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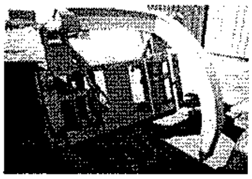
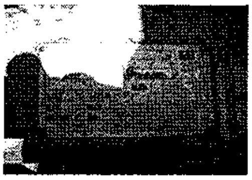
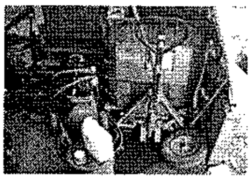
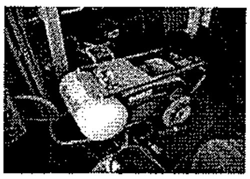
SCHEDULE 'A'
ATCON CONSTRUCTION INC. - ASSET LISTING

	PHOTOS	UNIT #	S/N	DESCRIPTION
118	 		7RW00367	Cat 938G IL Forks, c/w Q/A, hyd pipe grapple, condition - fair
119				Arch-Span 30'x50' Engineered Shelter, c/w roll-up door
120	   			**contents for Item #119 above:** qty oil filters, qty survey equipment, qty fire ext, Dewalt D5573 5.5 hp gas compressor, Bostitch 1.5 hp compressor, (3) Kodiak SGB7000HX 6.8 KVA genset, Norton C-13 concrete saw, Landa MVC4-3000 pressure washer, Porter Cable 10,000 W genset, air compressor, Devair model TASV-5052 air compressor, s/n 56055TK, IHC 12 drawer tool box, (3) HP printers, (2) HP Laserjet 3055 printer/scanner/fax machine, qty sledge hammers, Westward 3/4" drive torque multiplier, Proto 3/4" torque wrench, (2) Westward 1/2" torque wrenches, qty 3/4", 1/2", 3/8" socket sets, qty O-ring kits, qty small screws, Makita abrasive cut-off saw, small bolt bin, King varsol tank, qty chain-come-alongs, Knock metal storage cabinet, floor jack, qty of fire ext

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SCHEDULE 'A'
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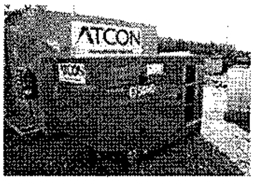
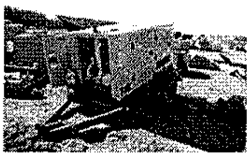
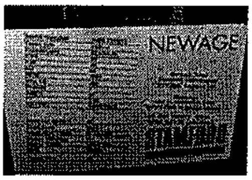
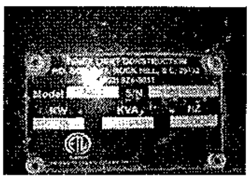
	PHOTOS	UNIT #	S/N	DESCRIPTION
121	 		JS600C05001327	2005 SDMO 60 KW Portable Enclosed Genset, c/w John Deere 4 cyl diesel eng, condition - fair
122	 		HYG27956	Terex Light 0T45I S/A Trailer Mtd 36 KW Genset, c/w Isuzu 4 cyl diesel eng, 14,658 hrs, condition - poor
123	 	T45	HYC27958	Terex Light 0T451 Trailer Mtd 36 KW Genset, c/w Isuzu 4 cyl diesel eng, tires - steel - 205/75R15 - 60%, 11,250 hrs, condition - good

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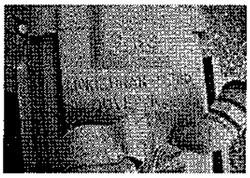
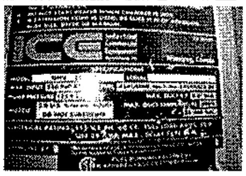
	PHOTOS	UNIT #	S/N	DESCRIPTION
124	 		N/A	McKiernan-Terry 9B3 Hammer, condition - fair
125	 		6070573	Ice Portable Kerosene Heater, c/w 320,000 BTU, condition - fair
126	 		2050033	Ice Portable Kerosene Heater, c/w 115 V, 320,000 BTU, condition - poor

