agreement with Waste Management of Canada Corporation (“**Waste Management**”) dated November 9, 2011 (the “**Waste Management Agreement**”). A copy of the Waste Management Agreement is attached as **Appendix Y**.
- 3.8.2** The Waste Management Agreement is for a waste compactor model RJ 400 Ultra with no specified serial number.
- 3.8.3** We are advised that Entropex has had possession of the asset since November, 2011.
- 3.8.4** The Receiver has received a legal opinion that since Entropex has had possession of the leased asset for more than one year, the PPSA applies to the Waste Management Agreement.
- 3.8.5** Since Waste Management does not have a registration under the PPSA it does not have a valid and enforceable secured interest in this asset.
- 3.8.6** The Receiver wrote to Waste Management on August 26, 2016 to advise of this opinion and request any additional documentation to support its secured claim. As of the date of this report Waste Management has not responded.

3.9 Vincent Corporation


- 3.9.1** Entropex entered into a rental agreement with Vincent Corporation (“**Vincent**”) dated September 28, 2012 (the “**Vincent Agreement**”). A copy of the Vincent Agreement is attached as **Appendix Z**.
- 3.9.2** The Vincent Agreement is for the following assets:
- Vincent Model KP-10 Screw Press with serial number 12268-E
 - Steel support frame
 - Steel tank
- 3.9.3** We are advised that Entropex has had possession of the assets since October, 2012.
- 3.9.4** The Receiver has received a legal opinion that since Entropex has had possession of the leased asset for more than one year, the PPSA applies to the Vincent Agreement.
- 3.9.5** Since Vincent does not have a registration under the PPSA it does not have a valid and enforceable secured interest in this asset.
- 3.9.6** The Receiver wrote to Vincent on August 29, 2016 to advise of this opinion and request any additional documentation to support its secured claim. As of the date of this report Vincent has not responded.

4.0***Order Sought***

- 4.1** We submit this **Second Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to issue an Order:
- a) declaring the interests of the lessors and rental companies described therein to be subordinate to that of Roynat and BNS;
 - b) allowing the Receiver to dispose of the leased assets free and clear of the lessors and rental companies by way of an Approval and Vesting Order to subsequently be obtained by the Receiver; and
 - c) allowing the Receiver to distribute the proceeds of sale of the leased assets to Roynat or BNS in priority to the lessors and rental companies pursuant to a Distribution Order to subsequently be obtained by the Receiver.

All of which is respectfully submitted this **31st** day of August, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**


Per: Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President

TAB G



Court File No. 35-1979333T

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

THE HONOURABLE) TUESDAY, THE 13TH
)
MADAM JUSTICE MITCHELL) DAY OF SEPTEMBER, 2016

BETWEEN:

(Court Seal)

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ORDER

THIS MOTION, made by MNP LTD. ("MNP") in its capacity as court-appointed receiver (the "Receiver") appointed pursuant to an order of the Court dated July 14, 2016 (the "Appointing Order") of the Property (as defined in the Appointing Order) of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants") for:

- (a) An Order that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged, if necessary, so that this motion is properly returnable today and hereby dispensing with further service and confirmation hereof;
- (b) An Order and Declaration that the interests of:

- (i) Procor Limited in certain rail cars subject to a Rail Car Lease Agreement with Entropex dated August 27, 2001;
- (ii) Vacuum Trucks of Canada in a vacuum truck subject to a rental agreement with Entropex dated November 20, 2014;
- (iii) Ryder Truck Rental Canada Ltd. in a truck subject to a Truck Lease and Service Agreement with Entropex dated June 30, 2015;
- (iv) De Lage Landen Financial Services Canada Inc. in two forklifts subject to lease agreements with Entropex dated March 17, 2015;
- (v) Hewitt Material Handling in a lift truck subject to a Lift Truck Rental Agreement with Entropex dated July 14, 2014;
- (vi) Modspace Financial Services in certain trailers and furniture subject to five (5) lease agreements with Entropex dated June 28, 2012, November 15, 2010, November 15, 2010, March 15, 2012 and February 1, 2015;
- (vii) Waste Management of Canada Corporation in a waste compactor subject to a lease agreement with Entropex dated November 9, 2011; and
- (viii) Vincent Corporation in a screw press and related equipment subject to a rental agreement with Entropex dated September 28, 2012;

are each either:

- (i) unsecured interests that are subordinate to the perfected security interests of both senior secured lenders, The Bank of Nova Scotia ("BNS") and Roynat Inc. ("Roynat"); or

- (ii) secured interests that are subordinate to the perfected security interests of both BNS and Roynat;
- (c) An Order and Declaration that the Receiver is entitled to sell the assets leased to Entropex pursuant to the various leases and agreements set out in paragraph (b) above, and vest title in same free and clear of the interests of the respective lessors pursuant to an approval and vesting Order to be obtained by the Receiver; and
- (d) An Order and Declaration that either BNS or Roynat is entitled to a distribution as will be recommended to the Court by the Receiver of the proceeds of sale from the sale of the assets leased to Entropex pursuant to the various leases and agreements set out in paragraph (b) above, in priority to the relevant lessors pursuant to a distribution Order to be obtained by the Receiver;

was heard this day at the Court House, 80 Dundas St., London, Ontario, N6A 6A3.

ON READING the Second Report of the Receiver dated August 31, 2016 (the "Second Report"), filed, and upon reading the Responding Motion Record of United Autoworkers, Local 251, filed, and upon hearing the submissions of the lawyers for the Receiver, and upon being advised that all persons listed on the service list were served with the Motion Record as evidenced by the Affidavit of Service filed, and upon being advised that each of Procor Limited, Ryder Truck Rental Canada Ltd., De Lage Landen Financial Services Canada Inc. and Modular Space Corporation, ModSpace Financial Services Canada, Ltd. do not oppose the within Motion,

*United Autoworkers,
Roynat
and
BNS,*

1. **THIS COURT ORDERS** that the time for service, filing and confirmation of the Notice of Motion and Motion Record be and is hereby abridged and validated, if necessary, such that this Motion is properly returnable today and further service thereof is hereby dispensed with.

PROCOR LIMITED

2. **THIS COURT ORDERS AND DECLARES** that the interest of Procor Limited ("Procor") in twenty-seven (27) rail cars bearing the following railcar numbers:

# of Railcar	Reporting Mark	Railcar Number	# of Railcar	Reporting Mark	Railcar Number
1	UNPX	122640	15	UNPX	123154
2	UNPX	122643	16	UNPX	123207
3	UNPX	122771	17	UNPX	123278
4	UNPX	122774	18	UNPX	123340
5	UNPX	122791	19	UNPX	123564
6	UNPX	122794	20	UNPX	123855
7	UNPX	122845	21	UNPX	123930
8	UNPX	122882	22	UNPX	123954
9	UNPX	122918	23	UNPX	124104
10	UNPX	123030	24	UNPX	124113
11	UNPX	123044	25	UNPX	124122
12	UNPX	123057	26	UNPX	124155
13	UNPX	123065	27	UNPX	124170
14	UNPX	123069			

that are subject to a Rail Car Lease Agreement with Entropex dated August 27, 2001 (the "Rail Cars") is an unperfected security interest that is subordinate to the perfected security interests of both senior secured lenders, The Bank of Nova Scotia ("BNS") and Roynat Inc. ("Roynat").

3. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Rail Cars and vest title in them free and clear of the interest of Procor pursuant to an approval and vesting Order to be obtained by the Receiver (the "Rail Car Approval and Vesting Order") and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale

of the Rail Cars in priority to Procor, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

4. **THIS COURT ORDERS** that the Rail Cars shall not be moved from their present location until the Receiver has obtained the Rail Car Approval and Vesting Order, all Procor Reporting Marks have been removed from the Rail Cars and the purchaser of the Rail Cars has applied its own Reporting Mark to each of the Rail Cars and registered its ownership in the UMLER system.

VACUUM TRUCKS OF CANADA

5. **THIS COURT ORDERS AND DECLARES** that the interest of Vacuum Trucks of Canada ("Vacuum") in a vacuum truck bearing Unit# 8675, Serial Number 14-09G-6010, and Chassis VIN# 1NKDL70X1FJ436310 (the "Vacuum Truck") that is subject to a rental agreement with Entropex dated November 20, 2014, is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

6. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Vacuum Truck and vest title in it free and clear of the interest of Vacuum pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Vacuum Truck in priority to Vacuum, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

RYDER TRUCK RENTAL CANADA LTD.

7. **THIS COURT ORDERS AND DECLARES** that the interest of Ryder Truck Rental Canada Ltd. ("Ryder") in a 2011 International Prostar truck with VIN# 1HSCUAPR2BJ388378 (the "Ryder Truck") that is subject to a Truck Lease and Service Agreement with Entropex dated June 30, 2015 is a perfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

8. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Ryder Truck and vest title in it free and clear of the interest of Ryder pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Ryder Truck in priority to Ryder, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.

9. **THIS COURT ORDERS AND DECLARES** that the interest of De Lage Landen Financial Services Canada Inc. ("De Lage") in:

(a) a 2011 Caterpillar 2C6000 Forklift bearing serial number AT83F31065 c/w attachments and accessories ("De Lage Forklift #1") that is subject to an Equipment Leasing Agreement with Entropex bearing Lease No. 577211; and

(b) a 2012 Caterpillar 2C6000 Forklift bearing serial number AT83F31350 c/w attachments and accessories ("De Lage Forklift #2") that is subject to an Equipment Leasing Agreement with Entropex bearing Lease No. 577212;

is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

10. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell De Lage Forklift #1 and De Lage Forklift #2 (collectively the "De Lage Forklifts") and vest title in the De Lage Forklifts free and clear of the interests of De Lage pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the De Lage Forklifts in priority to De Lage, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

MODSPACE FINANCIAL SERVICES

11. **THIS COURT ORDERS AND DECLARES** that the interest of Modular Space Corporation, ModSpace Financial Services Canada, Ltd. ("ModSpace") in:

- (a) All equipment leased to Entropex pursuant to a Lease Agreement bearing Lease Agreement No. 073812, including equipment bearing Serial No. 140020968 ("ModSpace Lease #1");
- (b) All equipment leased to Entropex pursuant to a Lease Agreement bearing Lease Agreement No. 099726, including equipment bearing Serial No. 240002112 ("ModSpace Lease #2");
- (c) All equipment leased to Entropex pursuant to a Lease Agreement bearing Lease Agreement No. 099726F ("ModSpace Lease #3");
- (d) All equipment leased to Entropex pursuant to a Lease Agreement bearing Lease Agreement No. 154970, including equipment bearing Serial No. 1240P209398 ("ModSpace Lease #4"); and

- (e) All equipment leased to Entropex pursuant to a Lease Agreement dated February 4, 2015 bearing Offer No. 89179, including equipment described as a 10x20 Unit, Class SNGL1020 ("ModSpace Lease #5");

is a perfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

12. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell all ModSpace equipment that is subject to ModSpace Lease #1, ModSpace Lease #2, ModSpace Lease #3, ModSpace Lease #4 and ModSpace Lease #5 (collectively the "ModSpace Equipment") and vest title in the ModSpace Equipment free and clear of the interest of ModSpace pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the ModSpace Equipment in priority to ModSpace, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

WASTE MANAGEMENT OF CANADA CORPORATION

AM
~~13. **THIS COURT ORDERS AND DECLARES** that the interest of Waste Management of Canada Corporation ("Waste Management") in a waste compactor model # RJ-400 Ultra – with stand (the "Compactor") that is subject to a Lease Agreement with Entropex dated November 9, 2011 is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.~~
AM

Am. 14. ~~THIS COURT ORDERS AND DECLARES~~ that the Receiver is entitled to sell the Compactor and vest title in it free and clear of the interest of Waste Management pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Compactor in priority to Waste Management, pursuant to a distribution Order as will be recommended to the Court by the Receiver. *Am.*

VINCENT CORPORATION

15. **THIS COURT ORDERS AND DECLARES** that the interest of Vincent Corporation ("Vincent") in a Model KP-10 Vincent Screw Press bearing serial #12268-E and related equipment (the "Screw Press") that is subject to an International Rental Agreement with Entropex dated September 28, 2012 is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

16. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Screw Press and vest title in it free and clear of the interest of Vincent pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Screw Press in priority to Vincent, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

HEWITT MATERIAL HANDLING

17. THIS COURT ORDERS that the within Motion be and is hereby adjourned to Tuesday September 27, 2016 as it relates to any and all relief sought by the Receiver with respect to Hewitt Material Handling and Waste Management Canada Corporation.


(Signature of Judge)

RCP-E 59A (July 1, 2007)

THE BANK OF NOVA SCOTIA
Plaintiff

-and- ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
PROCEEDING COMMENCED AT
LONDON**

ORDER

ADVOCATES LLP
16th Floor - One London Place
255 Queens Avenue
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David S. Swift (40107N)
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Tel: (519) 858-8220 ext. 235
Fax: 519-858-0687

Lawyers for the receiver

File Number: 16056

00119

Court File No. 35-1979333T

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

THE HONOURABLE

)

TUESDAY, THE 27THMISTER JUSTICE *I.F. LORRA*

)

DAY OF SEPTEMBER, 2016

)

BETWEEN:

(Court Seal)

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ORDER

THIS MOTION, originally returnable on Tuesday, September 13, 2016, made by MNP LTD. ("MNP") in its capacity as court-appointed receiver (the "Receiver") appointed pursuant to an order of the Court dated July 14, 2016 (the "Appointing Order") of the Property (as defined in the Appointing Order) of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants"), for:

- (a) An Order that the time for service, filing and confirmation of the Notice of Motion and the Motion Record be abridged, if necessary, so that this motion is properly returnable today and hereby dispensing with further service and confirmation hereof;

- (b) An Order and Declaration that the interests of:
- (i) Procor Limited in certain rail cars subject to a Rail Car Lease Agreement with Entropex dated August 27, 2001;
 - (ii) Vacuum Trucks of Canada in a vacuum truck subject to a rental agreement with Entropex dated November 20, 2014;
 - (iii) Ryder Truck Rental Canada Ltd. in a truck subject to a Truck Lease and Service Agreement with Entropex dated June 30, 2015;
 - (iv) De Lage Landen Financial Services Canada Inc. in two forklifts subject to lease agreements with Entropex dated March 17, 2015;
 - (v) Hewitt Material Handling in a lift truck subject to a Lift Truck Rental Agreement with Entropex dated July 14, 2014;
 - (vi) Modspace Financial Services in certain trailers and furniture subject to five (5) lease agreements with Entropex dated June 28, 2012, November 15, 2010, November 15, 2010, March 15, 2012 and February 1, 2015;
 - (vii) Waste Management of Canada Corporation in a waste compactor subject to a lease agreement with Entropex dated November 9, 2011; and
 - (viii) Vincent Corporation in a screw press and related equipment subject to a rental agreement with Entropex dated September 28, 2012;

are each either:

- (i) unsecured interests that are subordinate to the perfected security interests of both senior secured lenders, The Bank of Nova Scotia ("BNS") and Roynat Inc. ("Roynat"); or
 - (ii) secured interests that are subordinate to the perfected security interests of both BNS and Roynat;
- (c) An Order and Declaration that the Receiver is entitled to sell the assets leased to Entropex pursuant to the various leases and agreements set out in paragraph (b) above, and vest title in same free and clear of the interests of the respective lessors pursuant to an approval and vesting Order to be obtained by the Receiver; and
- (d) An Order and Declaration that either BNS or Roynat is entitled to a distribution as will be recommended to the Court by the Receiver of the proceeds of sale from the sale of the assets leased to Entropex pursuant to the various leases and agreements set out in paragraph (b) above, in priority to the relevant lessors pursuant to a distribution Order to be obtained by the Receiver;

was heard this day at the Court House, 80 Dundas St., London, Ontario, N6A 6A3.

ON READING the Second Report of the Receiver dated August 31, 2016 (the "Second Report"), filed, and upon reading the Responding Motion Record of United Autoworkers, Local 251, filed, and upon being advised that pursuant to the Order of the Honourable Madam Justice Mitchell dated September 13, 2016, the Receiver was granted the relief requested with respect to each of Procor Limited, Vacuum Trucks of Canada, Ryder Truck Rental Canada Ltd., De Lage Landen Financial Services Canada Inc., Modular Space Corporation, ModSpace Financial Services Canada, Ltd. and Vincent Corporation, with the relief sought with respect to Hewitt

Material Handling and Waste Management of Canada Corporation being adjourned to today, and upon hearing the submissions of the lawyers for the Receiver, and upon being advised that all persons listed on the service list were served with the Motion Record as evidenced by the Affidavit of Service filed, and upon being advised that Waste Management of Canada Corporation does not oppose the within Motion, and upon being advised that Hewitt Material Handling opposes the Motion but is not in attendance to make submissions,

WASTE MANAGEMENT OF CANADA CORPORATION

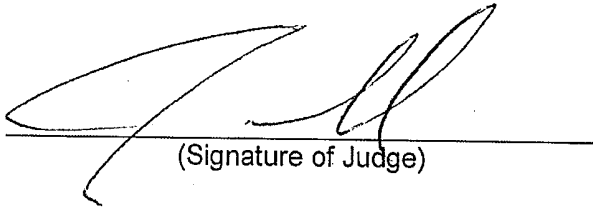
1. **THIS COURT ORDERS AND DECLARES** that the interest of Waste Management of Canada Corporation ("Waste Management") in a waste compactor model # RJ 400 Ultra – with stand (the "Compactor") that is subject to a Lease Agreement with Entropex dated November 9, 2011 is an unperfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

2. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Compactor and vest title in it free and clear of the interest of Waste Management pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Compactor in priority to Waste Management, pursuant to a distribution Order as will be recommended to the Court by the Receiver.

HEWITT MATERIAL HANDLING

3. **THIS COURT ORDERS AND DECLARES** that the interest of Hewitt Material Handling, a subsidiary of Hewitt Equipment Limited ("Hewitt"), in a lift truck bearing Equipment No. L012971 and Make, Model and Serial No. A1 2C5000 AT3540645 (the "Lift Truck") that is subject to a Lift Truck Rental Agreement with Entropex, is a perfected security interest that is subordinate to the perfected security interests of both BNS and Roynat.

4. **THIS COURT ORDERS AND DECLARES** that the Receiver is entitled to sell the Lift Truck and vest title in it free and clear of the interest of Hewitt pursuant to an approval and vesting Order to be obtained by the Receiver and that either BNS or Roynat will be entitled to a distribution of the proceeds of sale from the sale of the Lift Truck in priority to Hewitt, pursuant to a distribution Order as will be recommended to the Court by the Receiver.



(Signature of Judge)

RCP-E 59A (July 1, 2007)

THE BANK OF NOVA SCOTIA
Plaintiff

-and- ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
PROCEEDING COMMENCED AT
LONDON**

ORDER

ADVOCATES LLP
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Lawyers for the receiver

File Number: 16056

00125

Sept 13, 2016 Mr. Swift for the Receiver
MR. Hamum for the Unions Auto Workers.
MR. Hooper for BNS and Raynat.
No other interested parties appearing
despite proper notice.

Order signed in form Recs, as amended.
Order is without prejudice to
Rights of Union (UAW) to claim
priority to proceeds which right
is expressly reserved.

Widdell J.

SEP 27 2016

Mr Swift for the many receivers
No one else appearing, ~~at least~~ (motion)
called at 12:15 PM, a High Mr
Swift has filed email correspondence
for other counsel (indicating):
1) Counsel for Unions does not oppose
requested Amble's relative, provided a similar
notice to that made by ~~double~~
Widdell on Sept 13, 2016, (which includes
I have worked with on unfiled orders)

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
PROCEEDING COMMENCED AT
LONDON

MOTION RECORD

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

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

Lawyers for the receiver

File Number: 16056

It is requested + confirmed Amble and
Counsel for the Amble might valid been
the
1) Counsel for Plaintiff opposes Ind-50
requested for requested, but material
Counsel valid requested, to Plaintiff Counsel
Amble indicated that Plaintiff Justice
has indicated filed, + Plaintiff Justice
will be set be opposing
will be set the motion unopposed,
Having reviewed that the requested and
were satisfied is appropriate to name the
Amble valid is appropriate to name the
reviewed + signed, Amble's ~~Widdell~~

TAB H

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**THIRD REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

September 22, 2016

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4.0 Receiver and its Counsel's Accounts.....	9
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Listing of Appendices

- Appendix A - Initial Order
- Appendix B - Receiver's First Report (without appendices)
- Appendix C - Order approving First Report, Endorsement of Justice Garson dated August 23, 2016 and Endorsement of Justice Leitch dated August 29, 2016
- Appendix D - Receiver's Second Report (without appendices)
- Appendix E - Order approving Second Report dated September 13, 2016
- Appendix F - Receiver's Statement of Receipts and Disbursements
- Appendix G - Receiver's fee affidavit
- Appendix H - Legal Counsel's fee affidavit

1.0 *Introduction and Purpose of Report*

1.1 Introduction

1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Sarnia, Ontario (the “**Lougar Property**”).

1.1.2 629728 Ontario Limited (“**629**”) and Unitec Inc. (“**Unitec**”) are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.

1.1.3 Entropex, 629 and Unitec (collectively referred to as the “**Companies**”) are registered as the joint title holders to the Lougar Property.

1.1.4 Entropex is indebted to the Bank of Nova Scotia (“**BNS**”) for approximately \$3,500,000 CDN. Entropex is indebted to Roynat Inc. (“**Roynat**”) for approximately \$3,260,000 million USD. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.

1.1.5 The debt owing to BNS is secured by the following:

- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000 CDN;
- General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
- Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the “**Guarantors**”).

1.1.6 The debt owing to Roynat is secured by the following:

- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
- Guarantees dated July 31, 2014 from 629 and Unitec.

In addition Roynat has received guarantees of its indebtedness from the Guarantors.

1.1.7 On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.

1.1.8 On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.

1.1.9 On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016, which expired on July 8, 2016.

- 1.1.10 The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.11 During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.12 On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix A**. The Initial Order is substantially in the form of the Model Receivership Order.
- 1.1.13 The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:
- a) Take possession of and exercise control over the property of the Companies;
 - b) Manage, operate and carry on the business of the Companies;
 - c) Initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
 - d) Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
- 1.1.14 The Receiver has submitted two previous reports to the Court dated August 5, 2016 (the "**First Report**"), which included a confidential supplemental report to the Court and August 31, 2016 (the "**Second Report**"). A copy of the First Report, without appendices, is attached as **Appendix B**. A copy of the Order approving the First Report and the endorsement of Justice Garson dated August 16, 2016 and the endorsement of Justice Leitch dated August 23, 2016 and issued on August 29, 2016 are attached as **Appendix C**. A copy of the Second Report, without appendices, and Order dated September 13, 2016 approving same are attached as **Appendix D** and **Appendix E** respectively.

1.2 Purpose of the Receiver's Third Report

- 1.2.1 This constitutes the Receiver's Third Report to the Court (the "**Third Report**") in this matter and is filed to:
- a) Obtain an Order approving the Third Report and the confidential supplement thereto, along with the activities of the Receiver detailed therein;
 - b) Obtain an Order approving the bill of sale between the Receiver and Vidal Street Industrial Park Inc. ("**VIP**") with respect to the twenty-seven rail cars described therein;
 - c) Obtain an Order vesting title to the twenty-seven rail cars described herein in and to VIP;
 - d) Obtain approval of the fees and expenses of the Receiver and its legal counsel;
 - e) Obtain approval of the Receiver's Statement of Receipts and Disbursements for the period July 14 to September 16, 2016; and

- f) Obtain an Order sealing the Confidential Supplement to the Receiver's Third Report.

2.0***VIP Bill of Sale*****2.1 Rail Cars**

2.1.2 Prior to the receivership Entropex leased the following twenty-seven (27) rail cars (the “**Rail Cars**”) from Procor Limited (“**Procor**”):

	Rail Car Number
1	UNPX122640
2	UNPX122643
3	UNPX122771
4	UNPX122774
5	UNPX122791
6	UNPX122794
7	UNPX122845
8	UNPX122882
9	UNPX122918
10	UNPX123030
11	UNPX123044
12	UNPX123057
13	UNPX123065
14	UNPX123069
15	UNPX123154
16	UNPX123207
17	UNPX123278
18	UNPX123340
19	UNPX123564
20	UNPX123855
21	UNPX123930
22	UNPX123954
23	UNPX124104
24	UNPX124113
25	UNPX124122
26	UNPX124155
27	UNPX124170

2.1.3 The August 16, 2016 Court Order approving the First Report, attached at Appendix C, approved the process to market and sell the assets of the Companies (the “**Sales Process**”) as described in the First Report. Bids under the sales process were due to be submitted on September 16, 2016.

2.1.4 The September 13, 2016 Court Order approving the Second Report, attached at Appendix E, declared:

- that the lease agreement for the Rail Cars was an unperfected security interest subordinate to the perfected security interests of both BNS and Roynat; and,
- that the Receiver is entitled to sell the Rail Cars and vest title in them free and clear of the interest of Procor pursuant to an approval and vesting Order to be obtained by the Receiver.

2.1.5 The Receiver has accepted an offer, subject to Court Approval, to sell the Rail Cars to VIP and entered into a bill of sale ("**Bill of Sale**"). Due to the confidential nature of the Bill of Sale, the Receiver is disclosing the details to the Court via a supplementary report, which we request the Court keep sealed pending the closing of the transaction.

2.1.6 The supplementary report also includes details of the Sales Process and appraisal information.

3.0 Statement of Receipts and Disbursements

- 3.1.1** Appendix F, attached, is a summary of the Receiver's Statement of Receipts and Disbursements for the period July 14 to September 16, 2016.
- 3.1.2** The Receiver has generated receipts of approximately \$2,480,000, primarily from collection of accounts receivable and the sale of inventory.
- 3.1.3** The Receiver has made disbursements of approximately \$342,500, primarily for:
- Wages, benefits and source deductions of \$200,000. As set out in the First Report, the Receiver has maintained four employees onsite at the Lougar Property full time (twenty four hours a day, seven days a week) to maintain the environmental protocols described therein.
 - \$30,000 has been paid to date to a shipping company who made a claim for shipments delivered prior to the receivership to Entropex customers. The shipping company claimed the right to hold Entropex customers responsible for invoices totaling \$105,000 under Section 7.1 of the *Mercantile Law Amendment Act* and Section 2 of the *Bills of Lading Act*. The Receiver's legal counsel reviewed these statutes and provided an opinion that a portion of the claim was valid and the Receiver subsequently reached an agreement with the shipping company to pay \$32,000 in full and final settlement of its claims. To avoid confusion to the customers of where to direct payment, the Receiver and the shipping company agreed that the Receiver would collect the outstanding accounts and remit payments to the shipping company for their claims.
 - Occupancy costs, including utilities, insurance, cleaning and phone.
- 3.1.4** The Receiver has generated a net excess of receipts and disbursements to date of \$2,141,000.