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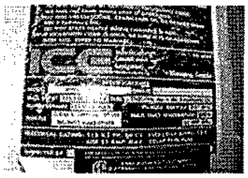
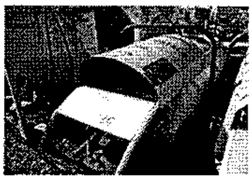
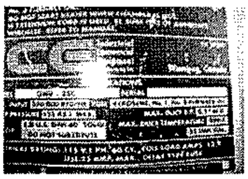
	PHOTOS	UNIT #	S/N	DESCRIPTION
127	 		2050063	Ice Portable Kerosene Heater, c/w 115 V, 320,000 BTU, condition - fair
128	 		3010503	Ice Portable Kerosene Heater, c/w 115 V, 320,000 Btu, condition - poor
129	 		3010223	Ice Portable Kerosene Heater, c/w 115 V, 320,000 BTU, condition - fair

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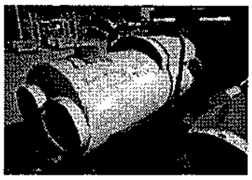
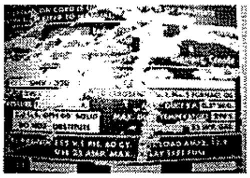
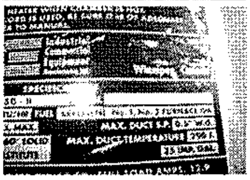
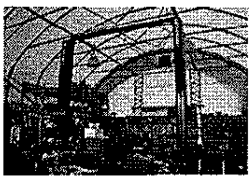
	PHOTOS	UNIT #	S/N	DESCRIPTION
130	 		2100893	Ice Portable Kerosene heater, c/w 115 V, 320,000 BTU, condition - poor
131	 		1176	2006 Allied 1600 Ho-Pac Plate Tamper, c/w Q/A, condition - fair
132	 		2100943	Ice OHV-350-11 Portable Kerosene Heater, c/w 115 V, 320,000 BTU, condition - fair
133			BVR06K0100	Rotary 12,000 lb Rotary Lift

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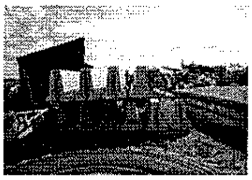
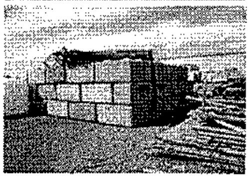
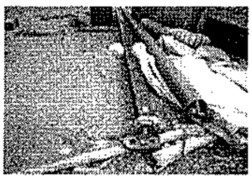
	PHOTOS	UNIT #	S/N	DESCRIPTION
134				(10) 10' Jersey Barriers
135				(5) 10' Jersey Barriers
136	 			(33) Concrete Lock Blocks
137				(4) Sets of Steel Concrete Forms
138				10 Ton 18' Spreader Beam

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SCHEDULE 'A'
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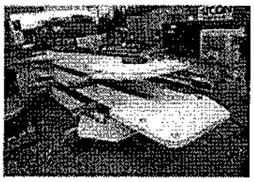
	PHOTOS	UNIT #	S/N	DESCRIPTION
139				(3) 70T 12' Lifting Beam
140				(2) 70T 8' Lifting Beam (1) 70T Lifting Beam
141				Shopbuilt 14 point Lifting device
142	 		4FVLSBDA96U360202	Ingersoll-Rand S/A Light Tower, c/w Kubota 3 cyl diesel eng, 8068 hrs, condition - poor, NOTE - top cover is missing

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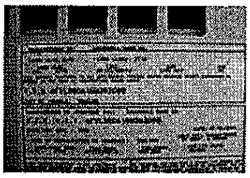
	PHOTOS	UNIT #	S/N	DESCRIPTION
143	 	LP22	42621	Magnum Products MLT3060MM S/A Trailer Mtd Light Tower, c/w J Kubota 3 cyl diesel eng, tires - steel - ST175/80D13, 60%, 4437 hrs, condition - poor, NOTE - all lights are dented, fenders are broken
144	 		4FVLSBDA76U360201	Ingersoll Rand S/A Mtd Light Tower, c/w Kubota 3 cyl diesel eng, tires - steel - ST175/80D13, 80%, 9236 hrs, condition - fair
145	 		4FVLSBDA16U362090	Ingersoll Rand S/A Trailer Mtd Light Tower, c/w Kubota 3 cyl diesel eng, tires - steel - ST175/80D13 - 50%, 9579 hrs, condition - fair, NOTE right cover missing