4.0 Receiver and its Counsel's Accounts


- 4.1.1 As required in the Initial Order, the Receiver is seeking the approval of its accounts and the accounts of its legal counsel for the receivership period to date.
- 4.1.2 The Receiver has submitted one invoice to date, for the period July 8 to September 16, 2016 in the amount of \$130,000, inclusive of disbursements and before HST. The invoice, together with the Receiver's affidavit of verification of fees, is attached as **Appendix G**.
- 4.1.3 Advocates LLP ("Advocates"), the Receiver's legal counsel, has submitted one invoice to date, for the period July 8 to September 19, 2016 in the amount of \$73,102.72, inclusive of disbursements and before HST. The invoice, together with the Advocates affidavit of verification of fees, is attached as **Appendix H**.

5.0**Order Sought**

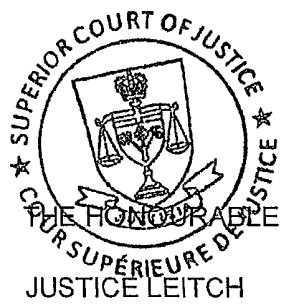
- 5.1** We submit this **Third Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to issue an Order:
- a) Approving the Third Report of the Receiver and the Confidential Supplement thereto, and the activities of the Receiver described therein;
 - b) Approving the Bill of Sale between the Receiver and Vidal Street Industrial Park Inc.;
 - c) Vesting title to the Rail Cars described therein in and to Vidal Street Industrial Park Inc.;
 - d) Approving the Receiver's Statement of Receipts and Disbursements for the period July 14 to September 16, 2016;
 - e) Approving the fees and expenses of the Receiver and its legal counsel; and,
 - f) Approving the sealing of the Confidential Supplement to the Third Report and its contents.

All of which is respectfully submitted this 22nd day of September, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**


Per: Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President

TAB I



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

THE HONOURABLE MADAM
JUSTICE LEITCH

)
)
)

TUESDAY, THE 4TH
DAY OF OCTOBER, 2016

BETWEEN:

(Court Seal)

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ANCILLARY ORDER

THIS MOTION, made by MNP LTD. ("MNP") in its capacity as court-appointed receiver (the "Receiver") appointed pursuant to the Order of the Honourable Justice Grace dated July 14, 2016 (the "Appointing Order") of the Property (as defined in the Appointing Order) of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants"), for:

- (a) An Order abridging the time for service, filing and confirmation of the Notice of Motion and the Motion Record, if necessary, so that this Motion is properly returnable today and hereby dispensing with further service and confirmation hereof;

- (b) An Order approving the Receiver's Third Report to the Court dated September 22, 2016 (the "Third Report") and the Receiver's Confidential Supplement to the Third Report dated September 22, 2016 (the "Confidential Supplement") and the activities of the Receiver as reported therein;
- (c) An Order sealing the Confidential Supplement, following the Court's review thereof, until ninety (90) days from the date of the Order granted in the within Motion or the completion of the Transaction, whichever is earlier, subject to such further Order of this Court;
- (d) An Order approving the Statement of Receipts and Disbursements of the Receiver as detailed in the Third Report (the "Statement of Receipts and Disbursements");
- (e) An Order approving the fees and disbursements of the Receiver from July 8, 2016 up to and including September 16, 2016 as detailed in the Third Report (the "Receiver's Fees") and the payment thereof;
- (f) An Order approving the fees and disbursements of the Receiver's counsel from July 8, 2016 up to and including September 19, 2016 as detailed in the Third Report (the "Counsel Fees") and the payment thereof; and
- (g) Such further and other relief as to this Honourable Court may seem just;

was heard this day at the Court House, 80 Dundas St., London, Ontario, N6A 6A3.

ON READING the Third Report, and upon reading the Confidential Supplement, and upon hearing the submissions of the lawyers for the Receiver, and upon being advised that all persons listed on the service list were served with the Motion Record as evidenced by the Affidavit of Service of Cory Wood, filed,

1. **THIS COURT ORDERS** that the time for service, filing and confirmation of the Notice of Motion and Motion Record be and is hereby abridged and validated, if necessary, such that this Motion is properly returnable today and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that the Third Report and the Receiver's activities and conduct reported therein, be and is hereby approved.
3. **THIS COURT ORDERS** that the Confidential Supplement and the Receiver's activities and conduct reported therein, be and is hereby approved.
4. **THIS COURT ORDERS** that the Confidential Supplement, filed with the Court separate and apart from the Third Report, shall hereafter be filed in the within Court File in a sealed envelope or other appropriately sealed container and that only the Court and its clerk shall be entitled to open and review the contents without a further Order of the Court. The sealed envelope or container shall be endorsed with the title of proceedings in this action and a label identifying the contents as being "The Confidential Supplement to the Third Report of the Receiver dated September 22, 2016", and the words "SUBJECT TO PROTECTIVE ORDER" and a statement in the following form: "THIS ENVELOPE IS NOT TO BE OPENED EXCEPT BY THE COURT OR ITS CLERKS OR BY OTHER PERSONS BY ORDER OF THE COURT".

5. **THIS COURT ORDERS** that the sealing of the Confidential Supplement shall continue until the passage of ninety (90) days for the date of the within Order or the completion of the Transaction pursuant to the Approval and Vesting Order dated October 4, 2016, whichever is earlier, subject to further Order of this Court.
6. **THIS COURT ORDERS** that the Statement of Receipts and Disbursements be and is hereby approved.
7. **THIS COURT ORDERS** that the Receiver's Fees and the payment thereof, be and are hereby approved.
8. **THIS COURT ORDERS** that the Counsel Fees and the payment thereof, be and are hereby approved.



(Signature of Judge)

RCP-E 59A (July 1, 2007)

THE BANK OF NOVA SCOTIA
Plaintiff

-and-

ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
PROCEEDING COMMENCED AT
LONDON**

ORDER

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

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

Lawyers for the Receiver

File Number: 16056

00142

Court File No. 35-1979333T



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

THE HONOURABLE MADAM
JUSTICE LEITCH

)
)
)

TUESDAY, THE 4TH
DAY OF OCTOBER, 2016

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP LTD. ("MNP") in its capacity as the Court-appointed receiver (the "Receiver") appointed pursuant to an order of the Court dated July 14, 2016 of the undertaking, property and assets of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants") for an order approving the sale transaction (the "Transaction") contemplated by a Bill of Sale (the "Sale Agreement") between the Receiver and Vidal Street Industrial Park Inc. (the "Purchaser") dated September 16, 2016 and appended to the Confidential Supplement to the Third Report of the Receiver dated September 22, 2016 (the "Confidential Supplement"), and vesting in the Purchaser the right, title and interest of the Defendants in and to the assets described in the Sale Agreement and in Schedule "B" hereto (the "Purchased Assets"), was heard this day at 80 Dundas Street, London, Ontario.

ON READING the Receiver's Third Report to the Court dated September 22, 2016 (the "Third Report") and the Confidential Supplement and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Cory Wood sworn September 23, 2016 filed:

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

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the right, title and interest of the Defendants in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all ownership, security or other interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial, ownership or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Grace dated July 14, 2016; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Canada Transportation Act* or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto, (all of which are collectively referred to as the "Encumbrances") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS AND DECLARES that upon delivery of the Receiver's Certificate and the vesting of the Purchased Assets free and clear in the Purchaser, Procor Limited, its directors, officers, employees, agents and each of its controlling and related entities, shall be released from all rights, title, interest, responsibility, liability and other obligations of whatever kind regarding the Purchased Assets arising following the delivery of the Receiver's Certificate.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Defendants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Defendants;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Defendants and shall not be void or voidable by creditors of the Defendants, nor shall it

constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and that the Transaction may be completed without compliance with:

- (a) Section 244(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c.B.3, as amended; or
- (b) The provisions of Part V of the *Personal Property Security Act*, R.S.O. 1990. C.P.10, as amended;

or any other notice, requirement, statutory or otherwise which a creditor or other party may be required to issue in order to dispose of the collateral of the Defendants.

8. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



Justice, Ontario Superior Court of Justice

Schedule A – Form of Receiver's Certificate

Court File No. 35-1979333T

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

RECEIVER'S CERTIFICATE**RECITALS**

A. Pursuant to an Order of the Honourable Justice Grace of the Ontario Superior Court of Justice, In Bankruptcy and Insolvency, (the "Court") dated July 14, 2016, MNP Ltd. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants").

B. Pursuant to an Order of the Court dated October 4, 2016, the Court approved the sale transaction contemplated by a Bill of Sale made as of September 16, 2016 (the "Sale Agreement") between the Receiver and Vidal Street Industrial Park Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the right, title and interest of the Defendants in and to the assets described in Schedule "A" hereto (the "Purchased Assets"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i)

the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

MNP Ltd., in its capacity as Receiver of the undertaking, property and assets of Entropex, 629728 Ontario Limited, and Unitec Inc., and not in its personal capacity

Per: _____
Name:
Title:

Schedule A to the Receiver's Certificate – Purchased Assets

60149

# of Railcar	Reporting Mark	Railcar Number
1	UNPX	122640
2	UNPX	122643
3	UNPX	122771
4	UNPX	122774
5	UNPX	122791
6	UNPX	122794
7	UNPX	122845
8	UNPX	122882
9	UNPX	122918
10	UNPX	123030
11	UNPX	123044
12	UNPX	123057
13	UNPX	123065
14	UNPX	123069
15	UNPX	123154
16	UNPX	123207
17	UNPX	123278
18	UNPX	123340
19	UNPX	123564
20	UNPX	123855
21	UNPX	123930
22	UNPX	123954
23	UNPX	124104
24	UNPX	124113
25	UNPX	124122
26	UNPX	124155
27	UNPX	124170

Schedule B – Purchased Assets

# of Railcar	Reporting Mark	Railcar Number
1	UNPX	122640
2	UNPX	122643
3	UNPX	122771
4	UNPX	122774
5	UNPX	122791
6	UNPX	122794
7	UNPX	122845
8	UNPX	122882
9	UNPX	122918
10	UNPX	123030
11	UNPX	123044
12	UNPX	123057
13	UNPX	123065
14	UNPX	123069
15	UNPX	123154
16	UNPX	123207
17	UNPX	123278
18	UNPX	123340
19	UNPX	123564
20	UNPX	123855
21	UNPX	123930
22	UNPX	123954
23	UNPX	124104
24	UNPX	124113
25	UNPX	124122
26	UNPX	124155
27	UNPX	124170

Schedule C – Claims Vested Out

Any and all Encumbrances, including (without limitation):

1. Any and all interests that Procor Limited may have in and to the Purchased Assets
2. Any and all interests that the following secured parties who have filed *Personal Property Security Act* (Ontario) registrations may have:

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Roynat Inc.	Entropex	676530315	20120229 1657 1901 3195	E, O, MV	CUSHION TIRE FORKLIFT(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL 2012 HYSTER S50FT F187V20061K 2012 HYSTER S50FT F187V20063K 2012 HYSTER S50FT F187V20064K 2012 HYSTER S50FT F187V20065K 2012 HYSTER S50FT F187V20066K 2012 HYSTER	01MAR 2018

00152

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
					S50FT F187V20067K	
Amendment to add 629728 Ontario Limited and Unitec Inc. as debtors	629728 Ontario Limited Unitec Inc.	676530315	20120302 1328 1901 3252			
Roynat Inc.	Entropex 629728 Ontario Limited Unitec Inc.	685990539	20130411 1127 1902 7278	E, O, MV	FORKLIFT[S], TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL 2013 CATERPILLAR 2C6000 AT83F32129 2013 CATERPILLAR 2C6000 AT83F32158 2013 CATERPILLAR 2C6000 AT83F32130 2013 CATERPILLAR 2C6000 AT83F32159 2013 CATERPILLAR 2C6000 AT83F32160	11APR 2017

00153

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Roynat Inc.	Entropex 629728 Ontario Limited Unitec Inc.	689453919	20130814 1115 1902 0954	E, O	FORKLIFT[S], TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERE TO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL 2013 CATERPILLAR/MIT SU GC40K AT87B00096	14AUG 2017

00154

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
De Lage Landen Financial Services Canada Inc.	Entropex Unitec Inc.	692723727	20131219 1946 1531 3465	E, A, O, MV	ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. 2012 CATERPILLAR P8000 AT4000521 2012 CATERPILLAR P8000 AT4000522	19DEC 2019
Roynat Inc.	Entropex Unitec Inc. 629728 Ontario Limited	696221055	20140516 1345 1862 1916	I, E, A, O, MV		16MAY 2025
Roynat Inc.	Entropex Unitec Inc. 629728 Ontario Limited	696221163	20140516 1348 1862 1922	A, O	GENERAL ASSIGNMENT OF RENTS	16MAY 2025
The Bank of Nova Scotia	Entropex	696359376	20140522 1111 1532 7864	I, E, A, O		22MAY 2019
Xerox Canada Ltd	Entropex Corporation Inc.	713726856	20160201 1408 1462 9276	E, O		01FEB 2022

20155

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Unitec Inc.	Entropex	714828762	20160317 1006 1862 1923	I, E, A, O	COLLATERAL SECURITY PURSUANT TO A PROMISSORY NOTE DATED OCTOBER 09, 2009 AND A GENERAL SECURITY AGREEMENT DATED OCTOBER 09, 2009	17MAR 2026
Ryder Truck Rental Canada Ltd.	Entropex	717998859	20160624 1402 1462 6966	E, MV	2011 INTL PRO LF627 PREM 1HSCUAPR2BJ388 378	24JUN 2018
Hewitt Material Handling Inc.	Entropex Logistics Inc. 629728 Ontario Limited Unitec Inc.	719940276	20160825 1054 1590 5536	E, O, MV	CATERPILLAR 5000 LB IC CUSHION, SERIAL NUMBER AT9040645, TOGETHER WITH ALL ATTACHMENTS, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ANY AND ALL PROCEEDS ARISING THEREFROM INCLUDING, WITHOUT LIMITATION, ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, LICENSES, INSTRUMENTS, SECURITIES, SUBSTITUTIONS, TRADE-INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS DERIVED DIRECTLY OR INDIRECTLY THEREFROM. CATERPILLAR 2C5000 AT9040645	25AUG 2017
Amendment to add Entropex as	Entropex	719940276	20160829 1635 1590 5758			

00156

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
debtor						
National Leasing Group Inc.	Entropex (A Partnership) Unitec Inc.	674987103	20111212 1046 6005 9078	E	ALL LIGHTING OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2555077 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS	12DEC 2016

00157

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Vacuum Trucks of Canada ULC	Entropex 629728 Ontario Limited Unitec Inc.	720602874	20160914 1738 1590 6707	E, O, MV	ONE [1] GUZZLER CLASSIC CLASSMTTBWD, SERIAL NUMBER 14-09G-6010, MOUNTED ON A KENWORTH CHASSIS VIN NUMBER 1NKDL70X1FJ4363 10, TOGETHER WITH ALL EXISTING AND FUTURE ATTACHMENTS, ADDITIONS, ACCESSIONS, ACCESSORIES, REPLACEMENTS, SUBSTITUTIONS, REPLACEMENT PARTS, AND REPAIRS THEREFOR, INCORPORATED THEREIN, ATTACHED OR AFFIXED THERETO, AND/OR USED IN CONNECTION THEREWITH. PROCEEDS- ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. 2015 KENWORTH T800 1NKDL70X1FJ4363 10	14SEP 2019
Roynat Inc.	629728 Ontario Limited	696221082	20140516 1346 1862 1918	I, E, A, O, MV		16MAY 2025
The Bank of Nova Scotia	629728 Ontario Limited	696369402	20140522 1503 1532 7914	I, E, A, O		22MAY 2019
The Bank of Nova Scotia	Unitec Inc.	696369411	20140522 1503 1532 7915	I, E, A, O		22MAY 2019
Roynat Inc.	Unitec Inc.	696221046	20140516 1344 1862 1915	I, E, A, O, MV		16MAY 2025

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Kevin Bechard, Timothy Bechard, Keith Bechard, Christopher Bechard, Carolyn Hannon, Patricia Pequegnat, and Joan Hett	Unitec Inc.	678649095	20120525 1459 1862 9663	I, E, A, O	COLLATERAL SECURITY PURSUANT TO A PROMISSORY NOTE DATED OCTOBER 9, 2009 AND A GENERAL SECURITY AGREEMENT DATED OCTOBER 9, 2009	25MAY 2022

3. Any and all interests that the following entities that are party to documents deposited pursuant to the *Canada Transportation Act* may have:

Document	Deposit Date and Time	Document Key	Parties	Affected Purchased Assets
Conditional Sale Agreement dated June 5, 1962	June 13, 1962 14:30	4079	H.A. Jones and E.R. Kingan, as sellers Kanawha-Ohio Corporation, as buyer Chesapeake and Ohio Railway Company, as guarantor	Hopper cars with serial numbers 122794, 122845, 123278 and 124155
Agreement of Lease dated June 5, 1962	June 13, 1962 14:30	4078	Kanawha-Ohio Corporation as lessor Chesapeake and Ohio Railway Company, as lessee	Hopper cars with serial numbers 122794, 122845, 123278 and 124155
Equipment Trust Agreement dated May 15, 1986	July 11, 1986 10:30	8736	The Royal Trust Company, as trustee Procor Limited, as issuer Union Tank Car Company, as lessee	UNPX 122771 UNPX 122774 UNPX 122791 UNPX 122794 UNPX 122845 UNPX 122882 UNPX 122918 UNPX 123207
Equipment Trust Agreement dated October 1, 1987	November 9, 1987 15:25	9879	The Royal Trust Company, as trustee Procor Limited, as issuer Union Tank Car Company	UNPX 123278
Equipment Trust Agreement dated February 15, 1994	March 2, 1994 11:55	9960	The First National Bank of Chicago, as trustee and lessor Union Tank Car Company, as issuer and lessee	UNPX 124115 UNPX 124122
Second Supplemental Trust Agreement dated January 20, 1995	February 9, 1995 15:50	9925	Union Tank Car Company, as issuer and lessee The First National Bank of Chicago, as trustee and lessor	
Trust Indenture and Security Agreement dated September 20, 1995	September 20, 1995 11:40	435	State Street Bank and Trust Company, as owner trustee The First National Bank of Chicago, as indenture trustee	UNPX 124155 UNPX 124170
Trust Indenture	September 20,	436	State Street Bank and Trust	

00159

Document	Deposit Date and Time	Document Key	Parties	Affected Purchased Assets
Supplement No. 1 dated September 20, 1995	1995 11:40		Company, as owner trustee	
Equipment Lease Agreement dated September 20, 1995	September 20, 1995 11:40	433	State Street Bank and Trust Company, as owner trustee Union Tank Car Company, as lessee	
Lease Supplement No. 1 dated September 20, 1995	September 20, 1995 11:40	434	State Street Bank and Trust Company, as lessor Union Tank Car Company, as lessee	

THE BANK OF NOVA SCOTIA
Plaintiff

-and- **ENTROPEX ET AL.**
Defendants

Court File No. 35-1979333T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
PROCEEDING COMMENCED AT
LONDON**

ORDER

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

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

Lawyers for the Receiver

File Number: 16056

00160

ENTROPEX ET AL
Defendants

-and-

OCT 04 2016

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
PROCEEDING COMMENCED AT
LONDON

MOTION RECORD

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Lawyers for the receiver

File Number: 16056

SUPERIOR COURT OF JUSTICE
REGISTRAR FILED
LONDON, ONTARIO
SEP 26 2016
COUR SUPÉRIEUR DE JUSTICE
DÉPÔSE
GREFFIER

00161

Mr Swift appears for the Receiver
Mr Ingh appears & withdraws his last
two proposals to the order sought.
Mr Porter appears the relief sought
based on materials filed, other to
be sought. The proposed sale
should be approved considering
the "Sundair" factors; the
Anvilby order approving the 3rd Report &
the Conf dated Supplement is
sought. The Conf dated Supplement
shall be added for the order sought
the same order to be completed
considering its contents & the limited
function of the order sought
The R's Report & Disbursements,
the R's fees & his counsel
fees are approved.

David S. Swift

TAB J

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendants

**FOURTH REPORT TO THE COURT SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS RECEIVER OF
ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.**

October 6, 2016

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- Appendix B - Receiver's First Report (without appendices)
- Appendix C - Order approving First Report, Endorsement of Justice Garson dated August 16, 2016 and Endorsement of Justice Leitch dated August 23, 2016
- Appendix D - Receiver's Second Report (without appendices)
- Appendix E - Endorsements and Order approving the Fourth Report dated September 13, 2016 and September 27, 2016
- Appendix F - Receiver's Third Report (without appendices)
- Appendix G - Endorsement and Orders approving the Third Report dated October 4, 2016

1.0 *Introduction and Purpose of Report*

1.1 Introduction

1.1.1 Entropex is a general partnership carrying on business as a plastics recycler from the land known municipally as 1271 Lougar Avenue, Samia, Ontario (the “**Lougar Property**”).

1.1.2 629728 Ontario Limited (“**629**”) and Unitec Inc. (“**Unitec**”) are corporations incorporated pursuant to the laws of the Province of Ontario and are the partners of Entropex.

1.1.3 Entropex, 629 and Unitec (collectively referred to as the “**Companies**”) are registered as the joint title holders to the Lougar Property.

1.1.4 Entropex is indebted to the Bank of Nova Scotia (“**BNS**”) for approximately \$3,500,000 CDN. Entropex is indebted to Roynat Inc. (“**Roynat**”) for approximately \$3,260,000 million USD. The debts owing by Entropex to BNS and Roynat are guaranteed by 629 and Unitec.

1.1.5 The debt owing to BNS is secured by the following:

- A collateral charge registered against the Lougar Property in the principal amount of \$5,000,000 CDN;
- General security agreements dated May 13, 2014 from Entropex, 629 and Unitec; and,
- Guarantees and general security agreements from various parties related to the Companies, including Nxgen Holdings Inc., Entropex Logistics Inc. and Entropex Rigidreclaim Inc. (collectively referred to as the “**Guarantors**”).

1.1.6 The debt owing to Roynat is secured by the following:

- A debenture, granting a security interest in all real and personal property, registered against the Lougar Property in the principal amount of \$3,863,000 USD; and,
- Guarantees dated July 31, 2014 from 629 and Unitec.

In addition Roynat has received guarantees of its indebtedness from the Guarantors.

1.1.7 On March 18, 2016, due to various events of default under the terms of the financing agreement, BNS issued demand for payment and notice of intention to enforce security to the Companies and the Guarantors.

1.1.8 On April 8, 2016, BNS, the Companies and the Guarantors entered into a forbearance agreement, wherein, among other terms, BNS provided a period of forbearance to July 8, 2016 to permit Entropex to complete the sale of its business and/or refinance.

1.1.9 On March 23, 2016, Roynat issued a demand for payment and a notice of intention to enforce security to Entropex. Entropex and Roynat also entered into a forbearance agreement dated April 8, 2016, which expired on July 8, 2016.

- 1.1.10 The Companies were unable to finalize a sale or refinance by the end of the forbearance period. On July 7, 2016, counsel for BNS and Roynat advised Entropex, 629 and Unitec that neither lender would extend the forbearance agreements or ongoing credit.
- 1.1.11 During the week of July 10, 2016, due to the lack of ongoing credit and inability to pay suppliers, Entropex initiated a wind down of its operations.
- 1.1.12 On July 14, 2016, the Honourable Justice Grace of the Ontario Superior Court of Justice, issued an Order appointing MNP Ltd. as receiver (the "**Receiver**") of the Companies (the "**Initial Order**"). A copy of the Initial Order is attached as **Appendix A**. The Initial Order is substantially in the form of the Model Receivership Order.
- 1.1.13 The Initial Order authorized, but did not obligate, the Receiver, among other things, to do the following where the Receiver considers it necessary or desirable:
- a) Take possession of and exercise control over the property of the Companies;
 - b) Manage, operate and carry on the business of the Companies;
 - c) Initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings; and,
 - d) Market any or all of the property of the Companies and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
- 1.1.14 The Receiver has submitted three previous reports to the Court, as follows:
- a) Report dated August 5, 2016 (the "**First Report**"), which included a confidential supplemental report to the Court. A copy of the First Report, without appendices, is attached as **Appendix B**. A copy of the Order approving the First Report and the endorsement of Justice Garson dated August 16, 2016 and the endorsement of Justice Leitch dated August 23, 2016 are attached as **Appendix C**.
 - b) Report dated August 31, 2016 (the "**Second Report**"). A copy of the Second Report, without appendices, and Order dated September 13, 2016 approving same, along with the Order dated September 27, 2016 and Endorsements are attached as **Appendix D** and **Appendix E** respectively.
 - c) Report dated September 22, 2016 (the "**Third Report**"), which included a confidential supplemental report to the Court. A copy of the Third Report, without appendices is attached as **Appendix F**. A copy of the Endorsement of Justice Leitch and Orders dated October 4, 2016 approving same are attached as **Appendix G**.

1.2 Purpose of the Receiver's Fourth Report

- 1.2.1 This constitutes the Receiver's Fourth Report to the Court (the "**Fourth Report**") in this matter and is filed to:
- a) Report on the Receiver's Activities since the First Report;

- b) Obtain an Order approving the Fourth Report and the confidential supplement thereto, along with the activities of the Receiver detailed therein;
- c) Obtain an Order approving the Agreement of Purchase and Sale between the Receiver and 2532612 Ontario Inc. ("2532612");
- d) Obtain an Order vesting title to the purchased assets in and to 2532612; and,
- e) Obtain an Order sealing the Confidential Supplement to the Receiver's Fourth Report.

2.0

Receiver Activities since the First Report

2.1 Lougar Property and Environmental Protocols

- 2.1.1** As discussed in the First Report and ordered in the August 23, 2016 endorsement of Justice Leitch (attached as Appendix C), the Receiver has retained former Entropex employees to maintain attendance at the Lougar Property with four people, twenty four hours a day seven days a week, in order to manage storm water flow in the event of rain.

2.2 Rail Car Sale

- 2.2.1** As discussed in the Second Report and approved in the October 4, 2016 Order of Justice Leitch (attached as Appendix G), the Receiver is in the process of completing the sale of 27 rail cars (the "Rail Cars") to Vidal Street Industrial Park Inc.

2.3 Accounts Receivable

- 2.3.1** The book value of accounts receivable at the date of receivership was \$258,000 CAD and \$2,698,000 USD, for a converted total balance of approximately \$3,766,000 CAD (converted at an estimated exchange rate of 1.30).

- 2.3.2** The Receiver has confirmed that \$249,000 of the outstanding accounts receivable are subject to contra set-off claims for accounts payable due by Entropex to its customers and therefore not collectible.

- 2.3.3** A further \$152,000 is uncollectible due to invoicing errors, quality disputes and weight discrepancies.

- 2.3.4** The net balance outstanding after these adjustments was \$3,365,000.

- 2.3.5** The Receiver has collected \$124,000 CAD and \$2,001,000 USD, for a converted total balance of approximately \$2,725,000. All collections were converted to Canadian Dollars and deposited to the Receiver's trust account. The Receiver is continuing to pursue collections on the outstanding balance of \$639,000.

- 2.3.6** As reported in the Receiver's Third Report, the Receiver has paid \$30,000 to a shipping company who provided services to Entropex prior to the receivership. The shipping company claimed the right to hold Entropex customers responsible for invoices totaling \$105,000 under Section 7.1 of the *Mercantile Law Amendment Act* and Section 2 of the *Bills of Lading Act*. The Receiver's legal counsel reviewed these statutes and provided an opinion that a portion of the claim was valid and the Receiver subsequently reached an agreement with the shipping company to pay \$32,000 in full and final settlement of its claims. To avoid confusion to the customers of where to direct payment, the Receiver and the shipping company agreed that the Receiver would collect the outstanding accounts and remit payments to the shipping company for their claims. There is \$2,000 of this settlement still outstanding as the Entropex customer has not yet paid their pre-receivership receivable.

2.4 Inventory

- 2.4.1** The Receiver conducted a count of the raw material and finished goods inventory at the Lougar Property upon its appointment. This did not include 2.0 million kilograms of plastic that could

not be used in Entropex's recycling operations that were stored in a third party warehouse and abandoned by the Receiver, as discussed in the First Report.

- 2.4.2 The book value of the counted inventory was \$484,000. The book value of this inventory was higher than current market value due to declining prices.
- 2.4.3 The Receiver sold the majority of this inventory generating proceeds of \$273,000.
- 2.4.4 The book value of the remaining inventory is approximately \$50,000, which is included in the contemplated sale to 2532612 as discussed below.

2.5 Government Accounts

- 2.5.1 The Receiver has filed all returns for HST and employee deductions as required by CRA.

2.6 Website

- 2.6.1 The Receiver has posted all public Court material and receivership notices on its website at mnpdebt.ca.

3.0***Marketing and Sale of the Companies' Assets***

- 3.1.1** Pursuant to the Initial Order, the Receiver was authorized to market any or all of the assets and operations of the Companies (the "Assets"), including advertising and soliciting offers and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- 3.1.2** Pursuant to the sales process described in the First Report and approved by the Court (the "Sales Process"), the Receiver took the following actions to market the Assets:
- On August 16 and 17, 2016, the Receiver mailed or emailed the Invitation for Proposals included in the First Report to one hundred potentially interested parties in Canada and the United States as identified by the Receiver and MNP Corporate Finance Ltd.
 - On August 19, 2016, the Receiver advertised the Invitation for Proposals in the Globe and Mail.
 - As a result of the marketing described above, thirty parties came forward, executed confidentiality agreements and were granted access to the virtual data room set up by the Receiver. The virtual data room contained a copy of the Confidential Information Memorandum prepared by the Receiver and all relevant information on the Assets available to the Receiver.
 - The Receiver responded to all further requests for information and tours of the Entropex facilities by potential purchasers in a timely manner.
- 3.1** The Sales Process resulted in the submission of seven proposals. Due to the confidential nature of the proposals, the Receiver is disclosing their details to the Court via the Confidential Supplement to the Receiver's Fourth Report (the "Confidential Supplement"), which we request that the Court keep sealed pending the closing of a transaction for the Assets.
- 3.2** As discussed in further detail in the Confidential Supplement, 2532612 offered to purchase the Receiver's right title and interest in and to all of the property and assets of the Companies, expressly including the following:
- The Lougar Property;
 - All machinery, vehicles, equipment, fixtures and other fixed assets;
 - Inventory;
 - All leased equipment where the Receiver's interest is in priority to that of the leasing company;
 - All computer hardware and software;
 - All intellectual property;
 - Goodwill;
 - All contracts for the supply or sale of any service or product;
 - Any existing or future Scientific Research and Experimental Developmental tax credit grant claims;
 - All orders, permits, approvals, consents, waivers, licenses or similar authorization of any governmental authority; and,
 - Books and records of the Companies excluding any records that relate to the excluded assets (as described below) or income tax paid or payable by the Companies.

The offer excludes the following assets:

- All accounts and other amounts due to the Companies, save and except the SR&ED claims;
- Corporate Records (i.e. corporate seals, articles of incorporation, minute books, tax records, etc.)
- Employee personnel records; and,
- The Rail Cars (which were sold by the Receiver in a separate transaction, as described in the Third Report).

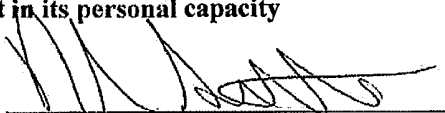
3.1.3 The 2532612 offer is unconditional. The Receiver and 2532612 have executed an Agreement of Purchase and Sale, which is included in the Confidential Supplement.

4.0**Order Sought**

- 4.1 We submit this **Fourth Report** to this Honourable Court in support of our Motion respectfully requesting this Honourable Court to issue an Order:
- a) Approving the Fourth Report of the Receiver and the Confidential Supplement thereto, and the activities of the Receiver described therein;
 - b) Approving the Agreement of Purchase and Sale between the Receiver and 2532612 Ontario Inc.;
 - c) Vesting title to the purchased assets in and to 2532612; and,
 - d) Approving the sealing of the Confidential Supplement to the Fourth Report and its contents.

All of which is respectfully submitted this 6th day of October, 2016.

**MNP Ltd. in its capacity as
Receiver of
Entropex, 629728 Ontario Limited and Unitec Inc.
and not in its personal capacity**

Per: 
Robert W. Smith CPA, CA, CIRP, LIT
Senior Vice President

TAB K



Court File No. 35-1979333T

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

THE HONOURABLE MISTER)
JUSTICE GARSON)
TUESDAY, THE 18TH
DAY OF OCTOBER, 2016

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

ANCILLARY ORDER

THIS MOTION, made by MNP LTD. ("MNP") in its capacity as court-appointed receiver (the "Receiver") appointed pursuant to the Order of the Honourable Justice Grace dated July 14, 2016 (the "Appointing Order") of the Property (as defined in the Appointing Order) of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants"), for:

- (a) An Order abridging the time for service, filing and confirmation of the Notice of Motion and the Motion Record, if necessary, so that this Motion is properly returnable today and hereby dispensing with further service and confirmation hereof;

- (b) An Order approving the Receiver's Fourth Report to the Court dated October 6, 2016 (the "Fourth Report") and the Receiver's Confidential Supplement to the Fourth Report (the "Confidential Supplement") and the activities of the Receiver as reported therein;
- (c) An Order sealing the Confidential Supplement, following the Court's review thereof, until ninety (90) days from the date of the Order granted in the within Motion or the completion of the Transaction, whichever is earlier, subject to such further Order of this Court; and
- (d) Such further and other relief as to this Honourable Court may seem just;

was heard this day at the Court House, 80 Dundas St., London, Ontario, N6A 6A3.

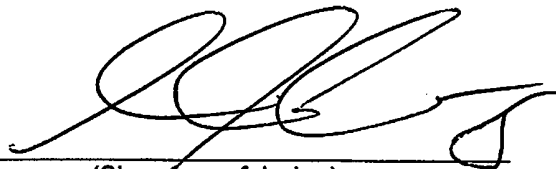
ON READING the Fourth Report, and upon reading the Confidential Supplement, and upon reading the Second Supplement to the Fourth Report of the Receiver dated October 17, 2016 (the "Second Supplement") and upon hearing the submissions of the lawyers for the Receiver, and upon being advised that all persons listed on the service list were served with the Motion Record as evidenced by the Affidavit of Service of Andrew Corbett, filed,

1. **THIS COURT ORDERS** that the time for service, filing and confirmation of the Notice of Motion and Motion Record be and is hereby abridged and validated, if necessary, such that this Motion is properly returnable today and further service thereof is hereby dispensed with.
2. **THIS COURT ORDERS** that the Fourth Report and the Receiver's activities and conduct reported therein, be and is hereby approved.
3. **THIS COURT ORDERS** that the Confidential Supplement and the Receiver's activities and conduct reported therein, be and is hereby approved.

4. **THIS COURT ORDERS** that the Second Supplement and the Receiver's activities and conduct reported therein, be and is hereby approved.

5. **THIS COURT ORDERS** that the Confidential Supplement, filed with the Court separate and apart from the Fourth Report, shall hereafter be filed in the within Court File in a sealed envelope or other appropriately sealed container and that only the Court and its clerk shall be entitled to open and review the contents without a further Order of the Court. The sealed envelope or container shall be endorsed with the title of proceedings in this action and a label identifying the contents as being "The Confidential Supplement to the Fourth Report of the Receiver dated October 6, 2016", and the words "SUBJECT TO PROTECTIVE ORDER" and a statement in the following form: "THIS ENVELOPE IS NOT TO BE OPENED EXCEPT BY THE COURT OR ITS CLERKS OR BY OTHER PERSONS BY ORDER OF THE COURT".

6. **THIS COURT ORDERS** that the sealing of the Confidential Supplement shall continue until the passage of ninety (90) days for the date of the within Order or the completion of the Transaction pursuant to the Approval and Vesting Order dated October 18, 2016, whichever is earlier.



(Signature of Judge) *CARSON*

THE BANK OF NOVA SCOTIA
Plaintiff

-and- ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

PROCEEDING COMMENCED AT
LONDON

ANCILLARY ORDER

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London ON N6A 5R8

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Fax: 519-858-0687

Lawyers for the receiver

File Number: 16056

00176



Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE MISTER) TUESDAY, THE 18TH
JUSTICE GARSON) DAY OF OCTOBER, 2016

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendant

APPROVAL AND VESTING ORDER

THIS MOTION, made by MNP LTD. ("MNP") in its capacity as the Court-appointed receiver (the "Receiver") appointed pursuant to the Order of the Honourable Justice Grace dated July 14, 2016 (the "Appointing Order") of the undertaking, property and assets of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and 2532612 Ontario Inc. (the "Purchaser") dated October 5, 2016 and appended to the Confidential Supplement to the Fourth Report of the Receiver dated October 6, 2016 (the "Confidential Supplement"), and vesting in the Purchaser the right, title and interest of the Defendants in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 80 Dundas Street, London, Ontario.

ON READING the Receiver's Fourth Report to the Court dated October 6, 2016 (the "Fourth Report"), the Second Supplement to the Fourth Report of the Receiver (the "Second Supplement") and the Confidential Supplement and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Andrew Corbett sworn October 6, 2016 filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser or its assignee, Lougar Property Inc. (the "Assignee").

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser and the Assignee substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the right, title and interest of the Defendants in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule B hereto] shall vest absolutely in the Purchaser or the Assignee, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Appointing Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or

relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Lambton (No.25) at Sarnia of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser or the Assignee as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Defendants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Defendants;

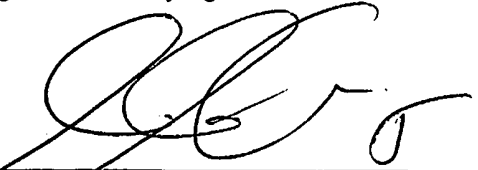
the vesting of the Purchased Assets in the Purchaser or the Assignee pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Defendants and shall not be void or voidable by creditors of any of the Defendants, nor shall it constitute nor be deemed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

7. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and the Transaction may be completed without compliance with:

- (a) The provisions of the *Mortgages Act*, R.S.O. 1990, c.M-40 as amended;
- (b) Section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended; or
- (c) The provisions of Part V of the *Personal Property Security Act*, R.S.O. 1990, c.P-10, as amended;

or any other notice requirement, statutory or otherwise which a creditor or other party may be required to issue in order to dispose of the collateral of the Defendants.

8. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.


Justice, Ontario Superior Court of Justice

GARSON

Schedule A – Form of Receiver’s Certificate

Court File No. 35-1979333T

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Grace of the Ontario Superior Court of Justice, In Bankruptcy and Insolvency (the "Court") dated July 14, 2016, MNP LTD. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants").

B. Pursuant to an Order of the Court dated October 18, 2016, the Court approved the agreement of purchase and sale made as of October 5, 2016 (the "Sale Agreement") between the Receiver and 2532612 Ontario Inc. (the "Purchaser") and provided for the vesting in the Purchaser or its assignee, Lougar Property Inc. (the "Assignee") of the right, title and interest of the Defendants in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser and the Assignee of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section • of the Sale Agreement have been

satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**MNP LTD., in its capacity as Receiver of
the undertaking, property and assets of
Entropex, 629728 Ontario Limited, and
Unitec Inc., and not in its personal
capacity**

Per: _____

Name:

Title:

SCHEDULE "B"**PURCHASED ASSETS**

The Receiver's and the Defendants' interest, if any, in and to all of the property and assets of every kind and description, and wheresoever situate, of the business of the Defendants', operated out of 1271 Lougar Avenue, Sarnia, Ontario, (the "**Premises**") including the property and assets used in the plastic recycling and all other business carried on by the Defendants' prior to the date hereof (the "**Business**") excluding the Excluded Assets set out on Schedule B.3 hereto but including without limitation:

- (a) all contracts for the lease of equipment, the lease of any real property and all contracts for the supply or sale of any service or product and also includes any chose in action;
- (b) all machinery, vehicles, equipment, fixtures, furniture and other fixed assets of the Defendants used in connection with the Business currently installed and in use at the Premises;
- (c) the lands and premises known municipally as 1271 Lougar Avenue, Sarnia, Ontario and described as PIN 43280-0070 (LT) being Lots 25 to 27 on Plan 616; Part of Lots 24 and 28 on Plan 616 as in Instrument No. L802109 and Part 1 on Plan 25R8552, Sarnia, including appurtenant easements, all rights of way, licences or rights of occupation, easements or other similar rights;
- (d) any refund from CRA owing to the Defendants directly attributed to any Scientific Research and Experimental Developmental Tax Credit Grant Claim filed in respect of any period prior to the Closing Date;
- (e) any assets operated by the Defendants that are subject to a lease, financing or other contractual agreement between the Defendants and a third party if the interest of the third party is subordinate to the Receiver's interest;
- (f) all computer hardware and software owned by or licensed to the Defendants and used in connection with the Business;
- (g) all intellectual property of any nature owned or controlled by the Defendants and relating to the Business, including all trade names, business names, domain names, trademarks, proposed trademarks, certification marks, distinguishing guises, industrial designs, copyrights, formulae, processes, research data, technical expertise, source code, object, code, know-how, trade secrets, inventions, patent rights, patent registrations, patent continuations or patents, whether domestic or foreign and whether registered or unregistered, and all applications for registration in respect thereof, (collectively, the "**Intellectual Property**");

- (h) the goodwill of the Business, together with the exclusive right to represent itself as carrying on the Business in continuation of and in succession to the Defendants and to use all trade, business and domain names of the Defendants, and including all choses in action and other intangibles relating to the Business which do not form part of the Intellectual Property;
- (i) all contracts for the supply or sale of any service or product by the Defendants to the extent the contract can be assigned;
- (j) all orders, permits, approvals, consents, waivers, licences or similar authorization of any governmental authority, owned, held or used by the Defendants in connection with the Business to the extent that they are transferable;
- (k) all information in any form relating to the Business, including books of account, financial and accounting information and records, tax records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, business reports, laboratory reports and logs, plans and projections, marketing and advertising materials and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices), but excluding any of the foregoing that relates directly to Excluded Assets or income tax paid or payable by the Defendants; and
- (l) the following equipment:
 - Vacuum truck bearing Unit #8675, serial number 14-09G-6010, and chassis VIN# 1NKDL70X1FJ436310.
 - 2011 International Prostar truck with VIN# 1HSCUAPR2BJ388378.
 - 2011 Caterpillar 2C6000 Forklift bearing serial number AT83F31065 c/w attachments and accessories.
 - 2012 Caterpillar 2C6000 Forklift bearing serial number AT83F31350 c/w attachments and accessories.
 - Model KP-10 Vincent Screw Press bearing serial #12268-E and related equipment
 - All equipment leased by Modular Space Corporation and/or ModSpace Financial Services Canada, Ltd. to Entropex pursuant to:
 - Lease Agreement bearing Lease Agreement No. 073812, including equipment bearing Serial No. 140020968
 - Lease Agreement bearing Lease Agreement No. 099726, including equipment bearing Serial No. 240002112
 - Lease Agreement bearing Lease Agreement No. 099726F
 - Lease Agreement bearing Lease Agreement No. 154970, including equipment bearing Serial No. 1240P209398

- Lease Agreement dated February 4, 2015 bearing Offer No. 89179, including equipment described as a 10x20 Unit, Class SNGL1020
- Compactor Model RJ 400 Ultra-With Stand
- Lift truck model A1 2C5000 bearing Serial No. AT3540645
- Processing equipment as described on **Schedule B.1**
- Forklifts and bucket trucks as described on **Schedule B.2**

SCHEDULE "B.1"
PROCESS EQUIPMENT LIST

ITEM DESCRIPTION

1

2014 Rock Technical Solutions Inc. 10 TPH Oversized Shredding Line - Consisting of:
60" x 50' est. inclined infeed conveyor, rubber belted with steel cleats
Sorting conveyor 60" x 52' est. with platform access both sides & garbage chutes
Shredder feed incline conveyor 60" x 30' est.
SSI Shredding Systems Inc. Model Q100ED twin 150 HP drive quad rotor shredder
with hydraulic ram assist
in hopper, 3 electrical panels, one with HMI touchscreen & PLC
FWD/Reversing Shredder discharge conveyor, 72" x 25' est
Diversion conveyor, 48" x 26' est, with rubber cleats
Incline conveyor 48" x 37', with rubber cleats
Weighing conveyor, 48" x 17' est, fork truck access tunnel underneath,
w/ HD protective frame
H. Leystra & Sons electrical control panel with PLC, second satellite HMI panel

2

2010/2011 Bollegraaf/VanDyk Recycling Single Stream Plastics Sorting Line - Consisting of:
West Salem Bale Breaker & control panel
Bollegraaf "HBT 1200/1600" 60" x 40' Incline Infeed conveyor, rubber belted with steel cleats
60" x 12' transfer conveyor, with dust collection vent and films capture equipment
Höcker Polytechnik metal enclosed dust collector "PKFQ 1.5-135/3027" bottom
discharge to 5 rolling canisters, 50 HP large CFM blower, films discharge rotary airlock,
20" dia ducting - S/N 405396
Hand sort conveyor, 60" x 17' with garbage chutes
Est. 36" x 10' Cross-belt overband magnet
2010 Lubo systems "Starscreen 235", 60" x 12' Single Deck Screen w/ dual electric drives
6' Dia x 10' est fines trommel, w/ 1" screens, and 2015 Rock Technical
Solutions 30" x 24' est discharge conveyor
Schneider Magelis Touch screen Control S/N 00420, & 3 satellite
HMI touch screens, electrical panels with conveyor VFD's, air conditioned
(8) Titech NIR1-VIS Autosort Systems and high speed belts:
2,800 mm NIR1 - S/N S0438
2,800 mm NIR1-VIS-METAL - S/N S0442
2,000 mm NIR1 - S/N S0439
2,000 mm NIR1-VIS - S/N S0440
1,400 mm NIR1-VIS - S/N S0175

1,400 mm NIR1-VIS-METAL - S/N S0148
 1,000 mm NIR1 - S/N S0441
 1,000 mm NXT1 - S/N S0266
 Spaleck vibrating feeder table, 4,000 mm L x 2,500 mm W
 Bakker 1,500 mm Eddy Current
 Multiple transfer conveyors (19), of varying widths and lengths
 (3) Final QC platforms w/ conveyors, garbage chutes
 Continuous catwalk/access platform throughout line
 est 30" x 250' series of 5 conveyors dedicated to a material reprocessing loop
 Double 75 HP grinder station w/infeed conveyor, feed hopper, removable grinder mounting base
 75 HP grinder station w/ feed hopper, reversing infeed conveyor, take away drag chain conveyor
 75 HP grinder station w/ feed hopper, infeed conveyor, 2015 Rock Technical Solutions take away drag chain conveyor 48"W x 10' Horizontal & 9' inclined at 45°

3

(4) Air Compressors, Screw Type - Consisting of:

2015 Atlas Copco "GA90FF" w/ integrated refrigerated air dryer. 565.2cfm, 128psi max - S/N API621357
 2015 Atlas Copco "GA90FFVSD" Variable speed w/ integrated refrigerated air dryer. 621.1cfm, 185psi max - S/N API666907
 2001 Atlas Copco "GA55FF" w/ integrated refrigerated air dryer. 324cfm, 132psi max - S/N 473253
 2001 Atlas Copco "GA22FF" w/ integrated refrigerated air dryer. 133CFM, 108PSI MAX - S/N A11261537

4

3 TPH High Density Polyethylene Sort/Grind/Wash Line - Consisting of:

Infeed conveyor est 30" x 50' with load hopper
 transfer conveyor est 36" x 25'
 Tuffman "722" Trommel screen, 2" mesh size, 91" Dia x 22'L drum
 Steel 36" x 20' discharge conveyor w/ Bunting 24" x 6' crossbelt overband magnet separator
 Titech "Polysort HR1000" Autosort - S/N X012MHR w/ sorting hood
 est 24" x 10' discharge conveyor
 est 48" x 25' transfer conveyor
 Mesutronic 05D "MN5.1D1600/600" 50"W metal detector - S/N 2010-1290D w/ Digital Control
 50" x 30' est Incline conveyor to grinder, rubber belt w/ rubber cleats
 2010 Herbold SMS 80/160-SX9-2 Granulator est 350 HP, Machine No 14879 w/ mezzanine
 (3) Herbold control cabinets, PLC
 Sink/Float wash tank, footprint 28' x 4', bottom drag chain system
 Hydraulic box dumper, hopper w/ incline auger, vfd speed control
 2010 Herbold Friction Dryer "T2015" w/ 110 KW motor, Machine No 13620
 Herbold Blower "RMFT 75/500" Machine No 13598

Industrial Metal Fabricators Ltd. Air classifier/Aspirator "ACS Model 70"
w/ 40 HP 7500 CFM NY Blower, 20 HP NY Blower, & 30 HP Kongskilde TRL300 Blower.
12" & 8" airlocks, control panel
1 ton capacity (HDPE flake) box-off station

5

1.5 TPH Grind & Wash Line - Consisting of:
Load conveyor w/ hopper est 30" x 50'
Vecoplan RG78 est 200 HP Shredder, 40 mm cutters, 78"L x 30" dia rotor,
hydraulic ram assist in hopper, hydraulic power unit, control panel
est 36" x 21' discharge conveyor
Primary sink/float wash tank, footprint 5' x 20' est, bottom drag chain system
(2) 75 HP Sam Chin Grinders, grinder hood, platform, and discharge drag-chain conveyor
est 20" x 30' material transfer drag chain conveyor
2015 Martin Conveyor Division 304Stainless Scrub Auger, 16" Dia screw x 13' rated
for 2,000 kg/hr
2012 Secondary sink/float wash tank, footprint 4' x 27', bottom drag chain system
Herbold Friction Dryer control cabinet
2010 Herbold Friction Dryer "T2015" w/ 110 KW motor, Machine No 13638
2013 Herbold Blower "MFT 75/500 GR360"
Lambton Conveying 12' Dia silo est 1500 cu ft capacity with 15 bag
dust collector, 2013 Herbold blower "RMFT 75/500", Carolina conveying 10"
rotary airlock, 20 HP Twin City blower 1200 cfm 43" SP
Industrial Metal Fabricators Ltd. Air classifier/Aspirator "ACS Model 70" w/
40 HP 7500 CFM NY Blower, 20 HP NY Blower, & 30 HP Kongskilde TRL300 Blower.
12" & 8" airlocks, control panel
Lambton Conveying 12' Dia box-off silo est 1500 cu ft capacity with 12 bag
dust collector, 20 HP Twin City blower 1200 cfm 43" SP, bottom auger discharge
with small control panel

6

**(2) Lambton Conveying 12' Dia cone bottom corrugated steel silos est 1500 cu ft capacity
w/ (1) 9 bag dust collector and blower**

7

Harris Selco "HRB-516NLVXP" Horizontal dual ram Baler - S/N 04998286 - Consisting of:
Machinex est 52" x 35' incline loading conveyor, with steel cleats
Pneumatic operated bin dumper
Selco hydraulic power supply w/ (1) 15 hp and (2) 75 HP motors, (2) cooling radiators
Allan Bradley controls in main panel. Remote operator panel
2013 Accent 470 wire tie unit

8

750 Kg/Hr Plastics Grinding Station - Consisting of:
est 30" x 24' incline loading conveyor, w/ load hopper and extended sidewalls

- 9 bag dust collector and blower
75 HP grinder on platform with feed hood
grinder take-away drag chain conveyor 15" wide , 8'6" discharge height
Control panel w/ plc, Siemens disconnect for 75 HP motor
- 9
1,000 Kg/Hr Hamos "EKS 1030-0" Electrostatic Separator - consisting of:
Electrostatic separator, external dehumidifier, (2) staired access mezzanines
Control Panel, PLC and touch screen HMI
Wittmann vacuum receiver
Walinga 15 HP rotary lobe blower model 510, 1100 cfm
- 10
Water treatment System- Consisting of:
Environmental Systems "Aer-O-Flo" est 60" x 18' de-watering trommel,
removable mesh screens
Settling tank w/ bottom drag chain system, est 5' x 20' footprint
60" Sweco vibratory screener & 48" Kason vibratory screener
(1) 2016 18' x 22" sludge transfer drag chain conveyor, (1) est 10' x 20"
sludge transfer drag chain conv.
(2) holding tanks, (2) est 1000 GAL polytanks
(2) 3" Gorman Rupp high volume low head "T series" pumps
(3) 2" Gorman Rupp "10 series" self-priming pumps
Aysix model 1500 TSS meter & controller
- 11
Alfa Laval WHPX51316D-24-60 Disc Stack Centrifuge - S/N 402864
Includes control panel, touch screen HMI, PLC, 600/480 transformer, tool kit
- 12
MYCO model MMF-39-60 Self Indexing filter Unit
for 60" wide rolls of filter cloth
- 13
400 Kg/Hr Plastics Wash Line - Consisting of:
Load Hopper with bottom auger discharge
Sink/Float wash tank w/ bottom drag chain system
(2) Kason 48" vibratory screeners
(2) Kongskilde 30 HP TRL300 Blowers
7.5 HP Spin Dryer, Stainless Steel Construction, rotor est 30" dia.
Temprite combustion box nat. gas burner, with panel by Clearburn Combustion, London ON
Pumps, control panel, (2) 9-bag dust collectors
- 14
1,000 - 1,400 Kg/Hr Polypropylene 8" Single Screw Extrusion Line - Consisting of:

Screw speed 87 RPM, 32:1 L/D vented barrel, air cooled, ceramic heater bands, 7 zones. New in 2014 Nordson Xaloy 2-stage screw, stratablend mixer in 1st stage for processing PP and PE

2015 Maguire Products/Novatec material feed system w/ (4) Novatec stainless vacuum receivers - VRP38, VRP-19, VR-19, and lid & center section of Novatec VR series receiver with 3" inlet, on 750 L hopper with pneumatic slide gate. 15 HP 56URAI Roots blower, Novatec model FDC-30 Stainless dust collector, 4 Novatec pneumatic T-valves