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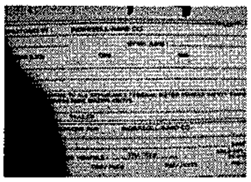
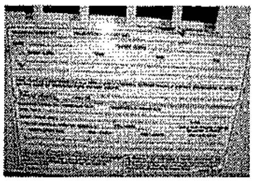
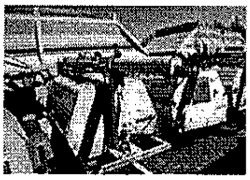
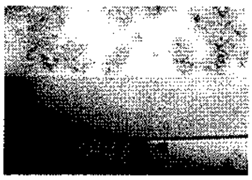
	PHOTOS	UNIT #	S/N	DESCRIPTION
146	 		4FVLSBDA06U360203	Ingersoll Rand S/A Trailer Mtd Light Tower, c/w Kubota 3 cyl diesel eng, tires - steel - ST175/80D13 - 60%, 8128 hrs, condition - fair
147	 		4FVLSBDAX6U360208	Ingersoll Rand S/A Trailer Mtd Light Tower, c/w Kubota 4 cyl diesel eng, 4051 hrs, condition - poor, NOTE - unit does not have a generator or lights
148	 		990556573	Terex Amida S/A Trailer Mtd Light Tower, c/w Kubota 3 cyl diesel eng, Pancake generator, tires - ST175/80D13 - 70%, 2060 hrs, condition - poor

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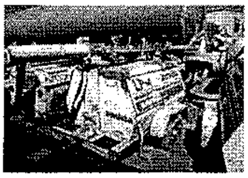
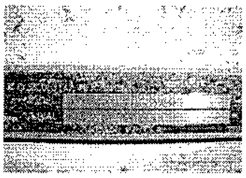
149	 	LP-4	960435221	Terex Amida S/A Trailer Mtd Light Tower, c/w Kubota 3 cyl diesel eng, tires - steel - ST175/80D13 - 10%, 2421 hrs, condition - poor
150	 	LP-6	970238895	Terex Amida S/A Mtd Light Tower, c/w Kubota 3 cyl diesel eng, tires - steel - ST175/80D13 - 20%, hrs N/A, condition - poor, NOTE - lights are missing
151	 	LP-3	9002D0679	Amid S/A Trailer Mtd Light Tower, c/w Kubota 3 cyl diesel eng, Pancake generator, tires - 205/75D15 - 40%, 3732 hrs, condition - poor, NOTE - lights are missing

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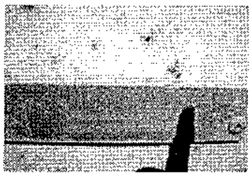
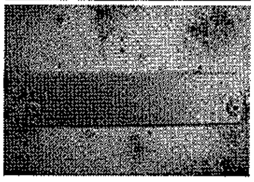
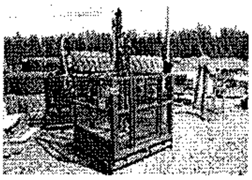
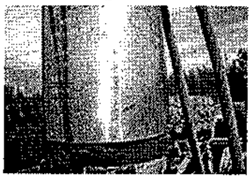
152	 	LP-11	99055657	Terex Amida S/A Trailer Mtd Light Tower, c/w Kubota 3 cyl diesel eng, Pancake generator, tires - steel - P205/75R15 - 50%, condition - poor
153	 	LP-12	990556588	Terex Amida S/A Trailer Mtd Light Tower, c/w Kubota 4 cyl diesel eng, Pancake AC generator, tires - steel - P205/75R15 - 50%, 7162 hrs, condition - poor
154	 	MR-151	MR1511	2006 Myshak 2 Man Man Basket, condition - fair

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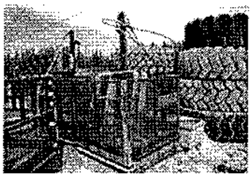
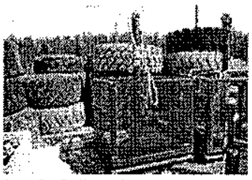
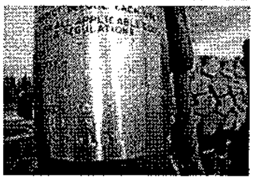
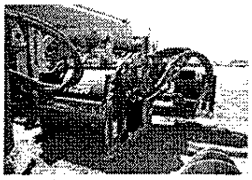
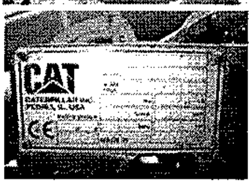
	PHOTOS	UNIT #	S/N	DESCRIPTION
155	 	MR-MB44A	MRMB22A44A	2007 Myshak 2 Man Man Basket, condition - good
156	 	MR-MB44B	MRMB22B44B	2007 Myshak 2 Man Man Basket, condition - very good
157	 		DPG00429	Cat PC-206 Asphalt Milling Machine, c/w Q/A for compact loader, work tool 246-7314, condition - fair
158				(4) Lifts 1/2" D Grade Plywood

SCHEDULE 'A'

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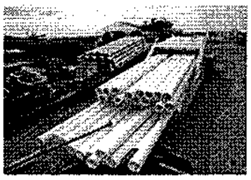
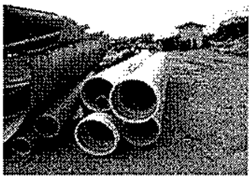
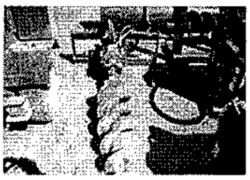
	PHOTOS	UNIT #	S/N	DESCRIPTION
159				(13) Ipex 4"x10 ABS Pipe (cutoffs)
160				(47) Ipex 4"x20 ABS Pipe
161				(60) 4"x20' Ridgid Plastic Pipe
162				(1) 6"x20' ABS Pipe (1) 12"x20' ABS Pipe (4) 18"x20' ABS Pipe
163	 			Cat A19B Hyd Post Hole Auger for compact loader, c/w Q/A, (2) 12" augers, (1) 24" auger, condition - fair

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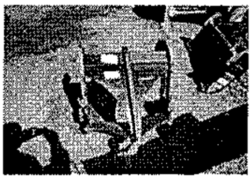
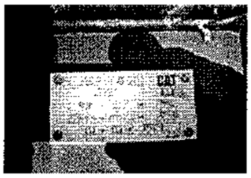
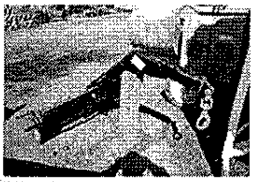
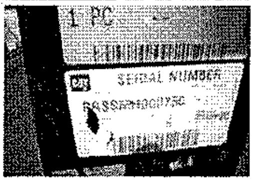
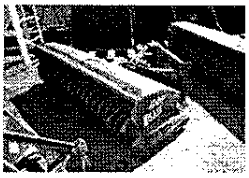
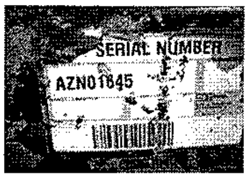
164	 			Cat 3500 Hook GP Lift, c/w Q/A, condition - good
165	 		RRSSMH000750	Cat Lifting Arm for compact loader, c/w Q/A, , condition - good
166				Cat BA18 84" Hyd Sweeper for compact loader, c/w Q/A, condition - poor, NOTE - unit has dent on left side, brooms are wore out
167	 		A2N01645	Cat BA18 84" Hyd Sweeper for compact loader, c/w A/Q, condition - poor, NOTE - brushes are wore down