MacGuire 4 receiver control System, SN 214071

2015 Brabender additives blending system w/(1) FW120 gravimetric feeder, (3) volumetric feeders DSR28, FW40, & FW80,

Brabender OP12 controls and Brabender ISC VFD control

(2) IMCS 2,000lb max load pneumatic box tilters

Feed & blending system installed on engineered 2-deck platform (2015) w/ stair access. 2 ton gantry crane for heavy maintenance work under lower deck

2015 Puritan Magnetics EZ Clean Drawer Magnet

500 HP WEG motor and Benshawe Soft start

1989 Union Gearbox, #4073. Gear box oil pump, w/ 2015 Basco type 500 Heat exchanger

Feed throat, water cooled

Beringer Xaloy 12" primary screenpack changer w/ 2 HP Hydraulic power unit, nitrogen accumulator

Maag EX140 extrusion gear pump and Sew Eurodrive gearbox, control cabinet w/ PID controller

Maag 10" secondary screen pack changer w/ hydraulic power unit, nitrogen accumulator

Temp zone control cabinet, Fuzypro temperature controllers

Complete Gala Model 6 underwater pelletizing system with model 8.2 spin dryer and 30" Sweco Screener, All stainless construction. Control cabinets and transformer. 5.5HP pelletizing head

QC corrugated steel silo, 8" rotary airlock, and Walinga 15 HP rotary lobe blower model 510, 1100 cfm

15

400 Kg/Hr Single Screw 6" Plastics Extrusion Line - Consisting of:

2015 Novatec vacuum receiver & older Roots URAI 48 blower

1976 6" Waldron Hartig extruder w/ 250Hp main motor, Benshaw soft start, 150kVA 600/480V transformer

28:1 L/D vented barrel, air cooled with 5 zones. 65 RPM screw

Lufkin D262-911C Gearbox

Feedthroat & screw refurbished 2015

Control panel, separate temperature control panel

Berringer 8" hydraulic screen pack changer, with HPU and accumulator

Complete Gala Model 6 underwater pelletizing system with model 8.1 spin dryer and 24" Sweco Screener, All stainless construction. 5.5HP pelletizing head

Control panel, transformer, electrical disconnects

QC corrugated steel silo, 8" rotary airlock, and Walinga 15 HP rotary lobe blower model 510, 1100 cfm

- 16 (1) generic pneumatic box tilter
- 2000 Kg/Hr Single Screw 8" Sterling HDPE Extrusion Line - Consisting of:**
Screw speed 87 RPM, 34:1 L/D vented barrel, water cooled, cast heater bands, 7 zones on barrel. Davis Standard screw w/ barrier flight and high shear type mixer
1970 Lufkin DH880 Gearbox, Thrust & HS bearings changed Dec 2013
800 HP motor w/ Benshaw soft start
Elevated storage hopper on load cells. 12-bag dust collector and blower
Ribbon Blender est 15'6"L x 7'6"W x 8'H, 60 HP motor, 40:1 gearbox, auger discharge. Nucon Wittman additives addition vacuum receiver w/ rotary lobe blower
Bucket elevator, est 25'H
Feed Hopper w/ Bunting Magnetics drawer magnet
Berringer 12" screen pack changer, with HPU and nitrogen accumulator
Maag "EX-140-5GL" extrusion Gear Pump
Xaloy 10" screen pack changer, with HPU and nitrogen accumulator
Complete Gala Model 7 underwater pelletizing system with model 2016 spin dryer and 48" Sweco Screener, All stainless construction. Control cabinet with touch screen HMI. 15HP pelletizing head
Temperature control cabinet with digital readouts
Main control cabinet, transformers, electrical disconnects
(1) generic pneumatic box tilter
- 17 (2) Quality Control Corrugated Steel Silos
10" rotary airlock & 15HP Roots 56 URAI blower
- 18 1980's E-Z Pack Transfer Compactor est 28'L x 9'W x 12'H - Consisting of:
2014 Refurbished by Metro Compactor - Control panel rebuilt/rewired,
10" cylinder rebuilt
Hydraulic power unit, 1800 - 2000psi working pressure
hydraulic operated adjustable claws for locking transport trailer to compactor
- 19 (2) Marley cooling towers
Model NC8305GL & older model Marley tower (outside)
Walchem chemical addition controller, 3 chemical addition pumps (inside)
Process water pumps, heat exchangers (inside)
- 20 (6) Westeel 100 Ton Corrugated Steel Silos - Consisting of:
(6) rotary airlocks, Carolina Conveying & Rotolok

- (1) Roots 68 URAI 25 HP Blower and (2) Walinga Model 510 25HP blowers
w/ valves, piping & conveyance system, on weigh cells
- 21 **(1) 60 Ton Storage Silo**
Rotary airlock, Dresser Roots 59 URAI 20 HP blower
w/ valves, piping & conveyance system, on weigh cells
- 22 **Hopper Truck Loading Platform (outside)**
Accommodation to load up to 4 hopper trucks at once
- 23 **(3) Pick Up Trucks - Consisting of:**
2011 Chevy Silverado
2010 Ford Ranger
2009 Ford F150 w/ topper
- 24 **Bobcat S175 Diesel Skidsteer**
w/ bucket & hydraulic sweeper attachments
- 25 **Genie "Z-30/20N" Knuckle Boom**
- 26 **Skyjack "SJIII-3220" Electric Scissor Lift**
- 27 **Lab & Test Equipment - Consisting of:**
Exstar6000 Series DSC6200 (differential scanning calorimeter)
Instron model 1000 tensile tester
Qualitest QPI-IC Analog IZOD/Charpy impact tester
(4) Tinius Olsen Extrusion plastometers (MFI testers) "MP1200",
"MP987", "MP987", "MP600"
Carver lab press, Model "C"
Thermolyne 1400 benchtop lab muffle furnace
(2) AE AMB110 moisture testers
Retsch sieve set and vibratory base for particle distribution analysis.
ASTM E-11 specification
Nelmor "C1012M1" granulator
1 HP lab sample grinder
- 28 **1997 Prism Engineering "TSE 24TC" Twin Screw Lab Extruder - S/N2436**
W/ controls, 4 KW motor, submerged strand water cooling trough,

- strand pelletizer, 67 cm 24 mm screw
2015 Brabender DSR28-5 Feeder and VFD control, transformer
- 29 **Dynisco Continuous Melt Rheometer CMR4 & Control Panel**
- 30 **Thermal Product Solutions "Blue M" Electric Industrial Oven**
- 31 **(2) New Brabender Feeders, Stored at Brabender in Mississauga - Consisting of:**
FW155N-1000 gravimetric feeder
FW80/5-200 volumetric feeder
- 32 **(2) Avery Weigh-Tronix Forktruck Drive-On Scales & Model E1310 Digital Outputs**
- 33 **(4) Mettler Toledo Digital Scales**
(3) w/ 36" x 36" Platforms, (1) w/ 48" x 48" platform
- 34 **(14) Waycool portable evaporative cooling fans**
- 35 **Welding, Fabrication and Machining Equipment - Consisting of:**
30 Ton shop press
Gorilla drill press " LC-20AEM"
KBC 401 "KBC 20V5" Mill/Drill press
Bridgeport "Series 7" 7 HP vertical mill
Stanco toolroom lathe model "1A616"
Acetylene cutting torch
Canox C-250E AC/DC welder
Miller SRH 330 welder
Hobart Cyber-TIG welder, 120 series
Miller "Pulsar 450" Welder, w/ Bernard boom, Coolmate cooler, Miller wire feed
Jaespa scissor-type horizontal metal band saw
Rigid 535 Industrial pipe threader
Electric bench grinder, vices, benchtop sheet metal break
Varsol Parts Wash Station
- 36 **Miscellaneous Equipment - Consisting of:**
(2) smoke eaters, floor fans, heavy duty racks, hand tools, Stihl blowers & hedge trimmers, welding screens, material storage racks, metal chop saw and bench, security fence, metal shelving, hardware racks, ladders, lockers, workbenches, pallet trucks, pallet racking, forklift boom

- 37 **2005 Reform "25/7" Straight Knife grinder S/N 7500 - Consisting of:**
2500 mm working length, 26 KW main motor, magnetic bed
w/control panel and Cantek "PFA-120S" metal fines filter for coolant
- 38 **Herbold "T- 2015" Friction Dryer w/ 110 KW motor - Spare**
- 39 **Electrical Distribution Equipment - Consisting of:**
2011 27.6KV Substation, 4 bays (outside)
Stein Industries ONAN/ONAF 5000/6667 KVA transformer, 27600V/4160V (outside)
ONAN/ONAF 2500/3333 KVA transformer, 27600V/600V (outside)
2011 S&C Electric Co. 5 bay 4160V switchgear
Rex Power Magnetics Dry Type 2000 KVA 4160V/480V transformer
Westinghouse Dry Type 3000KVA 4160V/600V transformer
Federal Pioneer 3000A 600V distribution center
Westinghouse Dry Type 3000KVA 4160V/600V transformer
2011 Siemens 3000A 600V distribution center
ABB 500KVAR 600V capacitor bank w/ disconnect
Federal Pioneer 3000A 600V distribution center
Federal Pioneer 2000A 600V distribution center
Allan Bradley motor control center, 600V, 3 towers
Square D "Model 6" MCC, 600V, 7 towers
Allan Bradley MCC, 600V, 7 towers
Allan Bradley MCC, 600V, 1 tower
(2) Federal Pioneer 1200A, 600V distribution centers
Federal Pioneer MCC 600V, 3 towers
Many 600V lockout motor disconnects, small step-down transformers,
splitters & small control panels
- 40 **Box to Hopper Truck Plastic Pellet Loading Station - Consisting of:**
(1) generic pneumatic box tilter
Dresser Roots 56 URAI blower
Wittmann Vacuum receiver and Nucon Wittman controls, T-valve
Rotary airlock and 20 HP Walinga Model 510 blower
- 41 **Sludge Dewatering Equipment - Consisting of:**
Stainless Steel hopper and auger conveyor to Vincent Press (press is leased)
10' x 6" est auger & hopper under press discharge, inclined to supersack pack-out

SCHEDULE "B.2"
FORKLIFTS AND BUCKET TRUCKS

Truck Number	Type	Serial	Make	Model
1 Nissan	Forklift	ILLEGIBLE	Nissan	MCP1F2A25LV
2 Nissan	Forklift	ILLEGIBLE	Nissan	MCP1F2A25LV
3 Nissan	Forklift	ILLEGIBLE	Nissan	MCP1F2A25LV
4 Nissan	Forklift	ILLEGIBLE	Nissan	MCP1F2A25LV
5 Nissan	Forklift	ILLEGIBLE	Nissan	MCP1F2A25LV
6 Nissan	Forklift	ILLEGIBLE	Nissan	MCP1F2A25LV
16 Yale	Forklift	B875B15866F	Yale	GLP070VXE2
17 CAT	Bucket Truck	AT83F32129	CAT	2C6000
18 CAT	Bucket Truck	AT32F32130	CAT	2C6000
19 CAT	Bucket Truck	AT83F32158	CAT	2C6000
20 CAT	Bucket Truck	AT83F32159	CAT	2C6000
21 CAT	Forklift	AT83F32160	CAT	2C6000
#31 ATLV	ATLV	4300-1669	ATLV	4300

SCHEDULE "B.3"**EXCLUDED ASSETS**

Purchased Assets expressly excludes the following:

- (a) all accounts and other amounts due, owing or accruing due to the Defendants, save and except SR&ED Claims;
- (b) the corporate seals, articles of incorporation, corporate records, minute books, stock books, tax records and returns, and other records having to do with the corporate organization of the Defendants;
- (c) all of the Defendants' personnel records;
- (d) all raw materials, work in progress or finished goods, related or used in connection with the Business that is located in the UBE warehouse;
- (e) any assets operated by the Defendants that are subject to a lease, financing or other contractual agreement between the Defendants and a third party if the interest of the third party is not subordinate to the Receiver's interest; and
- (f) the rail cars bearing the following railcar registration numbers:

Railcar Number	
1	UNPX122640
2	UNPX122643
3	UNPX122771
4	UNPX122774
5	UNPX122791
6	UNPX122794
7	UNPX122845
8	UNPX122882
9	UNPX122918
10	UNPX123030
11	UNPX123044
12	UNPX123057
13	UNPX123065
14	UNPX123069
15	UNPX123154
16	UNPX123207
17	UNPX123278
18	UNPX123340
19	UNPX123564
20	UNPX123855
21	UNPX123930
22	UNPX123954
23	UNPX124104

00197

24	UNPX124113
25	UNPX124122
26	UNPX124155
27	UNPX124170

Schedule C – Claims to be deleted and expunged from title to Real Property

Real Property Claims

1. L802109 (August 20, 1997) – Transfer
2. L893242 (January 31, 2003) – Transfer
3. L893242Z (January 31, 2003) – Restrictive Covenant
4. LA139624 (July 28, 2014) – Charge
5. LA139625 (July 28, 2014) – Assignment of Rents – General
6. LA166816 (April 15, 2016) – Charge

Personal Property Security Act Registrations

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Roynat Inc.	Entropex	676530315	20120229 1657 1901 3195	E, O, MV	CUSHION TIRE FORKLIFT[S], TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL 2012 HYSTER S50FT	01MAR 2018

10199

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
					F187V20061K 2012 HYSTER S50FT F187V20063K 2012 HYSTER S50FT F187V20064K 2012 HYSTER S50FT F187V20065K 2012 HYSTER S50FT F187V20066K 2012 HYSTER S50FT F187V20067K	
Amendment to add 629728 Ontario Limited and Unitec Inc. as debtors	629728 Ontario Limited Unitec Inc.	676530315	20120302 1328 1901 3252			
Roynat Inc.	Entropex 629728 Ontario Limited Unitec Inc.	685990539	20130411 1127 1902 7278	E, O, MV	FORKLIFT[S], TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL 2013 CATERPILLAR 2C6000 AT83F32129 2013 CATERPILLAR	11APR 2017

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
					2C6000 AT83F32158 2013 CATERPILLAR 2C6000 AT83F32130 2013 CATERPILLAR 2C6000 AT83F32159 2013 CATERPILLAR 2C6000 AT83F32160	
Roynat Inc.	Entropex 629728 Ontario Limited Unitec Inc.	689453919	20130814 1115 1902 0954	E, O	FORKLIFT[S], TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL 2013 CATERPILLAR/MIT SU GC40K AT87B00096	14AUG 2017

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
De Lage Landen Financial Services Canada Inc.	Entropex Unitec Inc.	692723727	20131219 1946 1531 3465	E, A, O, MV	ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. 2012 CATERPILLAR P8000 AT4000521 2012 CATERPILLAR P8000 AT4000522	19DEC 2019
Roynat Inc.	Entropex Unitec Inc. 629728 Ontario Limited	696221055	20140516 1345 1862 1916	I, E, A, O, MV		16MAY 2025
Roynat Inc.	Entropex Unitec Inc. 629728 Ontario Limited	696221163	20140516 1348 1862 1922	A, O	GENERAL ASSIGNMENT OF RENTS	16MAY 2025
The Bank of Nova Scotia	Entropex	696359376	20140522 1111 1532 7864	I, E, A, O		22MAY 2019
Xerox Canada Ltd	Entropex Corporation Inc.	713726856	20160201 1408 1462 9276	E, O		01FEB 2022

60202

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Unitec Inc.	Entropex	714828762	20160317 1006 1862 1923	I, E, A, O	COLLATERAL SECURITY PURSUANT TO A PROMISSORY NOTE DATED OCTOBER 09, 2009 AND A GENERAL SECURITY AGREEMENT DATED OCTOBER 09, 2009	17MAR 2026
Ryder Truck Rental Canada Ltd.	Entropex	717998859	20160624 1402 1462 6966	E, MV	2011 INTL PRO LF627 PREM 1HSCUAPR2BJ388 378	24JUN 2018
Hewitt Material Handling Inc.	Entropex Logistics Inc. 629728 Ontario Limited Unitec Inc.	719940276	20160825 1054 1590 5536	E, O, MV	CATERPILLAR 5000 LB IC CUSHION, SERIAL NUMBER AT9040645, TOGETHER WITH ALL ATTACHMENTS, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ANY AND ALL PROCEEDS ARISING THEREFROM INCLUDING, WITHOUT LIMITATION, ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, LICENSES, INSTRUMENTS, SECURITIES, SUBSTITUTIONS, TRADE-INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS DERIVED DIRECTLY OR INDIRECTLY THEREFROM. CATERPILLAR 2C5000 AT9040645	25AUG 2017
Amendment to add Entropex as	Entropex	719940276	20160829 1635 1590 5758			

60203

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
debtor						
National Leasing Group Inc.	Entropex (A Partnership) Unitec Inc.	674987103	20111212 1046 6005 9078	E	ALL LIGHTING OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2555077 BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS	12DEC 2016

00204

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Vacuum Trucks of Canada ULC	Entropex 629728 Ontario Limited Unitec Inc.	720602874	20160914 1738 1590 6707	E, O, MV	ONE [1] GUZZLER CLASSIC CLASSMTTBWD, SERIAL NUMBER 14-09G-6010, MOUNTED ON A KENWORTH CHASSIS VIN NUMBER 1NKDL70X1FJ4363 10, TOGETHER WITH ALL EXISTING AND FUTURE ATTACHMENTS, ADDITIONS, ACCESSIONS, ACCESSORIES, REPLACEMENTS, SUBSTITUTIONS, REPLACEMENT PARTS, AND REPAIRS THEREFOR, INCORPORATED THEREIN, ATTACHED OR AFFIXED THERETO, AND/OR USED IN CONNECTION THEREWITH. PROCEEDS- ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. 2015 KENWORTH T800 1NKDL70X1FJ4363 10	14SEP 2019
Roynat Inc.	629728 Ontario Limited	696221082	20140516 1346 1862 1918	I, E, A, O, MV		16MAY 2025
The Bank of Nova Scotia	629728 Ontario Limited	696369402	20140522 1503 1532 7914	I, E, A, O		22MAY 2019
The Bank of Nova Scotia	Unitec Inc.	696369411	20140522 1503 1532 7915	I, E, A, O		22MAY 2019
Roynat Inc.	Unitec Inc.	696221046	20140516 1344 1862 1915	I, E, A, O, MV		16MAY 2025

60205

Secured Party	Debtor(s)	Reference File No.	Registration No.	Collateral	General Collateral Description	Expiry Date
Kevin Bechard, Timothy Bechard, Keith Bechard, Christopher Bechard, Carolyn Hannon, Patricia Pequegnat, and Joan Hett	Unitec Inc.	678649095	20120525 1459 1862 9663	I, E, A, O	COLLATERAL SECURITY PURSUANT TO A PROMISSORY NOTE DATED OCTOBER 9, 2009 AND A GENERAL SECURITY AGREEMENT DATED OCTOBER 9, 2009	25MAY 2022

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. L366539 (May 12, 1975) – Industrial Subdivision Agreement
2. L437254 (June 2, 1978) – Release
3. L468083 (November 30, 1979) – Development or Redevelopment Agreement
4. L638106 (October 26, 1988) – Amendment of Development Agreement
5. L768178 (June 6, 1995) – Release
6. 25R-8552 (October 22, 2002) – Reference Plan

THE BANK OF NOVA SCOTIA
Plaintiff

-and- **ENTROPEX ET AL.**
Defendants

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

PROCEEDING COMMENCED AT
LONDON

APPROVAL AND VESTING ORDER

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

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

Lawyers for the Receiver

File Number: 16056

60207

TAB L

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Grace of the Ontario Superior Court of Justice, In Bankruptcy and Insolvency, (the "Court") dated July 14, 2016, MNP Ltd. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants").

B. Pursuant to an Order of the Court dated October 4, 2016, the Court approved the sale transaction contemplated by a Bill of Sale made as of September 16, 2016 (the "Sale Agreement") between the Receiver and Vidal Street Industrial Park Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the right, title and interest of the Defendants in and to the assets described in Schedule "A" hereto (the "Purchased Assets"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or

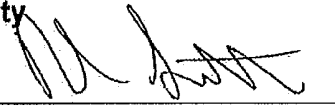
waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at 9:00 a.m. on October 11, 2016.

MNP Ltd., in its capacity as Receiver of the undertaking, property and assets of Entropex, 629728 Ontario Limited, and Unitec Inc., and not in its personal capacity

Per: 

Name: Rob Smith
Title: Senior Vice-President

Schedule A to the Receiver's Certificate – Purchased Assets

# of Railcar	Reporting Mark	Railcar Number
1	UNPX	122640
2	UNPX	122643
3	UNPX	122771
4	UNPX	122774
5	UNPX	122791
6	UNPX	122794
7	UNPX	122845
8	UNPX	122882
9	UNPX	122918
10	UNPX	123030
11	UNPX	123044
12	UNPX	123057
13	UNPX	123065
14	UNPX	123069
15	UNPX	123154
16	UNPX	123207
17	UNPX	123278
18	UNPX	123340
19	UNPX	123564
20	UNPX	123855
21	UNPX	123930
22	UNPX	123954
23	UNPX	124104
24	UNPX	124113
25	UNPX	124122
26	UNPX	124155
27	UNPX	124170

TAB M

Court File No. 35-1979333T

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

- and -

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Grace of the Ontario Superior Court of Justice, In Bankruptcy and Insolvency (the "Court") dated July 14, 2016, MNP LTD. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants").

B. Pursuant to an Order of the Court dated October 18, 2016, the Court approved the agreement of purchase and sale made as of October 5, 2016 (the "Sale Agreement") between the Receiver and 2532612 Ontario Inc. (the "Purchaser") and provided for the vesting in the Purchaser or its assignee, Lougar Property Inc. (the "Assignee") of the right, title and interest of the Defendants in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by

the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at London on October 21, 2016.

MNP LTD., in its capacity as Receiver of the undertaking, property and assets of Entropex, 629728 Ontario Limited, and Unitec Inc., and not in its personal capacity

Per: _____

Name: Robb Smith

Title: Senior Vice President

THE BANK OF NOVA SCOTIA

v.

ENTROPEX ET AL

Plaintiff

Defendants

Court File No. 35-1979333T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

Proceeding commenced at London

RECEIVER'S CERTIFICATE

Harrison Pensa LLP
Barristers and Solicitors
450 Talbot Street, P.O. Box 3237
London, Ontario N6A 4K3

Timothy C. Hogan LSUC #36553S
Tel: (519) 679-9660
Fax: (519) 667-3362

Solicitors for the Plaintiff
165075/kwe

00213

TAB N

**In the Matter of the Receivership of Entropex
Statement of Receipts and Disbursements
Actual Receipts and Disbursements to November 9, 2016**

		<u>BNS</u>	<u>Roynat</u>	
Receipts				
Accounts receivable collected	\$ 2,914,059	2,914,059	-	(2)
Plant & Machinery sale	4,058,468	-	4,058,468	
Net proceeds from rail car sale	436,873	-	436,873	
Final Inventory sale	20,000	20,000	-	
SRED sale	150,000	150,000	-	
Cash on hand	48,091	48,091	-	
Receiver sales of inventory	240,605	240,605	-	
HST refund - pre receivership	62,657	62,657	-	
Scrap sales	4,239	4,239	-	
Interest	118	118	-	
Miscellaneous refunds	4,553	4,553	-	
Net HST collected	95,944	30,376	65,568	
Total receipts	8,035,607	3,474,698	4,560,909	
Disbursements				
Wages	252,246	44,508	207,739	(3)
Source deductions & benefits	110,452	20,577	89,876	(4)
Pellet clean up & other environmental	21,800	-	21,800	
Rail car storage	66,774	6,105	60,669	(5)
Repairs and maintenance	16,725	-	16,725	
Consulting	26,019	6,505	19,514	(6)
Shipping	32,543	32,543	-	
Appraisal fees	4,161	-	4,161	
Cleaning and disposal	6,363	-	6,363	
Locksmith	1,469	735	735	
Security	735	368	368	
Utilities	56,160	14,040	42,120	(7)
Advertising	4,580	2,290	2,290	
Insurance	22,420	2,242	20,178	(8)
Office & general	988	494	494	
Phone & internet	7,798	3,899	3,899	
Official receiver fees	70	35	35	
Bank charges	461	231	231	
Receiver fees	130,000	62,193	67,807	(9)
Legal fees	73,103	21,891	51,212	(9)
HST paid	68,939	18,650	50,289	
Total disbursements	903,806	237,303	666,503	
Net receipts in trust	\$ 7,131,801	\$ 3,237,395	\$ 3,894,406	

Notes

- (1) Non specific expenses have been allocated 50/50. Expenses specific to either AR & Inventory or Plant & Machinery & Equipment are allocated accordingly unless otherwise noted.
- (2) The Receiver and Advocates are pursuing collection of \$433,000 in outstanding receivables. For the significant accounts till outstanding customers are claiming quality problems on product received. The Receiver has confirmed Entropex changed the product formula which did impact quality. The Receiver is attempting to settle the accounts.
- (3) Wages have been allocated based on employee time spent. Accounting and staff dealing with AR and Inventory have been allocated to BNS. The wages of the payroll administrator is non-specific and balance of employees are to maintain the environmental protocols needed to maintain the property.
- (4) Source deductions are allocated based on definitions in note 3 above.
- (5) Shunting charges for delivery of finished goods have been allocated to BNS. Once the rail car delivery was completed, the car was stored and charges relating to the storage are allocated to Roynat.
- (6) Consulting expense represents the payments made to the contracted General Manager. Fees allocated based on time spent. 25% dealing with AR & Inventory. 75% dealing with the Machinery and Building.
- (7) Utilities were allocated 25% to BNS and 75% to Roynat. BNS required a functioning building for purposes of removing and maintaining the inventory and raw materials.
- (8) Portion of the insurance expense was allocated to BNS for premiums on the inventory.
- (9) Professional fees were allocated based on time spent dealing with the specific matters.

TAB 0

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED and UNITEC INC.

Defendant

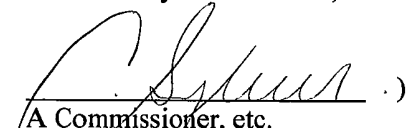
AFFIDAVIT OF ROBERT W. SMITH
(Sworn November 17, 2016)

I, Robert W. Smith of the City of London, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

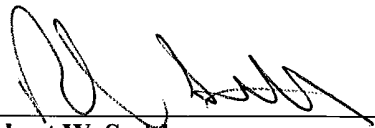
1. I am a Senior Vice President and licensed trustee in bankruptcy at MNP Ltd. ("MNP") and, as such, I have knowledge of the matters to which I hereinafter depose.
2. MNP was appointed as receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Entropex, 629728 Ontario Limited and Unitec Inc. by the Ontario Superior Court of Justice on July 14, 2016.
3. The Receiver has prepared a Statement of Account in connection with its appointment as Receiver, detailing its services rendered and disbursements, namely:
 - (a) an account dated November 17, 2016 for the period from September 17, 2016 to November 9, 2016. Attached hereto and marked as Exhibit "A" to this my Affidavit, is a copy of the Statement of Account. The average hourly rate is \$268.66.
4. To the best of my knowledge the rates charged by MNP in connection with the within matter are comparable to the rates charges by other insolvency professionals in the Southwestern Ontario market for the provision of similar services.