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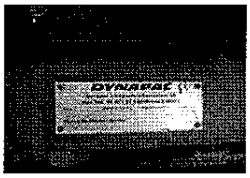
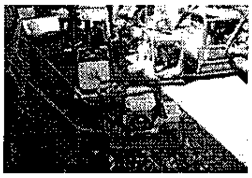
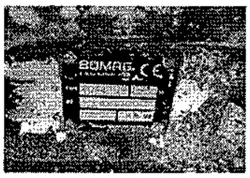
SCHEDULE 'A'

ATCON CONSTRUCTION INC. - ASSET LISTING

	PHOTOS	UNIT #	S/N	DESCRIPTION
168	 		32004889	2006 Dynapac LG200 Plate Packer, c/w Honda 6.5 hp eng, condition - fair
169	 		101630852795	2005 Bomag BP18/45-2 91 kg Small Plate Packer, c/w Honda gas eng, condition - poor, NOTE - rewind on eng is missing
170	 		101630807991	2004 Bomag BP18/45-2 91 kg Small Plate Packer, c/w Honda gas eng, condition - fair

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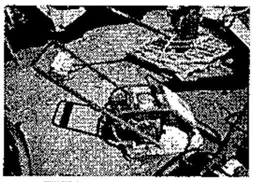
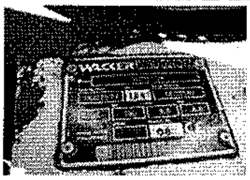
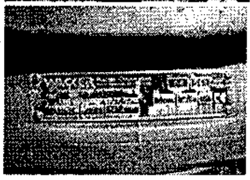
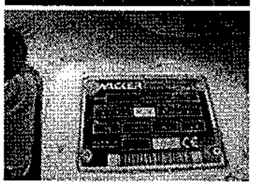
	PHOTOS	UNIT #	S/N	DESCRIPTION
171	 		6658140	2008 Wacker WP1550A Plate Packer, c/w Honda GX160 5.5 hp eng, condition - fair
172	 		5654711	Wacker BS60-21 141 kg Handheld Plate Packer, c/w Wacker gas eng, condition - fair
173	 		6658142	2008 Wacker WP1550A Plate Packer, c/w Honda GX160 5.5 hp eng, condition - fair

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	PHOTOS	UNIT #	S/N	DESCRIPTION
174	 		6658137	2008 Wacker WP1550A Plate Packer, c/w Honda GX160 eng, condition - good
175			08046735 08046732 08046734 08046731 08046733 08046730	(6) Ver-Mac PP-312R Portable Traffic Lights
176	 		2T9G1J231X1005290	1998 Trac Industries Tri/A Belly Dump Trailer, c/w spring susp, roll up tarp, under load close, Eastern Canada wheel spacing, tires - steel buds - 11R22.5 - 20%, condition - fair

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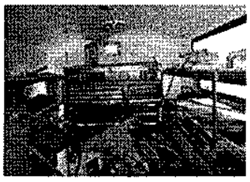
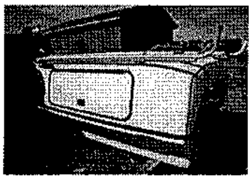
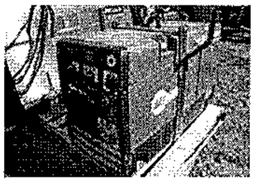
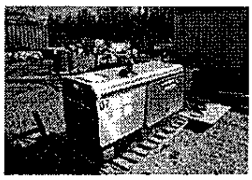
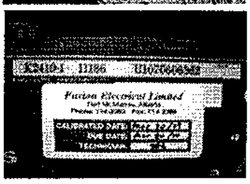
	PHOTOS	UNIT #	S/N	DESCRIPTION
177	  	00168 00092		(2) Space Kap Fiberglass Service Bodies for p/u trucks, 9' is setup as lube unit, 12' is setup w/ parts shelves 9' Space Kap
178	 		LG045584	Miller Bobcat 250 Portable CC/CV AC/DC Welder, c/w Onan gas eng, condition - poor
179	 	WE36	U1070606362	Lincoln K2410-1 Vantage 400 Portable Welder, c/w 4 cyl diesel eng, s/s cover, 5119 hrs, condition - fair