5. This Affidavit is made in support of a motion to, inter alia, approve the fees and disbursements of the Receiver.

SWORN before me at the City of)
London, in the Province of Ontario)
This 17th day of November, 2016.)


A Commissioner, etc.)

Christine Marie Sylver, a Commissioner, etc.,
Province of Ontario, for MNP Ltd.,
Trustee in Bankruptcy.
Expires August 24, 2017.



Robert W. Smith

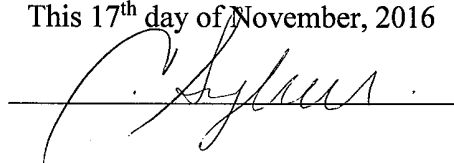
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ROBERT W. SMITH

Sworn before me

This 17th day of November, 2016

A handwritten signature in cursive script, appearing to read "C. Syver", is written over a horizontal line.

Commissioner for taking Affidavits, etc

Christine Marie Syver, a Commissioner, etc.,
Province of Ontario, for MNP Ltd.,
Trustee in Bankruptcy.
Expires August 24, 2017.

Entropex
MNP LLP
148 Fullarton Street
Suite 1002
London, ON N6A 5P3

Invoice: 7796451

17 Nov, 2016

For Professional Services

For professional services rendered in connection with our appointment as Court Appointed Receiver of Entropex, 629728 Ontario Limited and Unitec Inc. for the period September 17, 2016 to November 9, 2016

<u>Name</u>	<u>Hours</u>	
Partner		
Rob Smith	42.4	
Melanie Fuller	0.4	
Senior Manager		
John Athanasiou	52.1	
Senior Administrators & Analysts		
Mandeep Bhatti	3.5	
Nazanin Moosavian	1.0	
Christine Sylver	8.3	
Administrative	<u>12.4</u>	
Total Professional Fees	120.1	40,375.90
Plus Disbursements: Mileage		333.46
Less Discretionary Discount		<u>-8,109.36</u>
		Sub Total 32,600.00
Harmonized Sales Tax		<u>4,238.00</u>
	Total (CDN)	<u>36,838.00</u>

Invoices are due and payable upon receipt.

Account No: 0610606 RS
HST Registration Number: 103697215 RT 0001

A service charge of 1.5% per month (19.56% per annum) will be added to any invoice not paid within 30 days of billing.

Receivership of Entropex, Unitech and 629728
WIP Sept 16 to Nov 9, 2016

Date	Description	Units	Amount	Notes
19-Sep-2016	Anne Nelligan	.10	13.60	sort Entropex mail
30-Sep-2016	Anne Nelligan	.20	19.60	sort Entropex mail
03-Oct-2016	Anne Nelligan	.20	19.60	sort Entropex mail
11-Oct-2016	Anne Nelligan	.20	27.20	sort Entropex mail
12-Oct-2016	Anne Nelligan	.20	19.60	sort Entropex mail
14-Oct-2016	Anne Nelligan	.30	40.80	sort Entropex mail
20-Oct-2016	Anne Nelligan	.20	27.20	sort Entropex mail
21-Oct-2016	Anne Nelligan	.30	40.80	prepare UPS and express mail
24-Oct-2016	Anne Nelligan	.20	27.20	sort Entropex mail
03-Nov-2016	Anne Nelligan	.20	27.20	sort Entropex mail
04-Nov-2016	Anne Nelligan	.10	13.60	sort Entropex mail
07-Nov-2016	Anne Nelligan	.20	27.20	sort Entropex mail
09-Nov-2016	Anne Nelligan	.20	27.20	sort Entropex mail
		2.60	330.80	
19-Sep-2016	Christine Sylver	.20	35.00	phone call to Scotia to check bank balance
19-Sep-2016	Christine Sylver	.40	70.00	emails to Scotia to confirm wire transfer
20-Sep-2016	Christine Sylver	.30	52.50	f/u with wire transfer
27-Sep-2016	Christine Sylver	.20	35.00	phone call to Creditor re: asset purchase
27-Sep-2016	Christine Sylver	.20	35.00	phone call from creditor
28-Sep-2016	Christine Sylver	1.00	175.00	Meet with Willy (Human Resources) and site visit
28-Sep-2016	Christine Sylver	.20	35.00	email from Rob re: creditors claim
28-Sep-2016	Christine Sylver	.20	35.00	phone call from creditor to f/u on bids
06-Oct-2016	Christine Sylver	.20	35.00	phone call to Scotia to confirm wire
07-Oct-2016	Christine Sylver	1.00	175.00	site visit
12-Oct-2016	Christine Sylver	.20	35.00	fax invoices to John
12-Oct-2016	Christine Sylver	.30	52.50	email 245 to creditor
13-Oct-2016	Christine Sylver	.20	35.00	email 245 to creditor
13-Oct-2016	Christine Sylver	.20	35.00	phone call with creditor
14-Oct-2016	Christine Sylver	.50	87.50	GIC request
14-Oct-2016	Christine Sylver	.20	35.00	email from Lawyer's office re: deposit to Scotia account
17-Oct-2016	Christine Sylver	.20	35.00	f/u with GIC
20-Oct-2016	Christine Sylver	.50	87.50	cancel utility services
24-Oct-2016	Christine Sylver	.30	52.50	email to purchaser
24-Oct-2016	Christine Sylver	.30	52.50	email to creditor
24-Oct-2016	Christine Sylver	.40	70.00	prepare GIC request
25-Oct-2016	Christine Sylver	.20	35.00	fax GIC to Scotia
26-Oct-2016	Christine Sylver	.20	35.00	phone call from creditor
28-Oct-2016	Christine Sylver	.20	35.00	email from Jim re bank activity
01-Nov-2016	Christine Sylver	.30	52.50	phone call from creditor

01-Nov-2016	Christine Sylver	.20	35.00	call from creditor
		8.30	1,452.50	
19-Sep-2016	David Palmateer	.30	87.00	accounting in Ascend for GIC
19-Sep-2016	Jim Guo	.50	78.50	posting, bank reconciliation
21-Sep-2016	Jim Guo	1.00	157.00	chq requisition, deposit
22-Sep-2016	Jim Guo	.90	141.30	posting, bank reconciliation
28-Sep-2016	Jim Guo	.50	78.50	payroll, cheque requisition
05-Oct-2016	Jim Guo	.20	31.40	cheque requisition
07-Oct-2016	Jim Guo	.40	62.80	cheque requisition
12-Oct-2016	Jim Guo	.60	94.20	payroll, cheque requisition
17-Oct-2016	Jim Guo	.60	94.20	payroll, cheque requisition
19-Oct-2016	Jim Guo	.50	78.50	payroll
24-Oct-2016	Jim Guo	.50	78.50	deposit
25-Oct-2016	Jim Guo	.20	31.40	filing
26-Oct-2016	Jim Guo	.60	94.20	payroll, cheque requisition
27-Oct-2016	Jim Guo	.20	31.40	deposit
31-Oct-2016	Jim Guo	.30	47.10	deposit
01-Nov-2016	Jim Guo	.40	62.80	cheque requisition
03-Nov-2016	Jim Guo	.50	78.50	posting, cheque requisition
04-Nov-2016	Jim Guo	1.00	157.00	cheque requisition
07-Nov-2016	Jim Guo	.30	47.10	mailing & filing
		9.20	1,444.40	
19-Sep-2016	John Athanasiou	4.20	1,407.00	Prepare and update statement of receipts and disbursements for reporting to secured lenders. Calls and correspondence with interested parties re offers. Calls and correspondence with E&Y and internal tax group re SRED claims.
20-Sep-2016	John Athanasiou	3.60	1,206.00	Review accounts receivable status and follow up with customers and clerks re status of payments. Correspondence with SM Polymers and Toledo re final settlement of accounts. Review of SRED docs. Finalize statement of receipts and disbursements - updates to same. Review payroll
21-Sep-2016	John Athanasiou	2.80	938.00	Final review of payroll and approve payments. Calls and correspondence with bidders re sale process and successful bid. Call with insurance re existing policies and update on sales process status. Review payables.
22-Sep-2016	John Athanasiou	3.00	1,005.00	Review and insertion of comments from counsel re APA. Forward to purchaser's counsel. Calls and correspondence re same. Calls and correspondence with creditors. Correspondence with SM re AR
23-Sep-2016	John Athanasiou	2.50	837.50	Calls with suppliers re os payments. Receipt of final settlement docs from TMD re os AR. Calls and correspondence with city of Toronto re security deposit and damage claim.
28-Sep-2016	John Athanasiou	1.80	603.00	Review payroll and approve. Calls and correspondence with union re claim.
29-Sep-2016	John Athanasiou	2.80	938.00	Complete august hst remittance. Review and approve payables. calls and correspondence with general manager re status of collections and reduced payroll.
03-Oct-2016	John Athanasiou	.80	268.00	Call and correspondence with customer re AR. Follow up with staff on site re collection of AR.
05-Oct-2016	John Athanasiou	4.00	1,340.00	Review weekly payroll and approve. Calls and correspondence with CRA re HST audit and filing of os returns. File returns. Calls with customers re os payments on account and collections.
11-Oct-2016	John Athanasiou	.80	268.00	Correspondence with Toledo re wire payment. Correspondence with legal counsel re collection of IPL account.
12-Oct-2016	John Athanasiou	2.40	804.00	Review and approve payroll. Review and approve disbursements - source deductions for month of Sept.

14-Oct-2016	John Athanasiou	4.20	1,407.00	Prepare updated realization schedules for secured lenders. Deal with payment from Toledo and transfer of funds. Review and approve disbursements.
17-Oct-2016	John Athanasiou	2.20	737.00	Finalize distribution estimate to secured lenders. Correspondence with counsel and customer re os payment (IPL).
18-Oct-2016	John Athanasiou	2.00	670.00	Calls and correspondence with counsel and bank re outstanding balance and wire. Gather info re demand from Atreus. Correspondence with payroll admin re termination letters. Draft same.
19-Oct-2016	John Athanasiou	1.20	402.00	review and approval of payroll. Correspondence with payroll admin re termination notices and closing procedures.
20-Oct-2016	John Athanasiou	3.60	1,206.00	Calls and correspondence with various suppliers re closing of deal and finalization of accounts. Correspondence with bank re wire payment from IPL.
21-Oct-2016	John Athanasiou	4.50	1,507.50	Attend on site, Meeting with management. Draft correspondence with suppliers re transition of services. Terminate employees and issue notices.
24-Oct-2016	John Athanasiou	.40	134.00	Correspondence with purchaser re transfer of utilities.
26-Oct-2016	John Athanasiou	2.80	938.00	Review and approve final payroll. review and approve final disbursements. Call with union re claim.
01-Nov-2016	John Athanasiou	.50	167.50	Instruction to M. Bhatti re Atradius claim; review completed claim and send to Atreus
04-Nov-2016	John Athanasiou	2.00	670.00	Review and approve final disbursements. Update R&D.
		52.10	17,453.50	
19-Sep-2016	Laura Custodio	.10	9.80	mail cheques
01-Nov-2016	Mandeep Bhatti	3.50	661.50	Prepare Atreus insurance claim and send to J. Athanasiou
05-Oct-2016	Manon Auger	.10	15.70	call to IPL to follow up on receivable
06-Oct-2016	Manon Auger	.10	15.70	call to IPL to follow up on receivable
		.20	31.40	
04-Oct-2016	Melanie Fuller	.20	87.00	review bank reconciliation
02-Nov-2016	Melanie Fuller	.20	87.00	review bank reconciliation
		.40	174.00	
20-Sep-2016	Nazanin Moosavian	1.00	287.00	Review SRED claims made to determine potential refundable portion; call with R. Smith to discuss
17-Sep-2016	Rob Smith	.60	261.00	review and finalize R&D projection for Scotiabank to estimate total net distribution
19-Sep-2016	Rob Smith	3.50	1,522.50	review/edits to summary of offers; call from Enterra re rail cars; call with J. McLean re SRED realizable value; review and edits to R&D; email to lenders with offer summary; fee allocation; call from S. Marsili re offer summary
20-Sep-2016	Rob Smith	6.00	2,610.00	review draft legal invoice and emails with D. Swift; review/edits to R&D allocated by lender and email same to lenders; review motion material for third report; call with internal SRED group re value of SRED claims, email to lenders re same; call from P. Waters re Emterra offer, R&D, SRED; email to Emterra re accepted offer; draft third court report and supplemental to seek approval of VIP sale; investigate missing Emterra wire
21-Sep-2016	Rob Smith	2.50	1,087.50	emails with BNS re funds in Entropex account; review Advocates invoice; email summary of professional fee invoices to lenders; call with T. Hogan to clarify questions on Emterra offer and R&D allocation; review Swift edits to 3rd report and supplemental; finalize reports, prepare fee affidavit, execute all; call from Bruce Darlington re APA and rail cars; call from Emterra re missing wire
25-Sep-2016	Rob Smith	1.00	435.00	finalize R&D projection for Scotiabank and email same to P. Waters; review of outstanding receivable list and status of collection efforts
28-Sep-2016	Rob Smith	1.20	522.00	attend at Entropex for site visit; meeting with Willy re salary employees POC's; tour facility

29-Sep-2016	Rob Smith	2.00	870.00	emails with Swift re Emterra offer and wording in vesting order re Procor; call from K. Bechard to discuss possible opposition to rail car sale motion, call to D. Swift to advise; review amended APA from Emterra and D. Swift comments, provide response
30-Sep-2016	Rob Smith	1.00	435.00	call from Union and D. Myers looking for status update on closing; call with D. Swift re finalizing APA; review and complete schedules A and B for APA
03-Oct-2016	Rob Smith	2.00	870.00	begin fourth court report; meeting with K. Bechard re rail cars and tax losses
04-Oct-2016	Rob Smith	4.50	1,957.50	attend court for approval of third report; email to VIP re approval of sale and completion of transaction; draft fourth court report
05-Oct-2016	Rob Smith	4.00	1,740.00	call from Emmie re letter to city of Winnipeg and final R&D; begin draft of supplement to 4th report; call from K. Bechard re leased assets in APA and vesting order, call with Roynat re Roynat leases, calls with Swift re leased assets in court report; review D. Swift edits to 4th report, finalize report and gather appendices
06-Oct-2016	Rob Smith	.30	130.50	execute APS; call with E. Leung re forklifts and completion of sale
07-Oct-2016	Rob Smith	.30	130.50	receiver certificate for VIP sale; follow up with Meridian re Roynat leases
11-Oct-2016	Rob Smith	4.50	1,957.50	execute amended receiver certificate re VIP sale; email to J. Guo re posting of VIP sale proceeds and disbursement of funds to Docksides and Procor; supplemental receiver's report
12-Oct-2016	Rob Smith	.30	130.50	call from S. Marsili re status update and expected distribution to Roynat
13-Oct-2016	Rob Smith	.20	87.00	emails from Recycling Revolution and email to Euler Hermes to confirm correct amount of debt
14-Oct-2016	Rob Smith	1.30	565.50	review Swift comments on supplemental report and offer summary, edits to supplemental report, gather appendices, finalize report
17-Oct-2016	Rob Smith	3.50	1,522.50	review and edits to projected distribution, email same to Roynat; call with Swift re closing; review draft closing docs; prepare supplemental court report to advise of assignment and assumption agreement; call from K. Bechard re closing; calls with Cassone re closing docs
18-Oct-2016	Rob Smith	3.00	1,305.00	call with Cassone re keys and closing docs; attend Court for approval of Fourth Report; attend Harrison Pensa to execute closing docs
20-Oct-2016	Rob Smith	.30	130.50	call with Emmie re transition of business; review and sign amended election and receipt of funds
21-Oct-2016	Rob Smith	.20	87.00	execute amended HST election and send to HP
02-Nov-2016	Rob Smith	.20	87.00	call from new controller re vehicle ownerships and HST election
		42.40	18,444.00	
	Total Time	120.1	40,375.9	
07-Sep-2016	Rob Smith		84.96	07/09/2016 / Rob Smith / September expenses: to Entropex - QFD meeting
07-Sep-2016	Rob Smith		78.58	07/09/2016 / Rob Smith / September expenses: to Brantford - Emterra meeting
13-Sep-2016	Rob Smith		84.96	13/09/2016 / Rob Smith / September expenses: Cascades Recovery site tour
28-Sep-2016	Christine Sylver		84.96	28/09/2016 / Christine Sylver / September 2016: Travel to Samia / London
	Total Disbursements		333.46	

00223

THE BANK OF NOVA SCOTIA
Plaintiff

-and-

ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

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

**PROCEEDING COMMENCED AT
LONDON**

AFFIDAVIT

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

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

Lawyers for the receiver

File Number: 16056

TAB P

Court File No. 35-1979333T

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

BETWEEN:

THE BANK OF NOVA SCOTIA

Plaintiff

and

ENTROPEX, 629728 ONTARIO LIMITED, and UNITEC INC.

Defendants

AFFIDAVIT

I, Kyle A. MacLean, of the City of London, in the County of Middlesex, MAKE OATH AND SAY:

1. I am a lawyer with the law firm of Advocates LLP, lawyers for MNP Ltd. ("MNP"), the court-appointed receiver (the "Receiver") appointed pursuant to the Order of the Honourable Mister Justice Grace dated July 14, 2016 (the "Appointing Order") of all the assets, undertakings and properties of the Defendants, Entropex, 629728 Ontario Limited and Unitec Inc. (collectively the "Defendants") and as such have knowledge of the facts and matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.

2. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of the time incurred by professionals with Advocates LLP on behalf of the Receiver with respect to the within matter between September 20, 2016 and November 3, 2016,

including the respective hourly rates, disbursements and applicable taxes, as well as the fee discount provided.

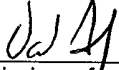
3. Attached hereto and marked as Exhibit "B" to this my Affidavit is a copy of the invoice rendered by Advocates LLP to the Receiver dated November 7, 2016 which sets out the particulars of the time incurred by professionals with Advocates LLP on behalf of the Receiver with respect to the within matter between September 20, 2016 and November 3, 2016, including the respective hourly rates, disbursements and applicable taxes, as well as the fee discount provided.

4. I confirm that these particulars accurately reflect the services provided by Advocates LLP in this matter and the fees and disbursements claimed by it.

5. To the best of my knowledge the rates charged by Advocates LLP in connection with the within matter and set out in the attached Exhibits are comparable to the hourly rates charged by other law firms in the Southwestern Ontario market for the provision of similar services.

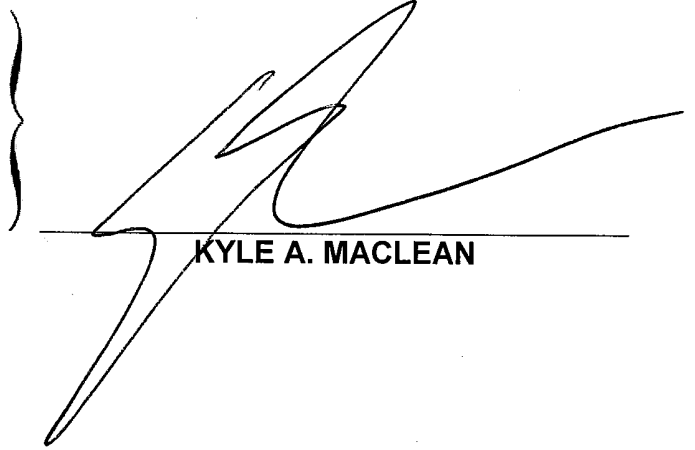
6. I make this Affidavit in good faith relating to the approval of fees and disbursements of Advocates LLP and for no improper purpose.

SWORN BEFORE ME at the City of London, in the Province of Ontario on November 16, 2016



Commissioner for Taking Affidavits
(or as may be)

DAVID S. SWIFT



KYLE A. MACLEAN

00887

Attached are Exhibits "A" and "B" referred to in the Affidavit of Kyle A. MacLean, sworn November , 2016



Commissioner for Taking Affidavits (or as may be)

DAVID S. SWIFT

00223

**SUMMARY OF FEES AND DISBURSEMENTS OF ADVOCATES LLP
FOR THE PERIOD SEPTEMBER 20, 2016 TO NOVEMBER 3, 2016**

	NAME	YEAR OF CALL	HOURS SPENT	HOURLY RATE	TOTAL
LAWYERS	David S. Swift	1998	70.3	\$400.00	\$28,120.00
CLERKS	Cory Wood		10.0	\$150.00	\$1,500.00
	Andrew Corbett		5.0	\$125.00	\$625.00
TOTAL FEES					\$30,245.00
HST ON FEES					\$3,931.85
TAXABLE DISBURSEMENTS					\$993.25
NON-TAXABLE DISBURSEMENTS					\$1,105.15
HST ON DISBURSEMENTS					\$129.12
TOTAL FEES, DISBURSEMENTS AND TAXES PRIOR TO DISCOUNT					\$36,404.37
DISCOUNT (INCLUSIVE OF HST)					(\$3,525.60)
TOTAL AFTER DISCOUNT					\$32,878.77

00299



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

November 7, 2016

File No.: 16056
Invoice No.: 12905

MNP Ltd. (London)
148 Fullarton Street
Suite 1002
London, Ontario N6A 5P3

RE: Receivership of Entropex

For Professional Services as detailed herein, to and including November 7, 2016

Total Fees (Summary & details attached)	\$27,125.00
Total Disbursements (details attached)	<u>\$2,098.40</u>
Total Fees and Disbursements	\$29,223.40
HST/GST on Fees	\$3,526.25
HST/GST on Disbursements	<u>\$129.12</u>
Total Fees, Disbursements and Taxes this account	\$32,878.77
Total Receipts (details attached)	\$0.00
Transferred from Trust and Applied to this Account	<u>\$0.00</u>
BALANCE DUE THIS ACCOUNT	\$32,878.77
Balance Forward	<u>\$0.00</u>
 TOTAL OUTSTANDING	 <u>\$32,878.77</u>

ACCOUNTS DUE UPON RECEIPT

- Please make cheques payable to "Advocates LLP"

Advocates LLP

Per:

David S. Swift

E. & O. E.

HST/GST #: 83320 6485 RT0001

Total HST/GST (this account): \$3,655.37

60230

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Initials & Description</u>	<u>Standard Rate</u>	<u>Hours</u>	<u>Charged Rate</u>	<u>Amount</u>
David S. Swift	DSS Lawyer		'Adjustment	\$355.62	-3,120.00
David S. Swift	DSS Lawyer	\$400.00	70.30		28,120.00
Cory L. Wood	CLW Law Clerk	\$150.00	10.00	\$150.00	1,500.00
Andrew Corbett	ADC Law Clerk	\$125.00	5.00	\$125.00	625.00
			<u>85.30</u>		<u>\$27,125.00</u>

Details of Professional Services Included Herein:

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>
Sep-20-16	DSS	Finalizing draft Notice of Motion, Motion Record, Ancillary Order and Approval and Vesting Order re motion for sale of rail cars; email to Smith with motion and order documents for review and approval; email from Smith approving draft motion materials and orders; emails to VIP and Procor counsel with draft Approval and Vesting Orders for comment; preparing fee affidavits and details for Motion Record	5.40
Sep-21-16	DSS	Finalizing motion materials for approval of Third Report including fee affidavit, review and comment on third report and confidential supplement; emails with Smith re reports and final motion materials; call to VIP counsel to discuss completion of sale, form of approval and vesting order; calls with Hogan re position of remaining lessors for Sept.27 motion; emails from and to Procor counsel re wording for vesting order	3.70
Sep-21-16	CLW	Receipt of executed Third Report, Confidential Supplement to Third Report and Affidavit of Robert Smith	0.20
Sep-22-16	DSS	Emails and calls from and to Athanasiou re draft APS with Emterra; review and revision of draft APS with Emterra and email to Athanasiou with comments; emails and calls with VIP counsel re rail car issues, and revisions to draft Approval and Vesting Order; emails from and to Waste Management and Hewitt counsel re not opposing motion and email report to client; finalizing draft Order for Sept 27 lease motion; emails from and to Procor counsel re wording for Approval and Vesting Order	6.70
Sep-22-16	CLW	Confirmed September 27, 2016 Motion re Disputed Leases by fax to court and email to all other parties	0.50
Sep-23-16	DSS	Emails from and to VIP counsel finalizing all issues regarding Approval and Vesting Order and service list; email to Procor counsel with revised draft Approval and Vesting Order, request for further wording; finalizing Motion Record and instructions re service and filing; emails with Athanasiou re timing for approval of Emterra sale; call with Emterra counsel re issue to be addressed in APS	3.80
Sep-23-16	CLW	Compiled and prepared copies of Motion Record re approval for sale of rail cars (25) Serve Motion Record on service list by email, regular lettermail and courier; Prepared and swore Affidavit of Service of Motion Record; Memo to LLC to file Motion Record;	4.70
Sep-23-16	ADC	Prepared courier and mail packages for documents to be served non-electronically	1.40
Sep-23-16	ADC	Prepared hard copies of Motion Record for service by courier and regular mail	0.90
Sep-26-16	DSS	Email to Smith and Athanasiou re call with Darlington, issues raised; email from Smith re availability of environmental information; email to Darlington with initial comments on APS issues, environmental information; finalizing draft Order re Hewitt and Waste Management and emails to and from Harnum for approval; emails from and to counsel for Matrix Transportation re adding to service list, motions to date; preparing statement of law for Rail Car sale approval motion; call with Smith re initial discussion with Darlington, timing of approval motion	2.90
Sep-27-16	DSS	Email to Darlington for update re APS, timing issues for motion; call from Darlington with update and email to clients; emails with clients re aiming for October 11 for approval motion; attending lease motion re Hewitt and Waste Management; email to clients with Order and endorsement and instructions re service on all parties; emails to and from Buttery for additional wording for Vesting Order; emails with Hogan re draft rail car orders	3.20
Sep-27-16	CLW	Email to Service List No. 10 parties with copy of handwritten and typed Endorsement of Justice Leach and Order of Justice Leach	0.30

Sep-27-16	CLW	Telephone call to Diane Case re: BNY Capital Funds package	0.20
Sep-28-16	DSS	Emails from and to Hogan re draft Orders for October 4 motion; email report to client re lack of contact about rail car motion and lack of response from Darlington; preparing draft motion record, notice of motion and orders for pending approval motion re sale to Emterra;	1.90
Sep-28-16	CLW	Prepare Confidential Supplement to the Third Report to the Court for submission at October 4th motion	0.20
Sep-29-16	DSS	Email from Buttery with suggested wording for Vesting Order re Procor liability; emails to and from Smith for instructions re wording from Buttery; emails to and from VIP counsel with Procor requested Order wording; email to Buttery with changes to proposed Procor Order wording; call from Darlington re Emterra agreement; receipt and review of revised Emterra agreement from Darlington and emails with client; call with Smith re potential Bechard opposition to Rail Car motion	3.10
Sep-29-16	CLW	Confirmed October 3, 2016 Motion re 3rd Report by fax to court and email to all other parties	0.50
Sep-30-16	DSS	Emails from and to Buttery re movement of rail cars, finalizing wording for Vesting Order; emails and calls with Rosenblat of Oslers; emails with Smith re Confidential Supplement; emails with client and Darlington negotiating and revising terms of Emterra APS including schedules and draft Approval and Vesting order; calls from and to State Street Bank re rail car motion	4.30
Oct-03-16	DSS	Emails with client re finalizing draft Approval and Vesting Order for Emterra agreement including encumbrances to be vested off, property tax issues; finalizing revisions to draft APS with Emterra and emails and calls to Darlington with revised APS and Order; emails to and from Buttery re final approval of Rail Car Approval and Vesting Order and payment to Procor; completing Statement of Law and supporting cases for Rail Car motion; finalizing Orders for Rail Car motion; call to Smith re any further contact from Bechard and email to Hogan re potential motion opposition; call from Smith re meeting with Bechard, withdrawal of opposition to motion	3.60
Oct-03-16	CLW	Prepare additional copies of Confidential Supplement to the Third Report and Receiver's Statement of Law	0.60
Oct-04-16	DSS	Message from Darlington re review of revised APS, initial comments; email report to Smith re call from Darlington, final issues to be addressed; preparing for and attending on Motion for approval of sale of rail cars; email to VIP counsel with Orders and update; email to Procor counsel with Orders and update; email instructions re service of Orders on service list; calls and emails with Darlington and Smith re final issues for APS	4.30
Oct-05-16	DSS	Emails, calls and negotiations with client and Darlington to finalize Emterra APS and draft Approval and Vesting Order for Emterra APS; emails with closing counsel re final agreement provisions and encumbrances to be vested out; compiling motion record for approval of fourth report	6.10
Oct-05-16	CLW	Email communication to Parties (service List 12) with copies of the two Order and Endorsement of Justice Leitch re: October 4th motion	0.30
Oct-05-16	CLW	Prepare Motion Record for Approval of Fourth Report	0.50
Oct-06-16	DSS	Emails and calls with Darlington, Kapos and Smith re issue of disputed leases for APS and finalizing APS and Vesting Order; emails from Kapos approving final document changes, seeking undertaking re Meridian debt; finalizing documents and email to Kapos for final approval, signing page, call re undertaking; finalizing motion record and instructions re service and filing subject to final APS approval	3.80
Oct-06-16	ADC	Email to Kelly Bryant (Harrison Pensa) attaching copy of Motion Record for approval of Third Report	0.20
Oct-06-16	ADC	Prepared copies of Motion Record for approval of Fourth Report for service; Finalized electronic copy of Motion Record; Served Motion Record on service list by email and courier	2.40
Oct-07-16	ADC	Memo to LLC to file Motion Record for approval of Fourth Report	0.10
Oct-11-16	DSS	Emails from and to Smith re Receiver's Certificate for sale of rail cars; delivery of Receiver's Certificate to court and email to Buttery with certificate and confirmation of filing; emails with Darlington re potential union opposition, closing documents, Meridian contact; review of IPL unpaid invoice information from Athanasiou, preparing draft demand, email to Athanasiou for review and approval	1.20
Oct-12-16	DSS	Emails with Athanasiou re demand letter, finalizing and issuing demand to IPL; receipt and review of draft Supplement to Fourth Report and summary of offers, preparing comments and email to Smith	1.10
Oct-13-16	DSS	Email instructions to confirm motion; review of initial closing agenda from Darlington and emails with Smith re IP listing; emails from and to Darlington re Receiver's Certificate and title for real property; revising draft Order to address assignment of real property purchase; call with and email to Darlington re revising order to address assignee, attendance on motion; preparing Statement of Law for motion; calls from and to IPL re outstanding invoice and email to Athanasiou re arranging payment	2.20

Oct-13-16	CLW	Prepare, serve and file Confirmation of Motion re October 18, 2016 Motion for Approval Fourth Report by fax to court and email to all other parties	0.50
Oct-14-16	DSS	Email from Athanasiou that sending payment information to IPL; finalizing materials for approval motion including sealing documents, statement of law; emails with Smith re Confidential Supplement	0.60
Oct-17-16	DSS	Emails with Cassone and Smith re closing documents, supplementary report, Assumption and Assignment Agreement and revised Approval and Vesting Order; instructions re compiling statement of law and confidential supplement; call and emails with Smith re Second Supplementary Report; finalizing Approval and Vesting Order	1.70
Oct-17-16	CLW	Prepare Confidential Supplement to the Fourth Report with Schedules (3) and Receiver's Statement of Law (2)	1.20
Oct-18-16	DSS	Receipt of finalized Assignment and Assumption agreement and completion of second supplement; finalizing Approval and Vesting Order and Ancillary Order; preparing for and attending on Motion to Approve sale to 2532612; emails from and to Cassone, Kapos, Darlington and Smith re Orders, closing; email instructions re service of signed Order	5.60
Oct-18-16	CLW	Email communication to Parties (service List 12) with copies of the two Order and Endorsement of Justice Garson re: October 18th motion	0.30
Oct-19-16	DSS	Review of Atreus outstanding invoices and back up documents; emails with Athanasiou re Atreus debt, approval of demand; preparing demand to Atreus and Creative Plastic Concepts; emails with Athanasiou re IPL payment; emails with Cassone re sale closing documents	1.60
Oct-20-16	DSS	Emails with Athanasiou re employee termination letter and making amendments to draft letter; emails with Bader and Darlington re Waste Management compactor	0.60
Oct-24-16	DSS	Review of final closing emails and requirements to ensure compliance; emails to and from Athanasiou re payment of IPL receivable; review of Amended Proofs from Union and correspondence of counsel	0.40
Oct-27-16	DSS	Call to Athanasiou to advise re IPL and Atreus receivables	0.10
Oct-31-16	DSS	Emails with Athanasiou re outstanding accounts receivable	0.20
Nov-03-16	DSS	Email from Smith re ongoing rail car issue and email to Buttery to have Procor reinstate UMLER marks; calls from and to John Cooper re Atreus receivable; emails with client re call with Cooper, making recommendation, back up documents, settlement position; call with Athanasiou for instructions re Atreus and Recycling Revolution; email to Cooper of Atreus for backup documentation; review of invoices to Recycling Revolution and preparing and sending demand letter	2.20
Nov-07-16	DSS	Courtesy reduction in the amount of \$3,120.00	

TOTAL HOURS85.30**TOTAL FEES**\$27,125.00**DISBURSEMENTS*** HST Exempt)

<u>Date</u>	<u>Description</u>	<u>Amount</u>
Sep-16-16	Courier -to Keith Bechard, Scarborough, Sept 9, 2016	15.60
Sep-23-16	Agent's fee to file Motion Record in Bankruptcy Court Sept. 26, 2016	20.00
Sep-23-16	Postage - Motion Record re Sale of Railcars	57.75
Sep-26-16	File Motion Record re sale of rail cars*	50.00
Sep-30-16	Courier to Xerox Canada Ltd. (with redirect charge)	27.60
Sep-30-16	Courier to National Leasing Group	21.19
Sep-30-16	Courier to The Royal Trust Company	15.60
Sep-30-16	Service on US parties by courier*	1,005.15
Oct-06-16	E112 Court fees to file Motion Record dated Oct 6 2016*	127.00
Oct-07-16	Courier - return to Advocates LLP - October 4, 2016	30.78
Oct-07-16	Courier - to Xerox Canada Ltd - October 6, 2016	15.68
Oct-07-16	Courier - to National Leasing Group - October 6, 2016	21.29

Oct-07-16	Courier - Corrected Address to Xerox Canada Ltd. - October 6, 2016	12.00
Oct-12-16	File Motion Record*	50.00
Oct-13-16	Agent's Fee to file Motion	20.00
Oct-13-16	Agent's Fee to deliver replacement cheque	25.00
Oct-13-16	E112 Court fees to file Motion Record dated Oct 6 2016* - Void -Wrong amount*	-127.00
Nov-07-16	Standard administrative charge of 2.35% of fees at standard rates and before discounts, if any, charged in respect of all routine internal copying, printing and postage (registered mail excluded); electronic research services and library costs; all fax transmissions; and all telephone calling charges (excluding Conference calls);	710.76

TOTAL DISBURSEMENTS

\$2,098.40

THE BANK OF NOVA SCOTIA
Plaintiff

-and- ENTROPEX ET AL.
Defendants

Court File No. 35-1979333T

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

**PROCEEDING COMMENCED AT
LONDON**

AFFIDAVIT

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FILE NO. 16056

August 30, 2016

Mr. Rob Smith
MNP Ltd. (London)
148 Fullarton Street
Suite 1002
London Ontario N6A 5P3

Dear Mr. Smith:

Re: Receivership of Entropex

I have now had the opportunity to review the security held by The Bank of Nova Scotia ("BNS") and Roynat Inc. ("Roynat") with respect to the debt owed to them by Entropex, as well as that owed by the partners, 629728 Ontario Limited ("629") and Unitec Inc. ("Unitec"). I have also reviewed various searches conducted by Harrison Pensa LLP prior to the Receiver's appointment, as well as other relevant documentation. Please find below our opinion with respect to the security.

EXECUTIVE SUMMARY

Following our review of the documentation provided, as well as the searches obtained, all of which is reviewed in detail below, our conclusion with respect to the BNS and Roynat security is as follows:

Entropex

1. De Lage Landen holds valid first-in-time and PMSI priority with respect to two specific forklifts;
2. Xerox holds valid PMSI priority with respect to three specific items of equipment;
3. BNS holds valid personal property security in the form of a General Security Agreement over all assets of Entropex which ranks in first position as it relates to Accounts and Inventory and second position as it relates to all other personal property;
4. Roynat holds valid personal property security in the form of a Debenture over all assets of Entropex, except inventory, which ranks in first position with respect to all personal property of Entropex, save and except Accounts and Inventory; and
5. Roynat holds a valid first Charge/Mortgage of Land over property municipally known as 1271 Lougar Avenue, Sarnia, Ontario (the "Property"), with BNS holding a valid second Charge/Mortgage of Land over the Property.

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629

6. BNS holds valid personal property security in the form of a General Security Agreement over all assets of 629 which ranks in first position as it relates to Accounts and Inventory and second position as it relates to all other personal property; and

7. Roynat holds valid personal property security in the form of a Security Agreement over all assets of 629 which ranks in first position with respect to all personal property of 629, save and except Accounts and Inventory.

Unitec

8. National Leasing Group has a first-in-time registration against lighting, subject to review of the agreement between National Leasing Group and Unitec to determine its validity and what it relates to and also if there may be an issue relating to fixtures priorities;

9. Roynat holds valid first-in-time and PMSI priority with respect to twelve (12) specific forklifts;

10. De Lage Landen holds valid first-in-time and PMSI priority with respect to two specific forklifts;

11. BNS holds valid personal property security in the form of a General Security Agreement over all assets of Unitec which effectively ranks in first position as it relates to Accounts and Inventory and second position as it relates to all other personal property as a result of certain postponement and priority agreements;

12. Roynat holds valid personal property security in the form of a Security Agreement over all assets of Unitec which ranks in first position with respect to all personal property of Unitec, save and except Accounts and Inventory as a result of certain postponement and priority agreements; and

13. The Bechard Group, subject to receipt and review of their agreements with Unitec to determine validity, holds valid personal property security over all assets of Unitec which ranks in third position with respect to all personal property of Unitec as a result of certain postponement and priority agreements.

DOCUMENTS REVIEWED

In preparing this opinion, we have been provided with and have reviewed the documentation listed in Schedule "A" to this letter. All references below to these documents will be as defined in Schedule "A".

ASSUMPTIONS AND QUALIFICATIONS

The comments and opinions hereafter expressed are subject to the assumptions and qualifications as set out in Schedule "B" to this letter.

1. ENTROPEX

Partnership Background

Entropex was a partnership carrying on business as a plastic recycler. The partners of Entropex were 629 and Unitec. Pursuant to Ontario law, a partnership owns its own property and any assets purchased by it or on its behalf for use in the partnership business are considered partnership assets. In addition, all partners in a partnership are personally liable for the debts of the partnership.

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Roynat Financing

Roynat extended financing to Entropex in the total amount of \$3,863,000 (U.S.) pursuant to an Offer to Finance letter dated April 17, 2014 (the "Roynat Financing"). The Roynat Financing was to be advanced by way of two tranches with the first disbursed on or before July 17, 2014 and the second being disbursed on or before December 15, 2014. The Roynat Financing was to bear interest at Roynat's U.S. floating base rate plus 3.25%.

We have not been provided with loan history documents to show that the full amount of both loans was advanced to Entropex but have been provided with copies of the demand letters issued to Entropex evidencing an amount outstanding of \$3,353,844.78 (U.S.) as of March 22, 2016. We do not understand there to be any issue that this amount is outstanding.

BNS Financing

BNS extended financing to Entropex in the total amount of \$5,250,000 pursuant to a Commitment Letter dated January 6, 2015, that was subsequently amended on four (4) separate occasions (the "BNS Financing"). We understand that this BNS Financing replaced or added to earlier financing provided to Entropex by BNS and therefore there are earlier commitment letters we have not reviewed. The BNS Financing was comprised of a \$5,000,000 operating credit bearing interest at the BNS prime rate plus 1.25%, as well as two VISA credit cards, one in the amount of \$150,000 and one in the amount of \$100,000.

We have not been provided with loan history documents to show that the full amount of the operating credit was advanced to Entropex, or how much was owing on the VISA credit cards, but have been provided with copies of the demand letters issued to Entropex evidencing an amount outstanding of \$3,875,947.31 as of March 18, 2016. We do not understand there to be any issue that this amount is outstanding.

Roynat Personal Property Security

We have reviewed a Debenture from Entropex to Roynat dated July 28, 2014 (the "Roynat Debenture"). The Roynat Debenture is in the sum of \$3,863,000.00 (U.S.) corresponding to the amount of the Roynat Financing. The Roynat Debenture appears to be a standard form Roynat document that has been signed by the Entropex partners, 629 and Unitec, by Keith Bechard ("Bechard"), the president of each company. It provides that it grants Roynat with a security interest in all real property of Entropex, as well as all personal property, other than inventory.

BNS Personal Property Security

We have reviewed a General Security Agreement from Entropex to BNS that is dated May 13, 2014 (the "BNS GSA"). The BNS GSA appears to be a standard form BNS document and to have been executed in the name of Entropex by its president, Bechard. The BNS GSA provides that it grants BNS with a security interest in all personal property of Entropex, including inventory.



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Personal Property Security Registration System Search

We have been provided with, and reviewed, a PPSA Search for Entropex with file currency July 7, 2016. This search reveals the following registrations against Entropex:

REGISTRATION DATE	CREDITOR	CATEGORIES	REGISTRATION PERIOD
2012/02/29	Roynat	Equipment, Other, MV Included – 6 specific forklifts	6 years
2013/04/11	Roynat	Equipment, Other, MV Included – 5 specific forklifts	4 years
2013/08/14	Roynat	Equipment, Other – 1 specific forklift	4 years
2013/12/19	De Lage Landen Financial Services Canada Inc.	Equipment, Accounts, Other, MV Included – 2 specific forklifts	6 years
2014/05/16	Roynat	Inventory, Equipment, Accounts, Other, MV Included	11 years
2014/05/16	Roynat	Accounts, Other – General Assignment of Rents	11 years
2014/05/22	BNS	Inventory, Equipment, Accounts, Other	5 years
2016/02/01	Xerox Canada Ltd.	Equipment, Other	6 years
2016/03/17	Unitec Inc.	Inventory, Equipment, Accounts, Other	10 years
2016/06/24	Ryder Truck Rental Canada Ltd.	Equipment, MV Included – 2011 International Pro	2 years

The general priority rules found in the PPSA provide that the priority of registrations is based upon the order in time of registration, subject to any specific priority rules that may apply such as PMSIs which if proven will grant the secured creditor priority over a specific asset or assets. Based upon the above list of registrations, the relative priorities with respect to the Entropex assets will be as follows:

1. With respect to the twelve (12) forklifts specifically described in the three initial registrations made by Roynat, Roynat will have priority over these specific items as a result of those registrations being first in time. As these three registrations made by Roynat contain a specific description of these forklifts in the "General Collateral Description" section of the registrations, the security interest is limited to those specific items;
2. The registration made by De Lage Landen is next in time and relates to two specific forklifts that are different than those covered by the prior Roynat registrations. As a result, pursuant to the general priority rules, De Lage will have priority over these two forklifts. In addition, we have reviewed a lease agreement between De Lage Landen and Entropex dated December 20, 2013 which includes a certificate of acceptance also dated December 20, 2013. As the De Lage PPSA registration is dated December 19, 2013, this registration qualifies as a PMSI and therefore also entitles De Lage to priority with respect to the two forklifts described;

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3. Roynat will have priority with respect to all remaining assets of Entropex, save and except inventory, as a result of the first of its two registrations dated May 16, 2014 with BNS being in second place as a result of its May 22, 2014 registration;
4. As previously reported to you, we have reviewed lease documentation provided by Xerox relating to three pieces of equipment and have concluded that Xerox holds a valid PMSI with respect to two of them but not the third. We confirm the Receiver has since received further evidence to establish that Xerox has a valid PMSI with respect to the third item; and
5. As also previously reported to you, although Ryder has made a PPSA registration, we have reviewed the Truck Lease and Service Agreement and determined it is dated June 30, 2015 with delivery occurring at or about that time and a term of 30 months. Based on this documentation, the Lease is covered by the PPSA and since Ryder did not make its registration before or within 15 days after Entropex took possession, Ryder does not qualify for a PMSI and therefore is subordinate to Roynat's interest.

As a result, and subject to our comments following relating to a priorities agreement, Roynat has priority with respect to all personal property assets of Entropex other than inventory, including the twelve (12) specific forklifts and BNS is in second position, subject to the first-in-time/PMSI priority of De Lage Landen in two specific forklifts and the PMSI priority of Xerox in three pieces of equipment.

Priorities Agreement

We have been provided with and reviewed a Priorities Agreement between the Province of Ontario, Roynat, BNS and Entropex (the "Priorities Agreement"). We understand that the Province of Ontario has been paid out and therefore we will not address their involvement in this matter.

The Priorities Agreement is dated July 31, 2014 and appears to be properly signed by all parties. It provides that BNS will have priority over Roynat as it relates to accounts receivable and inventory, while Roynat will maintain its priority with respect to all other personal property.

Entropex Personal Property Summary

As a result of the above, the priority position over the Entropex personal property assets is as follows:

1. Roynat with respect to twelve specific forklifts;
2. De Lage Landen with respect to two specific forklifts;
3. Xerox with respect to three specific pieces of equipment;
4. BNS with respect to accounts receivable and inventory; and
5. Roynat with respect to all remaining personal property.

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Mortgage Security – property municipally known as 1271 Lougar Avenue, Sarnia (the “Property”)

As set out above, Entropex provided Roynat with the Roynat Debenture dated July 28, 2014. The Roynat Debenture is in the sum of \$3,863,000.00 (U.S.) corresponding to the amount of the Roynat Financing. The Roynat Debenture appears to be a standard form Roynat document that has been signed by the Entropex partners, 629 and Unitec, by Keith Bechard (“Bechard”), the president of each company and it provides that it grants Roynat with a security interest in all real property of Entropex. As security for the Roynat Debenture, Entropex, along with 629 and Unitec, provided Roynat with a mortgage over the Property (the “Roynat Mortgage”).

In addition, BNS received a mortgage over the Property in the principal amount of \$5,000,000 as security for “all debts and liabilities, present or future ... at any time owing by (Entropex) to (BNS)” (the “BNS Mortgage”). The BNS Mortgage, which was registered on April 15, 2016, provides that it is repayable on demand and that the interest rate is the BNS prime rate plus 5%. It was provided by Entropex, as well as 629 and Unitec.

A review of a subsearch conducted with respect to the Property provides that the registered owners are Entropex, 629 and Unitec and the only two registered encumbrances against the Property are the Roynat Mortgage and the BNS Mortgage.

We are not providing an opinion on the enforceability of either the Roynat Mortgage or the BNS Mortgage as the lawyers who registered these mortgages will have provided reports on title. We do note however that as the Roynat Mortgage and the BNS Mortgage are the only two registered encumbrances with the Roynat Mortgage being registered prior to the BNS Mortgage, subject to any comments or qualifications that may have been provided by the previous lawyers and any agreements we are not aware of, it appears that the Roynat Mortgage has first priority, followed by the BNS Mortgage.

Property Taxes

We are not aware of the status of property taxes and at this time have not contacted the municipality to obtain a tax report with respect to the Property. We do note however that there are no registrations against the Property with respect to property tax arrears. If you wish us to obtain a report, please advise.

Execution Search

We have reviewed an execution search with respect to each of Entropex, 629 and Unitec dated July 8, 2016 and it reveals no executions.

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Entropex Summary

Based upon the above, it would appear that:

- (i) BNS holds valid, first ranking security as against the accounts receivable and inventory of Entropex based upon the BNS GSA, the registration made with respect to it and the Priorities Agreement;
- (ii) Roynat holds valid, first ranking security against the balance of the Entropex personal property subject to two valid PMSI claims of De Lage Landen and Xerox in certain specific assets; and
- (iii) Roynat holds a valid first mortgage against the Property with BNS holding a valid second mortgage.

2. 629 AND UNITEC

As set out above, pursuant to Ontario law, partners of a partnership are legally liable for all debts of the partnership. As a result, both 629 and Unitec are liable for the debts of Entropex.

In addition to this, we have been provided with additional documentation which shows that as added security for the indebtedness owed by Entropex, both Roynat and BNS obtained guarantees and related security from 629 and Unitec.

(a) 629

BNS Guarantee

We have been provided with an unlimited guarantee from 629 in favour of BNS dated May 15, 2014 (the "629 BNS Guarantee"). The 629 BNS Guarantee appears to be in the BNS standard form and to have been properly executed by Bechard as president of 629. The 629 BNS Guarantee is accompanied by a Resolution of the Directors of 629 authorizing Bechard to sign the 629 BNS Guarantee. The 629 BNS Guarantee provides that it is continuing and that it applies to any ultimate balance owed to BNS by Entropex.

BNS General Security Agreement

We have been provided with a General Security Agreement from 629 to BNS dated May 13, 2014 (the "629 BNS GSA"). The 629 BNS GSA appears to be in the BNS standard form and to have been properly signed by Bechard as president. The 629 BNS GSA provides that 629 grants BNS a security interest in the present and after acquired property of 629 which secures payment of all debts and liabilities, present and future, direct or indirect, at any time owing by 629 to BNS.

Roynat Guarantee

We have been provided with an unlimited, absolute and unconditional guarantee from 629 in favour of Roynat dated July 31, 2014 (the "629 Roynat Guarantee"). The 629 Roynat Guarantee appears to be in the Roynat standard form and to have been properly executed by Bechard as president of 629. The 629 Roynat Guarantee provides that it applies to all debts and liabilities, at any time owing to Roynat by Entropex.

November 12, 2016

Roynat Security Agreement

We have been provided with a Security Agreement from 629 to Roynat dated July 31, 2014 (the "629 Roynat GSA"). The 629 Roynat GSA appears to be in the Roynat standard form and to have been properly signed by Bechard as president of 629. The 629 Roynat GSA provides that 629 grants Roynat a security interest in all of the undertaking, property and assets of 629, then owned or thereafter acquired, which secures payment of all present indebtedness, liabilities and obligations owing by 629 to Roynat.

Personal Property Security Registration System Search

We have been provided with, and reviewed, a PPSA Search for 629 with file currency July 7, 2016. This search reveals the following registrations against 629:

REGISTRATION DATE	CREDITOR	CATEGORIES	REGISTRATION PERIOD
2012/02/29	Roynat	Equipment, Other, MV Included – 6 specific forklifts	6 years
2013/04/11	Roynat	Equipment, Other, MV Included – 5 specific forklifts	4 years
2013/08/14	Roynat	Equipment, Other – 1 specific forklift	4 years
2014/05/16	Roynat	Inventory, Equipment, Accounts, Other, MV Included	11 years
2014/05/16	Roynat	Inventory, Equipment, Accounts, Other, MV Includes	11 years
2014/05/16	Roynat	Accounts, Other – General Assignment of Rents	11 years
2014/05/22	BNS	Inventory, Equipment, Accounts, Other	5 years

Based upon the above registrations, Roynat holds first ranking security over all personal property assets of 629 with BNS holding second ranking security.

We have however been provided with and reviewed a priorities agreement dated July 31, 2014 between Roynat, BNS and both 629 and Unitec (the "Guarantors Priority Agreement"). Please note that this agreement is also signed by a number of other guarantors of the Entropex debt however as these parties are not subject to the receivership order we have not addressed them here.

The Guarantors Priority Agreement, which appears to be properly signed by all parties, provides that BNS will have priority over Roynat with respect to all accounts receivable and inventory of any of the guarantors, including 629 and Unitec.

629 Summary

As a result of the above, in terms of any assets of 629 that are realized upon by the Receiver, BNS will have priority over any accounts receivable and inventory while Roynat will have priority over everything else.



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November 12, 2016

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(b) Unitec**BNS Guarantee**

We have been provided with an unlimited guarantee from Unitec in favour of BNS dated May 15, 2014 (the "Unitec BNS Guarantee"). The Unitec BNS Guarantee appears to be in the BNS standard form and to have been properly executed by Bechard as president of Unitec. The Unitec BNS Guarantee is accompanied by a Resolution of the Directors of Unitec authorizing Bechard to sign the Unitec BNS Guarantee. The Unitec BNS Guarantee provides that it is continuing and that it applies to any ultimate balance owed to BNS by Entropex.

BNS General Security Agreement

We have been provided with a General Security Agreement from Unitec to BNS dated May 13, 2014 (the "Unitec BNS GSA"). The Unitec BNS GSA appears to be in the BNS standard form and to have been properly signed by Bechard as president. The Unitec BNS GSA provides that Unitec grants BNS a security interest in the present and after acquired property of Unitec which secures payment of all debts and liabilities, present and future, direct or indirect, at any time owing by Unitec to BNS.

Roynat Guarantee

We have been provided with an unlimited, absolute and unconditional guarantee from Unitec in favour of Roynat dated July 31, 2014 (the "Unitec Roynat Guarantee"). The Unitec Roynat Guarantee appears to be in the Roynat standard form and to have been properly executed by Bechard as president of Unitec. The Unitec Roynat Guarantee provides that it applies to all debts and liabilities, at any time owing to Roynat by Entropex.

Roynat Security Agreement

We have been provided with a Security Agreement from Unitec to Roynat dated July 31, 2014 (the "Unitec Roynat GSA"). The Unitec Roynat GSA appears to be in the Roynat standard form and to have been properly signed by Bechard as president. The Unitec Roynat GSA provides that Unitec grants Roynat a security interest in all of the undertaking, property and assets of Unitec, then owned or thereafter acquired, which secures payment of all present indebtedness, liabilities and obligations owing by Unitec to Roynat.