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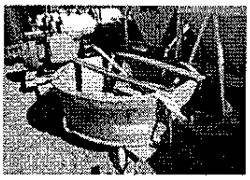
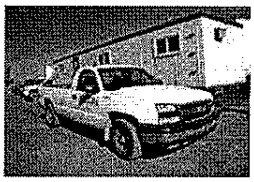
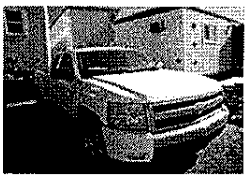
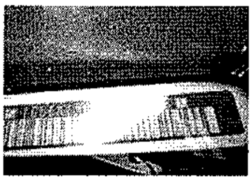
	PHOTOS	UNIT #	S/N	DESCRIPTION
180		WP-1	7892116	6" S/A Portable Water Pump, c/w Duetz F3L912 eng, condition - poor
181	 			Sandvik Crusher Liner
182	 	00221	3GCEK14X26G246226	2006 Chev K-1500 LS 4 WD P/U Truck, c/w 4.3 L gas eng, auto trans, A/C, tires - steel - 265/70R17 - frt - 30%, rear - 20%, 125,861 km, condition - fair
183	 	00175	1GCEK19C072550548	2007 Chev Silverado 4x4 Extenda Cab P/U Truck, tires - alum - 265/70R17 - , condition - good

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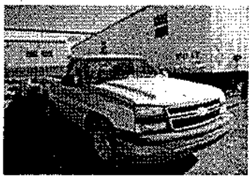
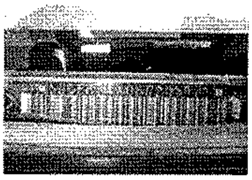
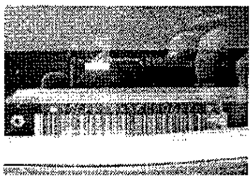
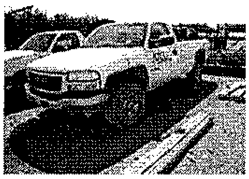
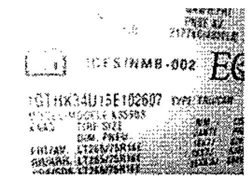
	PHOTOS	UNIT #	S/N	DESCRIPTION
184	 	00220	3GCEK14X06G203973	2006 Chev 1500 4x4 P/U Truck, c/w 4.3 L gas eng, auto trans, A/C, tires - steel - 265/70R17 - frt & rear - 40%, 156,652 km, condition - fair
185	 	00217	3GCEK14X36G206186	2006 Chev 1500 LS 4x4 P/U Truck, c/w 4.3 L gas eng, A/C, Deezee fuel tank, alum jockey box, tires - steel - 245/70R17 - frt & rear - 40%, 134,992 km, condition - fair
186	 		1GTHK34U15E102607	2005 Chev 3500 4x4 P/U Truck, c/w 6 L V/8 eng, auto trans, tires - steel - 265/75R16 - frt & rear - 10%, condition - poor, NOTE - does not appear to be running, body is badly damaged

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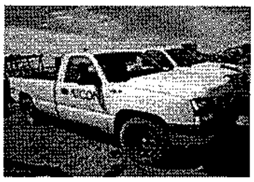
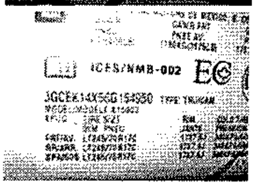
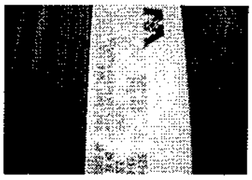
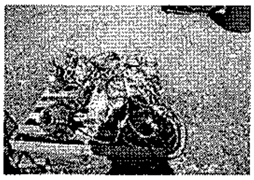
	PHOTOS	UNIT #	S/N	DESCRIPTION
187	 	00219	3GCEK14X56G154950	2006 Chev 1500 LS 4x4 P/U Truck, c/w 4.3 L V/6 gas eng, auto trans, tires - steel - frt - 245/70R17 - 10%, rear 265/70R17 - 20%, condition - poor, NOTE - unit does not frt brake pads, does not run
188				Rope Block Wire Rope Crane Blocks
189	 	T30	5KJJAEAV38PY63504	2008 Western Star 4900FA T/A Truck Tractor, c/w Cat C15 475 hp eng, 18 spd trans, 14,700 lb frt axle, 46,000 lb rears, 216" W/B, Airliner A/R, A/C, wet kit, tires - steel buds - 11R22.5 - frt - 60%, rear - 4@30%, 4@70%, 135,193 km, 2157 hrs, condition - good
190				Pallet of Sump Pumps