November 12, 2016

10

Personal Property Security Registration System Search

We have been provided with, and reviewed, a PPSA Search for Unitec with file currency July 7, 2016. This search reveals the following registrations against Unitec:

REGISTRATION DATE	CREDITOR	CATEGORIES	REGISTRATION PERIOD
2011/11/10	Deragon Leasing Inc.	Inventory, MV Included – 2010 Ford F150	5 years
2011/12/12	National Leasing Group Inc.	Equipment – all lighting described in a particular lease number	5 years
2012/02/29	Roynat	Equipment, Other, MV Included – 6 specific forklifts	6 years
2012/05/25	Bechard Group	Inventory, Equipment, Accounts, Other – collateral security pursuant to a PN and GSA both dated 09/10/09	10 years
2013/04/11	Roynat	Equipment, Other, MV Included – 5 specific forklifts	4 years
2013/08/14	Roynat	Equipment, Other – 1 specific forklift	4 years
2013/12/19	De Lage Landen Financial Services	Equipment, Accounts, Other, MV Included – 2 specific forklifts	6 years
2014/05/16	Roynat	Inventory, Equipment, Accounts, Other, MV Included	11 years
2014/05/16	Roynat	Inventory, Equipment, Accounts, Other, MV Includes	11 years
2014/05/16	Roynat	Accounts, Other – General Assignment of Rents	11 years
2014/05/22	BNS	Inventory, Equipment, Accounts, Other	5 years

Based upon the general priority rules found in the PPSA, if Unitec does in fact own any assets, the Bechard Group will have priority with respect to all personal property assets of Unitec, as a result of their registration made on May 25, 2012, with Roynat being in second place as a result of the May 16, 2014 registration and then BNS being in third place as a result of the May 22, 2014 registration.

These general security interests will however be subject to any prior specific security interests that are registered, any purchase money security interests that any other creditors can prove and any contractual agreements between the parties such as postponement or priority agreements. In that regard, and once again, if any of these assets are owned by Unitec, we can advise as follows:



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Specific Security and PMSIs

1. With respect to Deragon Leasing, this registration would qualify them for priority for inventory and the specific vehicle listed as a result of being the first in time registration; however, this registration was amended to remove Unitec as debtor and add a new party and therefore Deragon Leasing has no security over Unitec;
2. With respect to National Leasing Group, it is unclear what lighting is being dealt with here and we have not seen a copy of the agreement with Unitec. As a result, until it is determined what asset is involved and the agreement reviewed, we are unable to fully address the applicability of this registration. In addition, if this is lighting that has been installed into the real property then there will need to be an analysis made with respect to the fixture rules. At this point however, based solely on time and presuming there is a valid agreement, National will have priority with respect to this specific asset;
3. With respect to the twelve (12) forklifts specifically described in the three initial registrations made by Roynat, we have reviewed the three separate lease agreements that relate to these specific assets. Based on the information we have as to delivery of the items to Entropex, each of the registrations was made before or within 15 days of Entropex/Unitec taking possession and therefore Roynat will qualify for PMSIs in each case. As a result, Roynat will have priority over these specific items as a result of those registrations and the PMSIs; and
4. As previously reported to you, we have reviewed a lease agreement between De Lage Landen and Entropex dated December 20, 2013 which includes a certificate of acceptance also dated December 20, 2013. As the De Lage PPSA registration is dated December 19, 2013, this registration qualifies as a purchase money security interest ("PMSI") and therefore entitles De Lage to priority with respect to the two forklifts described.

BNS Postponement Agreement

We have reviewed postponement agreements signed in favour of BNS by each of the seven (7) members of the Bechard Group (the "BNS Postponements"). The BNS Postponements are all signed between May 15, 2014 and July 17, 2014 and are acknowledged and accepted by Unitec. The BNS Postponements provide as follows:

1. The debt owed by Unitec to the Bechard Group is postponed to payment in full of the debt owed by Unitec to BNS;
2. The Bechard Group assigns and transfers to BNS all debt owed by Unitec to the Bechard Group and all securities and rights of any nature held by the Bechard Group as collateral; and
3. The Bechard Group agrees that all money received by them in payment of the debt owed by Unitec to the Bechard Group is held in trust for BNS.

Based upon our review of the BNS Postponements, the effect of them is to postpone payment by Unitec of its debt owed to the Bechard Group in favour of BNS such that BNS is entitled to be paid by Unitec in priority to the Bechard Group. In addition, the Bechard Group has assigned their debt and related rights to BNS. As a result, we are satisfied that although these documents don't technically subordinate the Bechard Group security to BNS, the effect of them is to entitle BNS to receive any money otherwise payable to the Bechard Group either from Unitec or on account of the debt owed by it.

Roynat Postponement Agreement

We have reviewed a postponement agreement signed in favour of Roynat by each of the seven (7) members of the Bechard Group dated July 31, 2014 (the "Roynat Postponement"). The Roynat Postponement is acknowledged and consented to by Entropex by way of signature of both 629 and Unitec. The Roynat Postponement provides as follows:

1. The debt owed by Unitec to the Bechard Group, along with any security for that debt, is postponed and subordinated to all debt owed by Entropex to Roynat;
2. The Bechard Group assigns and transfers to Roynat the debt owed by Unitec to the Bechard Group together with any security held by the Bechard Group for that debt; and
3. Any payment received by the Bechard Group from Unitec in payment of the debt owed by Unitec to the Bechard Group is held in trust for Roynat.

Based upon the above, the Bechard Group has subordinated its security against Unitec in favour of Roynat. In addition, the Bechard Group has assigned their debt and security against Unitec to Roynat. As a result, we are satisfied that Roynat has priority over the Bechard Group with respect to the assets of Unitec and the repayment of the debt owed by Unitec.

Priorities Agreement

We have also been provided with and reviewed a priorities agreement dated July 31, 2014 between Roynat, BNS and both 629 and Unitec (the "Guarantors Priority Agreement"). Please note that this agreement is also signed by a number of other guarantors of the Entropex debt however as these parties are not subject to the receivership order we have not addressed them here.

The Guarantors Priority Agreement, which appears to be properly signed by all parties, provides that BNS will have priority over Roynat with respect to all accounts receivable and inventory of any of the guarantors, including 629 and Unitec. As a result, in terms of any assets of Unitec that are realized upon by the Receiver, BNS will have priority over Roynat with respect to any accounts receivable and inventory while Roynat will have priority over BNS with respect to everything else.

Unitec Summary

As a result of all of the above, the effective priority position over any Unitec assets that may exist is as follows:

1. National Leasing Group with respect to lighting subject to determining what this relates to and if there is a fixtures analysis to be made;
2. Roynat with respect to twelve specific forklifts;
3. De Lage Landen with respect to two specific forklifts;
4. BNS with respect to accounts receivable and inventory;
5. Roynat with respect to all remaining personal property; and
6. The Bechard Group with respect to all remaining personal property.

November 12, 2016

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Upon your receipt and review of this opinion, please contact me if you have any questions or if you wish to discuss anything further at this time.

Yours truly,

David S. Swift
Advocates LLP



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SCHEDULE "A"**Entropex Documents**

1. Roynat Offer to Finance dated April 17, 2014;
2. BNS Commitment Letter dated January 6, 2015, along with four amendment letters;
3. Roynat Debenture dated July 28, 2014;
4. BNS General Security Agreement dated May 13, 2014;
5. Roynat Leases;
6. De Lage Landen lease agreement dated December 20, 2013;
7. Xerox Lease;
8. Ryder Truck Lease and Service Agreement dated June 30, 2015;
9. Priorities Agreement dated July 31, 2014 between BNS, Roynat and Province of Ontario;
10. Roynat Mortgage registered ;
11. BNS Mortgage registered April 15, 2016.

629 Documents

12. Unlimited Guarantee to BNS dated May 15, 2014;
13. BNS General Security Agreement dated May 13, 2014;
14. Unlimited Guarantee to Roynat dated July 31, 2014;
15. Roynat Security Agreement dated July 31, 2014;
16. Priorities Agreement dated July 31, 2014 between BNS, Roynat, 629, Unitec and others.

Unitec Documents

17. Unlimited Guarantee to BNS dated May 15, 2014;
18. BNS General Security Agreement dated May 13, 2014;
19. Unlimited Guarantee to Roynat dated July 31, 2014;
20. Roynat Security Agreement dated July 31, 2014;
21. Postponement Agreements between BNS and seven individuals making up the Bechard group dated between May 15, 2014 and July 17, 2014;
22. Postponement Agreement between Roynat and the seven individuals making up the Bechard group dated July 31, 2014; and
23. Priorities Agreement dated July 31, 2014 between BNS, Roynat, 629, Unitec and others.

SCHEDULE "B"**ASSUMPTIONS AND QUALIFICATIONS**

1. We assume the genuineness of all signatures and the authenticity of the documents provided;
2. We have relied, without independent verification, upon matters of fact provided by public officials;
3. We have assumed the accuracy and currency of all public records, indexes and filing systems where we have searched or inquired or caused searches or inquiries to be made;
4. The enforcement of the security documentation may be limited by bankruptcy, insolvency, ability of proving any debt owed by the various debtors, moratorium, arrangement, personal property security and other laws generally affecting the enforceability of the creditor's rights and subject to the availability of equitable remedies;
5. The documents referred to herein have been duly executed and delivered by the debtor(s) and/or the corporation(s) or individual(s) executing same and constitute a valid and legally binding enforceable obligation of the various debtors; and
6. No opinion is expressed as to any specific remedy that may be granted, imposed or rendered and, in particular, no opinion is expressed as to the availability of the remedy of specific performance or any other equitable remedies in any particular instance.

TAB R

60250



Ontario Search Results
ID 1356172
Search Type [BD] Business Debtor

Liens : 12 Pages : 28

Searched :15NOV2016 02:07 PM
Printed :15NOV2016 02:38 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:05:20
 ACCOUNT : 009233-0001 FAMILY : 1 OF 12 ENQUIRY PAGE : 1 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 676530315 EXPIRY DATE : 01MAR 2018 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED : X
 REG NUM : 20120229 1657 1901 3195 REG TYP: P PPSA REG PERIOD: 06
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:
 08 SECURED PARTY/LIEN CLAIMANT :

ROYNAT INC.
 09 ADDRESS : SUITE 1500, 4710 KINGSWAY ST.
 CITY : BURNABY PROV: BC POSTAL CODE: V5H 4M2
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10	YEAR MAKE		MODEL	V.I.N.
11	2012 HYSTER	X	S50FT	F187V20061K
12	2012 HYSTER	X	S50FT	F187V20063K

GENERAL COLLATERAL DESCRIPTION
 13 CUSHION TIRE FORKLIFT(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES
 14 ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS
 15 THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY
 16 AGENT: AVS SYSTEMS INC.
 17 ADDRESS : 201 - 1325 POLSON DR.
 CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

00252

PSSME17 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY MOTOR VEHICLE SCHEDULE 14:05:26
ACCOUNT : 009233-0001 FAMILY : 1 OF 12 ENQUIRY PAGE : 3 OF 28
FILE CURRENCY : 14NOV 2016
00 REF: 676530315 01 PAGE: 003 OF 3 REG NUM: 20120229 1657 1901 3195
YEAR (===== MAKE =====) (===== MODEL =====) (===== V.I.N. =====)
41 2012 HYSTER S50FT F187V20066K
42 2012 HYSTER S50FT F187V20067K
43
44
45
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00253

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 14:05:30
 ACCOUNT : 009233-0001 FAMILY : 1 OF 12 ENQUIRY PAGE : 4 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

FILE NUMBER 676530315
 PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 2 MV SCHED: 20120302 1328 1901 3252
 21 REFERENCE FILE NUMBER : 676530315
 22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: ENTROPEX

25 OTHER CHANGE:
 26 REASON: ADDING DEBTOR 629728 ONTARIO LIMITED (1271 LOUGAR AVE) ADDING
 27 /DESCR: DEBTOR UNITEC INC. (1271 LOUGAR AVE)
 28 :
 02/05 IND/TRANSFEREE:
 03/06 BUS NAME/TRFEE: 629728 ONTARIO LIMITED

OCN:
 04/07 ADDRESS: 1271 LOUGAR AVE
 CITY: SARNIA PROV: ON POSTAL CODE: N7S5N5
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : AVS SYSTEMS INC
 17 ADDRESS : 201-1325 POLSON DRIVE
 CITY : VERNON PROV : BC POSTAL CODE : V1T 8H2

00255

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:05:36
 ACCOUNT : 009233-0001 FAMILY : 2 OF 12 ENQUIRY PAGE : 6 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 685990539 EXPIRY DATE : 11APR 2017 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED : X
 REG NUM : 20130411 1127 1902 7278 REG TYP: P PPSA REG PERIOD: 04
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: 629728 ONTARIO LIMITED

OCN :
 07 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 08 SECURED PARTY/LIEN CLAIMANT :
 ROYNAT INC.

09 ADDRESS : SUITE 1500, 4710 KINGSWAY ST.
 CITY : BURNABY PROV: BC POSTAL CODE: V5H 4M2
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X
 YEAR MAKE MODEL V.I.N.
 11 2013 CATERPILLAR 2C6000 AT83F32129
 12 2013 CATERPILLAR 2C6000 AT83F32158

GENERAL COLLATERAL DESCRIPTION
 13 FORKLIFT(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS
 14 REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL
 15 PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE
 16 AGENT: AVS SYSTEMS INC.
 17 ADDRESS : 201 - 1325 POLSON DR.
 CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

60256

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:05:39
 ACCOUNT : 009233-0001 FAMILY : 2 OF 12 ENQUIRY PAGE : 7 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 685990539 EXPIRY DATE : 11APR 2017 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20130411 1127 1902 7278 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME: UNITEC INC.

04 ADDRESS : 1271 LOUGAR AVE OCN :
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5

05 IND DOB : IND NAME:
 06 BUS NAME:

07 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10	YEAR MAKE	MODEL	V.I.N.
11	2013 CATERPILLAR	2C6000	AT83F32130
12	2013 CATERPILLAR	2C6000	AT83F32159

GENERAL COLLATERAL DESCRIPTION

13 AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE
 14 PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
 15 DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00257

PSSME17 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY MOTOR VEHICLE SCHEDULE 14:05:42
ACCOUNT : 009233-0001 FAMILY : 2 OF 12 ENQUIRY PAGE : 8 OF 28
FILE CURRENCY : 14NOV 2016
00 REF: 685990539 01 PAGE: 003 OF 3 REG NUM: 20130411 1127 1902 7278
YEAR (===== MAKE =====) (===== MODEL =====) (===== V.I.N. =====)
41 2013 CATERPILLAR 2C6000 AT83F32160
42
43
44
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60258

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:05:43
 ACCOUNT : 009233-0001 FAMILY : 3 OF 12 ENQUIRY PAGE : 9 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 689453919 EXPIRY DATE : 14AUG 2017 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20130814 1115 1902 0954 REG TYP: P PPSA REG PERIOD: 04
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: 629728 ONTARIO LIMITED

OCN :
 07 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 08 SECURED PARTY/LIEN CLAIMANT :
 ROYNAT INC.

09 ADDRESS : SUITE 1500, 4710 KINGSWAY ST.
 CITY : BURNABY PROV: BC POSTAL CODE: V5H 4M2
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X
 YEAR MAKE MODEL V.I.N.
 11 2013 CATERPILLAR/MITSU GC40K AT87B00096
 12

GENERAL COLLATERAL DESCRIPTION
 13 FORKLIFT(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS
 14 REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL
 15 PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE
 16 AGENT: AVS SYSTEMS INC.
 17 ADDRESS : 201 - 1325 POLSON DR.
 CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

00260

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:05:51
 ACCOUNT : 009233-0001 FAMILY : 4 OF 12 ENQUIRY PAGE : 11 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 692723727 EXPIRY DATE : 19DEC 2019 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20131219 1946 1531 3465 REG TYP: P PPSA REG PERIOD: 6
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: UNITEC INC.

OCN :
 07 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 08 SECURED PARTY/LIEN CLAIMANT :
 DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.

09 ADDRESS : 3450 SUPERIOR COURT, UNIT 1
 CITY : OAKVILLE PROV: ON POSTAL CODE: L6L 0C4
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X
 YEAR MAKE MODEL V.I.N.
 11 2012 CATERPILLAR P8000 AT4000521
 12 2012 CATERPILLAR P8000 AT4000522

GENERAL COLLATERAL DESCRIPTION
 13 ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE
 14 IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, WHEREVER
 15 SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO,
 16 AGENT: D+H LIMITED PARTNERSHIP
 17 ADDRESS : SUITE 200, 4126 NORLAND AVENUE
 CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

00261

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:05:55
 ACCOUNT : 009233-0001 FAMILY : 4 OF 12 ENQUIRY PAGE : 12 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 692723727 EXPIRY DATE : 19DEC 2019 STATUS :
 01 CAUTION FILING : PAGE : 02 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20131219 1946 1531 3465 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME: OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL
 14 REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR
 15 ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED

16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00267

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:16
 ACCOUNT : 009233-0001 FAMILY : 7 OF 12 ENQUIRY PAGE : 18 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 696359376 EXPIRY DATE : 22MAY 2019 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20140522 1111 1532 7864 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

04 ADDRESS : 1271 LOUGAR AVENUE OCN :
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 THE BANK OF NOVA SCOTIA

09 ADDRESS : 20 QUEEN ST WEST 4TH FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 3R3
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X
 YEAR MAKE MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: CSRS

17 ADDRESS : 4126 NORLAND AVE
 CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

00268

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:20
ACCOUNT : 009233-0001 FAMILY : 8 OF 12 ENQUIRY PAGE : 19 OF 28
FILE CURRENCY : 14NOV 2016
SEARCH : BD : ENTROPEX

00 FILE NUMBER : 713726856 EXPIRY DATE : 01FEB 2022 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20160201 1408 1462 9276 REG TYP: P PPSA REG PERIOD: 6
02 IND DOB : IND NAME:
03 BUS NAME: ENTROPEX CORPORATION INC

OCN :
04 ADDRESS : 1271 LOUGAR AVE
CITY : SARNIA PROV: ON POSTAL CODE: N7S5N5
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
XEROX CANADA LTD

09 ADDRESS : 33 BLOOR ST. E. 3RD FLOOR
CITY : TORONTO PROV: ON POSTAL CODE: M4W3H1

CONS.	GOODS	INVTRY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	DATE OF	OR NO	FIXED
								MATURITY		MAT DATE
		X			X					X
	YEAR	MAKE			MODEL			V.I.N.		

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: PPSA CANADA INC. - (3992)

17 ADDRESS : 110 SHEPPARD AVE EAST, SUITE 303
CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

00270

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:28
 ACCOUNT : 009233-0001 FAMILY : 10 OF 12 ENQUIRY PAGE : 21 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 717998859 EXPIRY DATE : 24JUN 2018 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20160624 1402 1462 6966 REG TYP: P PPSA REG PERIOD: 2
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S5N5
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 RYDER TRUCK RENTAL CANADA LTD

09 ADDRESS : 700 CREDITSTONE ROAD
 CITY : CONCORD PROV: ON POSTAL CODE: L4K5A5
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X
 YEAR MAKE MODEL V.I.N.
 11 2011 INTL PRO LF627 PREM 1HSCUAPR2BJ388378
 12

GENERAL COLLATERAL DESCRIPTION
 13
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16 AGENT: PPSA CANADA INC.
 17 ADDRESS : 110 SHEPPARD AVE EAST, STE 303
 CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

00271

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:32
 ACCOUNT : 009233-0001 FAMILY : 11 OF 12 ENQUIRY PAGE : 22 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 719940276 EXPIRY DATE : 25AUG 2017 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160825 1054 1590 5536 REG TYP: P PPSA REG PERIOD: 1
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX LOGISTICS INC.

OCN :
 04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: 629728 ONTARIO LIMITED

OCN :
 07 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 08 SECURED PARTY/LIEN CLAIMANT :
 HEWITT MATERIAL HANDLING INC.

09 ADDRESS : 5001 TRANS CANADA HIGHWAY
 CITY : POINTE-CLAIRE PROV: QC POSTAL CODE: H9R 4R6
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X
 YEAR MAKE MODEL V.I.N.
 11 CATERPILLAR 2C5000 AT9040645
 12

GENERAL COLLATERAL DESCRIPTION
 13 CATERPILLAR 5000 LB IC CUSHION, SERIAL NUMBER AT9040645, TOGETHER
 14 WITH ALL ATTACHMENTS, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,
 15 ADDITIONS AND IMPROVEMENTS THERETO AND ANY AND ALL PROCEEDS ARISING
 16 AGENT: DENTONS CANADA LLP (AF/JSALMAS)
 17 ADDRESS : 77 KING STREET WEST, SUITE 400
 CITY : TORONTO PROV: ON POSTAL CODE: M5K 0A1

00272

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:35
ACCOUNT : 009233-0001 FAMILY : 11 OF 12 ENQUIRY PAGE : 23 OF 28
FILE CURRENCY : 14NOV 2016
SEARCH : BD : ENTROPEX

00 FILE NUMBER : 719940276 EXPIRY DATE : 25AUG 2017 STATUS :
01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
REG NUM : 20160825 1054 1590 5536 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME: UNITEC INC.

04 ADDRESS : 1271 LOUGAR AVENUE OCN :
CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 YEAR MAKE MODEL V.I.N.

11
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GENERAL COLLATERAL DESCRIPTION

13 THEREFROM INCLUDING, WITHOUT LIMITATION, ACCOUNTS, MONEY, CHATTEL
14 PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, LICENSES, INSTRUMENTS,
15 SECURITIES, SUBSTITUTIONS, TRADE-INS, INSURANCE PROCEEDS AND ANY

16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

00274

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 14:06:43
 ACCOUNT : 009233-0001 FAMILY : 11 OF 12 ENQUIRY PAGE : 25 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

FILE NUMBER 719940276
 PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 1 MV SCHED: 20160829 1635 1590 5758
 21 REFERENCE FILE NUMBER : 719940276
 22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: ENTROPEX LOGISTICS INC.

25 OTHER CHANGE:
 26 REASON: AMEND REGISTRATION TO INCLUDE ADDITIONAL BUSINESS DEBTOR.
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE: ENTROPEX .

OCN:
 04/07 ADDRESS: 1271 LOUGAR AVENUE
 CITY: SARNIA PROV: ON POSTAL CODE: N7S 5N5
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE
 10
 11
 12
 13
 14
 15
 16 NAME : DENTONS CANADA LLP (AF/JSALMAS)
 17 ADDRESS : 77 KING STREET WEST, SUITE 400
 CITY : TORONTO PROV : ON POSTAL CODE : M5K 0A1

60277

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:54
 ACCOUNT : 009233-0001 FAMILY : 12 OF 12 ENQUIRY PAGE : 28 OF 28
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : ENTROPEX

00 FILE NUMBER : 720602874 EXPIRY DATE : 14SEP 2019 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160914 1738 1590 6707 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME: OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 PROCEEDS- ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE
 14 DEBTOR.

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

END OF REPORT

TAB S

60273



SECURITY IS EVERYTHING
Phone: (416) 225-5511

Ontario Search Results
ID 1356174
Search Type [BD] Business Debtor

Liens : 11 Pages : 33

Searched :15NOV2016 02:10 PM
Printed :15NOV2016 02:40 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:13
ACCOUNT : 009233-0001 FAMILY : 1 OF 11 ENQUIRY PAGE : 1 OF 33
FILE CURRENCY : 14NOV 2016
SEARCH : BD : UNITEC INC

00 FILE NUMBER : 676530315 EXPIRY DATE : 01MAR 2018 STATUS :
01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED : X
REG NUM : 20120229 1657 1901 3195 REG TYP: P PPSA REG PERIOD: 06
02 IND DOB : IND NAME:
03 BUS NAME: ENTROPEX

OCN :
04 ADDRESS : 1271 LOUGAR AVE
CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ROYNAT INC.

09 ADDRESS : SUITE 1500, 4710 KINGSWAY ST.
CITY : BURNABY PROV: BC POSTAL CODE: V5H 4M2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X
YEAR MAKE MODEL V.I.N.
11 2012 HYSTER S50FT F187V20061K
12 2012 HYSTER S50FT F187V20063K

GENERAL COLLATERAL DESCRIPTION

13 CUSHION TIRE FORKLIFT(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES
14 ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS
15 THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY
16 AGENT: AVS SYSTEMS INC.
17 ADDRESS : 201 - 1325 POLSON DR.
CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

00279

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:17
 ACCOUNT : 009233-0001 FAMILY : 1 OF 11 ENQUIRY PAGE : 2 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 676530315 EXPIRY DATE : 01MAR 2018 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20120229 1657 1901 3195 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:

CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10	YEAR MAKE	MODEL	V.I.N.
11	2012 HYSTER	S50FT	F187V20064K
12	2012 HYSTER	S50FT	F187V20065K

GENERAL COLLATERAL DESCRIPTION

13 FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN
 14 INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES
 15 FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00280

PSSME17 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY MOTOR VEHICLE SCHEDULE 14:07:20
ACCOUNT : 009233-0001 FAMILY : 1 OF 11 ENQUIRY PAGE : 3 OF 33
FILE CURRENCY : 14NOV 2016
00 REF: 676530315 01 PAGE: 003 OF 3 REG NUM: 20120229 1657 1901 3195
YEAR (===== MAKE =====) (===== MODEL =====) (===== V.I.N. =====)
41 2012 HYSTER S50FT F187V20066K
42 2012 HYSTER S50FT F187V20067K
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00282

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 14:07:28
 ACCOUNT : 009233-0001 FAMILY : 1 OF 11 ENQUIRY PAGE : 5 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

FILE NUMBER 676530315
 REGISTRATION NUM REG TYPE
 01 CAUTION : PAGE TOT 002 OF 2 MV SCHED: 20120302 1328 1901 3252
 21 REFERENCE FILE NUMBER : 676530315
 22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE: UNITEC INC.

OCN:
 04/07 ADDRESS: 1271 LOUGAR AVE
 CITY: SARNIA PROV: ON POSTAL CODE: N7S5N5
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :
 17 ADDRESS :
 CITY : PROV : POSTAL CODE :

60283

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:31
 ACCOUNT : 009233-0001 FAMILY : 2 OF 11 ENQUIRY PAGE : 6 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 678649095 EXPIRY DATE : 25MAY 2022 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 007 MV SCHEDULE ATTACHED :
 REG NUM : 20120525 1459 1862 9663 REG TYP: P PPSA REG PERIOD: 10
 02 IND DOB : IND NAME:
 03 BUS NAME: UNITEC INC.

OCN : 1644435

04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ONT POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 KEVIN BECHARD

09 ADDRESS : C/O 1166 LONDON ROAD
 CITY : SARNIA PROV: ONT POSTAL CODE: N7S 1P4

CONS.	GOODS	INVTY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	DATE OF MATURITY	OR NO FIXED	MAT DATE
	X	X	X	X						X
10	YEAR MAKE				MODEL			V.I.N.		

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GENERAL COLLATERAL DESCRIPTION

13 COLLATERAL SECURITY PURSUANT TO A PROMISSORY NOTE DATED OCTOBER 9,
 14 2009 AND A GENERAL SECURITY AGREEMENT DATED OCTOBER 9, 2009
 15

16 AGENT: CARLO CIMETTA PROFESSIONAL CORPORATION

17 ADDRESS : P.O. BOX 2259
 CITY : SARNIA PROV: ONT POSTAL CODE: N7T 7L7

00285

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:38
 ACCOUNT : 009233-0001 FAMILY : 2 OF 11 ENQUIRY PAGE : 8 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 678649095 EXPIRY DATE : 25MAY 2022 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 007 MV SCHEDULE ATTACHED :
 REG NUM : 20120525 1459 1862 9663 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:
 08 SECURED PARTY/LIEN CLAIMANT :
 KEITH BECHARD

09 ADDRESS : C/O 1166 LONDON ROAD
 CITY : SARNIA PROV: ONT POSTAL CODE: N7S 1P4
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
 12 GENERAL COLLATERAL DESCRIPTION
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 16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00286

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:41
 ACCOUNT : 009233-0001 FAMILY : 2 OF 11 ENQUIRY PAGE : 9 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 678649095 EXPIRY DATE : 25MAY 2022 STATUS :
 01 CAUTION FILING : PAGE : 004 OF 007 MV SCHEDULE ATTACHED :
 REG NUM : 20120525 1459 1862 9663 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 CHRISTOPHER BECHARD

09 ADDRESS : C/O 1166 LONDON ROAD
 CITY : SARNIA PROV: ONT POSTAL CODE: N7S 1P4
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

20288

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:47
ACCOUNT : 009233-0001 FAMILY : 2 OF 11 ENQUIRY PAGE : 11 OF 33
FILE CURRENCY : 14NOV 2016
SEARCH : BD : UNITEC INC

00 FILE NUMBER : 678649095 EXPIRY DATE : 25MAY 2022 STATUS :
01 CAUTION FILING : PAGE : 006 OF 007 MV SCHEDULE ATTACHED :
REG NUM : 20120525 1459 1862 9663 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:

04 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
PATRICIA PEQUEGNAT

09 ADDRESS : C/O 1166 LONDON ROAD
CITY : SARNIA PROV: ONT POSTAL CODE: N7S 1P4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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12
GENERAL COLLATERAL DESCRIPTION

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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

00289

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:50
 ACCOUNT : 009233-0001 FAMILY : 2 OF 11 ENQUIRY PAGE : 12 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 678649095 EXPIRY DATE : 25MAY 2022 STATUS :
 01 CAUTION FILING : PAGE : 007 OF 007 MV SCHEDULE ATTACHED :
 REG NUM : 20120525 1459 1862 9663 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 JOAN HETT

09 ADDRESS : C/O 1166 LONDON ROAD
 CITY : SARNIA PROV: ONT POSTAL CODE: N7S 1P4

CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00290

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:53
 ACCOUNT : 009233-0001 FAMILY : 3 OF 11 ENQUIRY PAGE : 13 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 685990539 EXPIRY DATE : 11APR 2017 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED : X
 REG NUM : 20130411 1127 1902 7278 REG TYP: P PPSA REG PERIOD: 04
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: 629728 ONTARIO LIMITED

OCN :
 07 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 08 SECURED PARTY/LIEN CLAIMANT :
 ROYNAT INC.

09 ADDRESS : SUITE 1500, 4710 KINGSWAY ST.
 CITY : BURNABY PROV: BC POSTAL CODE: V5H 4M2
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X
 YEAR MAKE MODEL V.I.N.
 11 2013 CATERPILLAR 2C6000 AT83F32129
 12 2013 CATERPILLAR 2C6000 AT83F32158

GENERAL COLLATERAL DESCRIPTION
 13 FORKLIFT(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS
 14 REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL
 15 PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE
 16 AGENT: AVS SYSTEMS INC.
 17 ADDRESS : 201 - 1325 POLSON DR.
 CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

00291

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:55
ACCOUNT : 009233-0001 FAMILY : 3 OF 11 ENQUIRY PAGE : 14 OF 33
FILE CURRENCY : 14NOV 2016
SEARCH : BD : UNITEC INC

00 FILE NUMBER : 685990539 EXPIRY DATE : 11APR 2017 STATUS :
01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
REG NUM : 20130411 1127 1902 7278 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME: UNITEC INC.

OCN :
04 ADDRESS : 1271 LOUGAR AVE
CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11 2013 CATERPILLAR 2C6000 AT83F32130
12 2013 CATERPILLAR 2C6000 AT83F32159

GENERAL COLLATERAL DESCRIPTION
13 AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE
14 PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
15 DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

00292

PSSME17 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL369 DISPLAY MOTOR VEHICLE SCHEDULE 14:07:58
ACCOUNT : 009233-0001 FAMILY : 3 OF 11 ENQUIRY PAGE : 15 OF 33
FILE CURRENCY : 14NOV 2016
00 REF: 685990539 01 PAGE: 003 OF 3 REG NUM: 20130411 1127 1902 7278
YEAR (===== MAKE =====) (===== MODEL =====) (===== V.I.N. =====)
41 2013 CATERPILLAR 2C6000 AT83F32160
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00294

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:03
 ACCOUNT : 009233-0001 FAMILY : 4 OF 11 ENQUIRY PAGE : 17 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 689453919 EXPIRY DATE : 14AUG 2017 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20130814 1115 1902 0954 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME: UNITEC INC.

04 ADDRESS : 1271 LOUGAR AVE OCN :
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME:

07 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:
 08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE
 14 PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
 15 DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL
 16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

60295

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:06
 ACCOUNT : 009233-0001 FAMILY : 5 OF 11 ENQUIRY PAGE : 18 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 692723727 EXPIRY DATE : 19DEC 2019 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20131219 1946 1531 3465 REG TYP: P PPSA REG PERIOD: 6

02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :

04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5

05 IND DOB : IND NAME:
 06 BUS NAME: UNITEC INC.

OCN :

07 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5

08 SECURED PARTY/LIEN CLAIMANT :
 DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.

09 ADDRESS : 3450 SUPERIOR COURT, UNIT 1
 CITY : OAKVILLE PROV: ON POSTAL CODE: L6L 0C4

GOODS	INVTRY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	DATE OF	OR NO	FIXED
							MATURITY	MAT	DATE
10	X	X	X	X					
	YEAR	MAKE		MODEL			V.I.N.		
11	2012	CATERPILLAR		P8000			AT4000521		
12	2012	CATERPILLAR		P8000			AT4000522		

GENERAL COLLATERAL DESCRIPTION

13 ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE
 14 IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, WHEREVER
 15 SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO,
 16 AGENT: D+H LIMITED PARTNERSHIP
 17 ADDRESS : SUITE 200, 4126 NORLAND AVENUE
 CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

00296

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:09
 ACCOUNT : 009233-0001 FAMILY : 5 OF 11 ENQUIRY PAGE : 19 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 692723727 EXPIRY DATE : 19DEC 2019 STATUS :
 01 CAUTION FILING : PAGE : 02 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20131219 1946 1531 3465 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME: OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL
 14 REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR
 15 ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED

16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00297

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:12
 ACCOUNT : 009233-0001 FAMILY : 5 OF 11 ENQUIRY PAGE : 20 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 692723727 EXPIRY DATE : 19DEC 2019 STATUS :
 01 CAUTION FILING : PAGE : 03 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20131219 1946 1531 3465 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 THEREFROM.

14
15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00301

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:22
 ACCOUNT : 009233-0001 FAMILY : 8 OF 11 ENQUIRY PAGE : 24 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 696221163 EXPIRY DATE : 16MAY 2025 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 002 MV SCHEDULE ATTACHED :
 REG NUM : 20140516 1348 1862 1922 REG TYP: P PPSA REG PERIOD: 11
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: UNITEC INC.

OCN :
 07 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 08 SECURED PARTY/LIEN CLAIMANT :
 ROYNAT INC.

09 ADDRESS : 40 KING STREET WEST, 26TH FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 1H1
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE X X MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION
13 GENERAL ASSIGNMENT OF RENTS

14
15

16 AGENT: MILLER THOMSON LLP (KS)
 17 ADDRESS : 255 QUEENS AVE, SUITE 2010
 CITY : LONDON PROV: ON POSTAL CODE: N6A 5R8

00303

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:28
 ACCOUNT : 009233-0001 FAMILY : 9 OF 11 ENQUIRY PAGE : 26 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 696369411 EXPIRY DATE : 22MAY 2019 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20140522 1503 1532 7915 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: UNITEC INC.

04 ADDRESS : 1271 LOUGAR AVENUE OCN :
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME:

07 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 THE BANK OF NOVA SCOTIA

09 ADDRESS : 20 QUEEN ST WEST 4TH FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 3R3
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X
 YEAR MAKE MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

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 14
 15

16 AGENT: CSRS

17 ADDRESS : 4126 NORLAND AVE
 CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

00304

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:30
 ACCOUNT : 009233-0001 FAMILY : 10 OF 11 ENQUIRY PAGE : 27 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 719940276 EXPIRY DATE : 25AUG 2017 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160825 1054 1590 5536 REG TYP: P PPSA REG PERIOD: 1
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX LOGISTICS INC.

OCN :

04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: 629728 ONTARIO LIMITED

OCN :

07 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 08 SECURED PARTY/LIEN CLAIMANT :
 HEWITT MATERIAL HANDLING INC.

09 ADDRESS : 5001 TRANS CANADA HIGHWAY
 CITY : POINTE-CLAIRE PROV: QC POSTAL CODE: H9R 4R6
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X
 YEAR MAKE MODEL V.I.N.
 11 CATERPILLAR 2C5000 AT9040645
 12

GENERAL COLLATERAL DESCRIPTION
 13 CATERPILLAR 5000 LB IC CUSHION, SERIAL NUMBER AT9040645, TOGETHER
 14 WITH ALL ATTACHMENTS, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,
 15 ADDITIONS AND IMPROVEMENTS THERETO AND ANY AND ALL PROCEEDS ARISING
 16 AGENT: DENTONS CANADA LLP (AF/JSALMAS)
 17 ADDRESS : 77 KING STREET WEST, SUITE 400
 CITY : TORONTO PROV: ON POSTAL CODE: M5K 0A1

00306

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:35
 ACCOUNT : 009233-0001 FAMILY : 10 OF 11 ENQUIRY PAGE : 29 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 719940276 EXPIRY DATE : 25AUG 2017 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160825 1054 1590 5536 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME: OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION
13 OTHER FORM OF PROCEEDS DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

14
15

16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00807

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 2C REGISTRATION - SCREEN 1 14:08:38
 ACCOUNT : 009233-0001 FAMILY : 10 OF 11 ENQUIRY PAGE : 30 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

FILE NUMBER 719940276

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 1 MV SCHED: 20160829 1635 1590 5758
 21 REFERENCE FILE NUMBER : 719940276
 22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: ENTROPEX LOGISTICS INC.

25 OTHER CHANGE:
 26 REASON: AMEND REGISTRATION TO INCLUDE ADDITIONAL BUSINESS DEBTOR.
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE: ENTROPEX

OCN:

04/07 ADDRESS: 1271 LOUGAR AVENUE
 CITY: SARNIA PROV: ON POSTAL CODE: N7S 5N5
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10
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 15

16 NAME : DENTONS CANADA LLP (AF/JSALMAS)
 17 ADDRESS : 77 KING STREET WEST, SUITE 400
 CITY : TORONTO PROV : ON POSTAL CODE : M5K 0A1

00308

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:40
 ACCOUNT : 009233-0001 FAMILY : 11 OF 11 ENQUIRY PAGE : 31 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 720602874 EXPIRY DATE : 14SEP 2019 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160914 1738 1590 6707 REG TYP: P PPSA REG PERIOD: 3
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5

05 IND DOB : IND NAME:
 06 BUS NAME: 629728 ONTARIO LIMITED

OCN :
 07 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5

08 SECURED PARTY/LIEN CLAIMANT :
 VACUUM TRUCKS OF CANADA ULC

09 ADDRESS : C/O SUITE 2400, 525 8TH AVENUE SW
 CITY : CALGARY PROV: AB POSTAL CODE: T2P 1G1

CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10	YEAR MAKE	MODEL	V.I.N.
	X	X	X
11	2015 KENWORTH	T800	1NKDL70X1FJ436310

12
 GENERAL COLLATERAL DESCRIPTION
 13 ONE (1) GUZZLER CLASSIC CLASSMTTBWD, SERIAL NUMBER 14-09G-6010,
 14 MOUNTED ON A KENWORTH CHASSIS VIN NUMBER 1NKDL70X1FJ436310, TOGETHER
 15 WITH ALL EXISTING AND FUTURE ATTACHMENTS, ADDITIONS, ACCESSIONS,
 16 AGENT: BURNET, DUCKWORTH & PALMER LLP
 17 ADDRESS : 2400-525 - 8 AVENUE SW
 CITY : CALGARY PROV: AB POSTAL CODE: T2P 1G1

00310

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL369 DISPLAY 1C REGISTRATION - SCREEN 1 14:08:46
 ACCOUNT : 009233-0001 FAMILY : 11 OF 11 ENQUIRY PAGE : 33 OF 33
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : UNITEC INC

00 FILE NUMBER : 720602874 EXPIRY DATE : 14SEP 2019 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160914 1738 1590 6707 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME: OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

13 PROCEEDS- ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE
 14 DEBTOR.

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

END OF REPORT

TAB T

00311



SECURITY IS EVERYTHING
Phone: (416) 225-5511

Ontario Search Results
ID 1356173
Search Type [BD] Business Debtor

Liens : 9 Pages : 23

Searched :15NOV2016 02:07 PM
Printed :15NOV2016 02:43 PM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:00
ACCOUNT : 009233-0001 FAMILY : 1 OF 9 ENQUIRY PAGE : 1 OF 23
FILE CURRENCY : 14NOV 2016
SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 676530315 EXPIRY DATE : 01MAR 2018 STATUS :
01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED : X
REG NUM : 20120229 1657 1901 3195 REG TYP: P PPSA REG PERIOD: 06
02 IND DOB : IND NAME:
03 BUS NAME: ENTROPEX

OCN :
04 ADDRESS : 1271 LOUGAR AVE
CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
ROYNAT INC.

09 ADDRESS : SUITE 1500, 4710 KINGSWAY ST.
CITY : BURNABY PROV: BC POSTAL CODE: V5H 4M2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X
YEAR MAKE MODEL V.I.N.
11 2012 HYSTER S50FT F187V20061K
12 2012 HYSTER S50FT F187V20063K

GENERAL COLLATERAL DESCRIPTION
13 CUSHION TIRE FORKLIFT(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES
14 ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS
15 THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY
16 AGENT: AVS SYSTEMS INC.
17 ADDRESS : 201 - 1325 POLSON DR.
CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

00812

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:03
 ACCOUNT : 009233-0001 FAMILY : 1 OF 9 ENQUIRY PAGE : 2 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 676530315 EXPIRY DATE : 01MAR 2018 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20120229 1657 1901 3195 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10	YEAR MAKE	MODEL	V.I.N.
11	2012 HYSTER	S50FT	F187V20064K
12	2012 HYSTER	S50FT	F187V20065K

GENERAL COLLATERAL DESCRIPTION

13 FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN
 14 INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES
 15 FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00313

PSSME17 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL204 DISPLAY MOTOR VEHICLE SCHEDULE 14:06:07
ACCOUNT : 009233-0001 FAMILY : 1 OF 9 ENQUIRY PAGE : 3 OF 23
FILE CURRENCY : 14NOV 2016
00 REF: 676530315 01 PAGE: 003 OF 3 REG NUM: 20120229 1657 1901 3195
YEAR (===== MAKE =====) (===== MODEL =====) (===== V.I.N. =====)
41 2012 HYSTER S50FT F187V20066K
42 2012 HYSTER S50FT F187V20067K
43
44
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00814

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 2C REGISTRATION - SCREEN 1 14:06:12
 ACCOUNT : 009233-0001 FAMILY : 1 OF 9 ENQUIRY PAGE : 4 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

FILE NUMBER 676530315
 REGISTRATION NUM REG TYPE
 01 CAUTION : PAGE TOT 001 OF 2 MV SCHED: 20120302 1328 1901 3252
 21 REFERENCE FILE NUMBER : 676530315
 22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: ENTROPEX

25 OTHER CHANGE:
 26 REASON: ADDING DEBTOR 629728 ONTARIO LIMITED (1271 LOUGAR AVE) ADDING
 27 /DESCR: DEBTOR UNITEC INC. (1271 LOUGAR AVE)
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE: 629728 ONTARIO LIMITED

OCN:
 04/07 ADDRESS: 1271 LOUGAR AVE
 CITY: SARNIA PROV: ON POSTAL CODE: N7S5N5
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : AVS SYSTEMS INC
 17 ADDRESS : 201-1325 POLSON DRIVE
 CITY : VERNON PROV : BC POSTAL CODE : V1T 8H2

00315

PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 2C REGISTRATION - SCREEN 1 14:06:15
 ACCOUNT : 009233-0001 FAMILY : 1 OF 9 ENQUIRY PAGE : 5 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

FILE NUMBER 676530315
 REGISTRATION NUM REG TYPE
 01 CAUTION : PAGE TOT 20120302 1328 1901 3252
 21 REFERENCE FILE NUMBER : 676530315
 22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEE:
 03/06 BUS NAME/TRFEE: UNITEC INC.

OCN:
 04/07 ADDRESS: 1271 LOUGAR AVE
 CITY: SARNIA PROV: ON POSTAL CODE: N7S5N5
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :
 17 ADDRESS :
 CITY : PROV : POSTAL CODE :

00317

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:23
 ACCOUNT : 009233-0001 FAMILY : 2 OF 9 ENQUIRY PAGE : 7 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 685990539 EXPIRY DATE : 11APR 2017 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20130411 1127 1902 7278 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME: UNITEC INC. OCN :

04 ADDRESS : 1271 LOUGAR AVE OCN :
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:
 08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10
 YEAR MAKE MODEL V.I.N.
 11 2013 CATERPILLAR 2C6000 AT83F32130
 12 2013 CATERPILLAR 2C6000 AT83F32159

GENERAL COLLATERAL DESCRIPTION
 13 AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE
 14 PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
 15 DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL
 16 AGENT:
 17 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:

00318

PSSME17 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL204 DISPLAY MOTOR VEHICLE SCHEDULE 14:06:27
ACCOUNT : 009233-0001 FAMILY : 2 OF 9 ENQUIRY PAGE : 8 OF 23
FILE CURRENCY : 14NOV 2016
00 REF: 685990539 01 PAGE: 003 OF 3 REG NUM: 20130411 1127 1902 7278
YEAR (===== MAKE =====) (===== MODEL =====) (===== V.I.N. =====)
41 2013 CATERPILLAR 2C6000 AT83F32160
42
43
44
45
46
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48
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52
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54
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56

00319

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:29
ACCOUNT : 009233-0001 FAMILY : 3 OF 9 ENQUIRY PAGE : 9 OF 23
FILE CURRENCY : 14NOV 2016
SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 689453919 EXPIRY DATE : 14AUG 2017 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20130814 1115 1902 0954 REG TYP: P PPSA REG PERIOD: 04
02 IND DOB : IND NAME:
03 BUS NAME: ENTROPEX

04 ADDRESS : 1271 LOUGAR AVE OCN :
CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
05 IND DOB : IND NAME:
06 BUS NAME: 629728 ONTARIO LIMITED

07 ADDRESS : 1271 LOUGAR AVE OCN :
CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
08 SECURED PARTY/LIEN CLAIMANT :
ROYNAT INC.

09 ADDRESS : SUITE 1500, 4710 KINGSWAY ST.
CITY : BURNABY PROV: BC POSTAL CODE: V5H 4M2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11 2013 CATERPILLAR/MITSU GC40K AT87B00096
12

GENERAL COLLATERAL DESCRIPTION
13 FORKLIFT(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS
14 REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL
15 PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE
16 AGENT: AVS SYSTEMS INC.
17 ADDRESS : 201 - 1325 POLSON DR.
CITY : VERNON PROV: BC POSTAL CODE: V1T 8H2

00320

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:33
 ACCOUNT : 009233-0001 FAMILY : 3 OF 9 ENQUIRY PAGE : 10 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 689453919 EXPIRY DATE : 14AUG 2017 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20130814 1115 1902 0954 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME: UNITEC INC. OCN :

04 ADDRESS : 1271 LOUGAR AVE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:
 08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE
 14 PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR
 15 DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00321

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:36
 ACCOUNT : 009233-0001 FAMILY : 4 OF 9 ENQUIRY PAGE : 11 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 696221055 EXPIRY DATE : 16MAY 2025 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 002 MV SCHEDULE ATTACHED :
 REG NUM : 20140516 1345 1862 1916 REG TYP: P PPSA REG PERIOD: 11
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX

OCN :
 04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: UNITEC INC.

OCN :
 07 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 08 SECURED PARTY/LIEN CLAIMANT :
 ROYNAT INC.

09 ADDRESS : 40 KING STREET WEST, 26TH FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M5H 1H1
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X X X X X
 YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

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15

16 AGENT: MILLER THOMSON LLP (KS)
 17 ADDRESS : 255 QUEENS AVE, SUITE 2010
 CITY : LONDON PROV: ON POSTAL CODE: N6A 5R8

00896

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:55
ACCOUNT : 009233-0001 FAMILY : 7 OF 9 ENQUIRY PAGE : 16 OF 23
FILE CURRENCY : 14NOV 2016
SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 696369402 EXPIRY DATE : 22MAY 2019 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20140522 1503 1532 7914 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 629728 ONTARIO LIMITED

04 ADDRESS : 1271 LOUGAR AVENUE OCN :
CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
THE BANK OF NOVA SCOTIA

09 ADDRESS : 20 QUEEN ST WEST 4TH FLOOR
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3R3
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION
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16 AGENT: CSRS
17 ADDRESS : 4126 NORLAND AVE
CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

60327

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:06:59
 ACCOUNT : 009233-0001 FAMILY : 8 OF 9 ENQUIRY PAGE : 17 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 719940276 EXPIRY DATE : 25AUG 2017 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160825 1054 1590 5536 REG TYP: P PPSA REG PERIOD: 1
 02 IND DOB : IND NAME:
 03 BUS NAME: ENTROPEX LOGISTICS INC. OCN :

04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: 629728 ONTARIO LIMITED OCN :

07 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5

08 SECURED PARTY/LIEN CLAIMANT :
 HEWITT MATERIAL HANDLING INC.

09 ADDRESS : 5001 TRANS CANADA HIGHWAY
 CITY : POINTE-CLAIRE PROV: QC POSTAL CODE: H9R 4R6
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10		X		X	X				
	YEAR MAKE			MODEL		V.I.N.			
11	CATERPILLAR			2C5000		AT9040645			

GENERAL COLLATERAL DESCRIPTION

13 CATERPILLAR 5000 LB IC CUSHION, SERIAL NUMBER AT9040645, TOGETHER
 14 WITH ALL ATTACHMENTS, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,
 15 ADDITIONS AND IMPROVEMENTS THERETO AND ANY AND ALL PROCEEDS ARISING
 16 AGENT: DENTONS CANADA LLP (AF/JSALMAS)
 17 ADDRESS : 77 KING STREET WEST, SUITE 400
 CITY : TORONTO PROV: ON POSTAL CODE: M5K 0A1

00898

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:02
 ACCOUNT : 009233-0001 FAMILY : 8 OF 9 ENQUIRY PAGE : 18 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 719940276 EXPIRY DATE : 25AUG 2017 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160825 1054 1590 5536 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME: UNITEC INC. OCN :

04 ADDRESS : 1271 LOUGAR AVENUE
 CITY : SARNIA PROV: ON POSTAL CODE: N7S 5N5
 05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:
 08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 THEREFROM INCLUDING, WITHOUT LIMITATION, ACCOUNTS, MONEY, CHATTEL
 14 PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, LICENSES, INSTRUMENTS,
 15 SECURITIES, SUBSTITUTIONS, TRADE-INS, INSURANCE PROCEEDS AND ANY
 16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

00383

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 11/15/2016
 CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 14:07:19
 ACCOUNT : 009233-0001 FAMILY : 9 OF 9 ENQUIRY PAGE : 23 OF 23
 FILE CURRENCY : 14NOV 2016
 SEARCH : BD : 629728 ONTARIO LIMITED

00 FILE NUMBER : 720602874 EXPIRY DATE : 14SEP 2019 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20160914 1738 1590 6707 REG TYP: REG PERIOD:

02 IND DOB : IND NAME:
 03 BUS NAME: OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:

05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

13 PROCEEDS- ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE
 14 DEBTOR.

15

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

END OF REPORT

TAB U

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #25

43280-0070 (LT)

PAGE 1 OF 2
PREPARED FOR Davidbw/lt
ON 2016/11/17 AT 09:03:59

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: LT 25-27 PL 616; PT LT 24, 28 PL 616 AS IN L802109 & PT 1, 25R8552; SARINIA

EIN CREATION DATE:
2006/05/23

PROPERTY REMARKS:
ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED
OWNERS' NAMES
UNITEC INC.
629728 ONTARIO LIMITED
ENTROPEX
PLANNING ACT CONSENT AS IN L893242.
RECENTLY:
FIRST CONVERSION FROM BOOK
CAPACITY SHARE
PART
PART
FIEM

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**	PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**	RANGE SPECIFIED FOR SEARCH: FROM 1975/01/01 TO 2016/10/20 **					
**	SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCREATS OR FOREFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**	DATE OF CONVERSION TO LAND TITLES: 2006/05/23 **					
L366539	1975/05/12	AGREEMENT		THE CORPORATION OF THE TOWNSHIP OF SARINIA		C
L437254	1978/06/02	RELEASE				C
L468083	1979/11/30	AGREEMENT		THE CORPORATION OF THE TOWNSHIP OF SARINIA		C
		REMARKS: SKETCH ATTACHED.				
L638106	1988/10/26	AGREEMENT		TOWN OF CLEARWATER		C
		REMARKS: AMENDING SITE PLAN				
L768178	1995/06/06	RELEASE				C
		REMARKS: L366539				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



Ontario ServiceOntario

LAND
REGISTRY
OFFICE #25

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 2

PREPARED FOR Davidswif
ON 2016/11/17 AT 09:03:59

43280-0070 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
L602109	1997/08/20	TRANSFER	\$1,700,000		UNITEC INC. 629728 ONTARIO LIMITED COB ENTROPEX	C
25R8552	2002/10/22	PLAN REFERENCE				C
L693242	2003/01/31	TRANSFER	\$185,000		UNITEC INC. 629728 ONTARIO LIMITED COB ENTROPEX	C
L693242Z	2003/01/31	REST COV APL ANNEX				C
LA139624	2014/07/28	CHARGE PARTNERSHIP	\$3,863,000	UNITEC INC. 629728 ONTARIO LIMITED ENTROPEX	ROYNAT INC.	C
LA139625	2014/07/28	NO ASSGN RENT GEN		UNITEC INC. 629728 ONTARIO LIMITED ENTROPEX	ROYNAT INC.	C
LA166816	2016/04/15	CHARGE PARTNERSHIP	\$5,000,000	629728 ONTARIO LIMITED ENTROPEX UNITEC INC.	THE BANK OF NOVA SCOTIA	C

REMARKS: LA139624

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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00385