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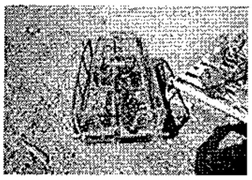
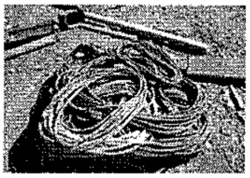
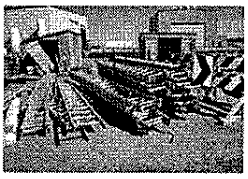
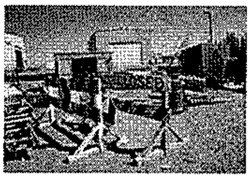
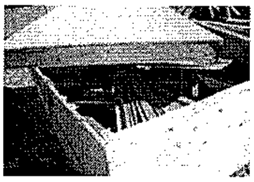
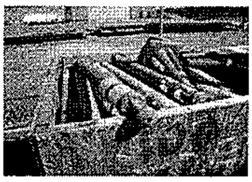
	PHOTOS	UNIT #	S/N	DESCRIPTION
191				Metal Cart
192				Pallet of Ext Cords
193				Qty of Alum Ladders
194				(3) Construction Signs
195				Pallet of Orange Traffic Cones
196				Pallet of Orange Traffic Pylons

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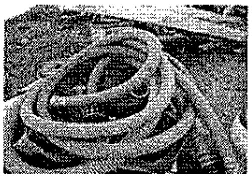
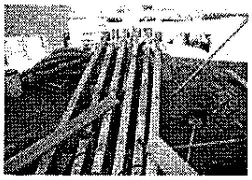
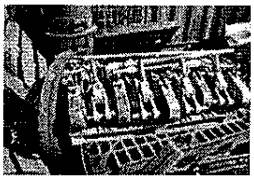
	PHOTOS	UNIT #	S/N	DESCRIPTION
197				Pallet of Orange Traffic Cones & Bases
198				Pallet of Suction Hoses w/ pump
199				(6) Alum Beams
200				Pallet of Cable Stretchers
201			C015935	Kodiak SXB7000HX Generator
202				Steel Work Bench Cable Reel w/ frame (2) Adj Pipe Stands

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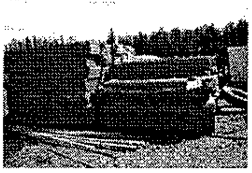
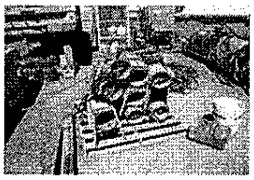
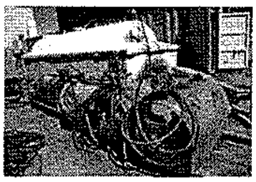
	PHOTOS	UNIT #	S/N	DESCRIPTION
203				(64) Bundles of Styrofoam
204				Steel Pallet w/ qty of metal scaffolding
205				Qty of Fuel Cans
206				(9) Propane Heaters
207				(4) Tidy Tanks, c/w 12 V pumps

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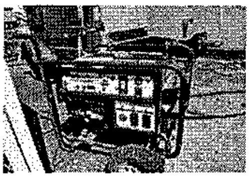
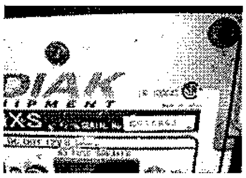
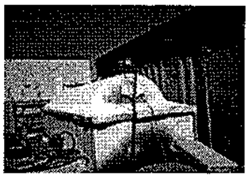
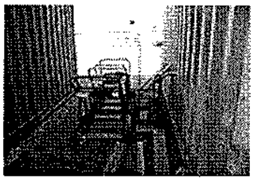
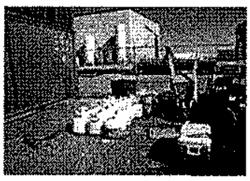
	PHOTOS	UNIT #	S/N	DESCRIPTION
208	 		C015893	Kodiak SXB7000HXS Portable Genset
209	 		B206493C	13,680 L Double Walled Fuel Tank
210				Qty Acetylene Carts
211				Qty 20 lb Propane Tanks
212				(3) Wheel Barrows

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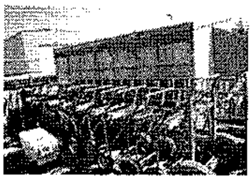
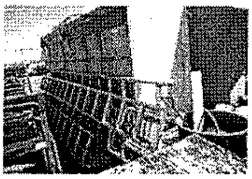
	PHOTOS	UNIT #	S/N	DESCRIPTION
213				(13) Oxy-Acet Carts
214				Qty Alum Ladders
215				(4) P/U H/R
216	 			Wooden Shed, c/w oil & grease
217				Wooden Shed, c/w Clemco 150 psi Sandblast pot

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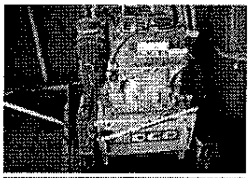
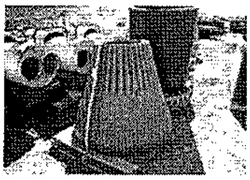
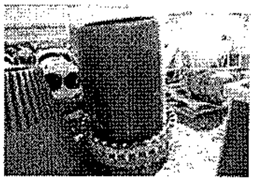
TOLL FREE: (877) 694-2888

SCHEDULE 'A'
ATCON CONSTRUCTION INC. - ASSET LISTING

	PHOTOS	UNIT #	S/N	DESCRIPTION
218	  			Satellite Dish (3) Water Coolers Qty Shovels Edco model TLR7-11H Concrete Grinder, s/n 081010130
219				Gravel Crusher Cone
220				36" Plastic Pipe Flange
221				Pallet w/ Qty of Rakes, Shovels, Brooms, Scoop Shovels, Ice Chippers

Mail Box
Box 579
Grande Prairie, AB
T8V 3A8

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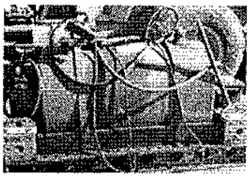
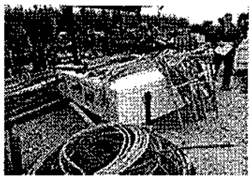
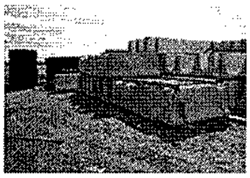
FAX: (780) 882-8701
TOLL FREE: (877) 694-2888

SCHEDULE 'A'

ATCON CONSTRUCTION INC. - ASSET LISTING

	PHOTOS	UNIT #	S/N	DESCRIPTION
222				Qty 20 lb Propane Bottles, c/w 6 storage units
223	 			518 L Tidy Tank, c/w 12 V pump, steel skid mtd
224				Waste Storage Unit
225	 			(39) 6' Jersey Barriers

CENTURY
SERVICES INC.
www.centuryservices.com

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Box 579
Grande Prairie, AB
T8V 3A8

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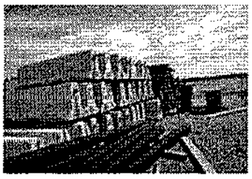
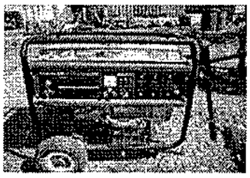
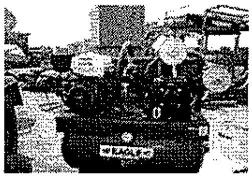
FAX: (780) 882-8701
TOLL FREE: (877) 694-2888

SCHEDULE 'A'

ATCON CONSTRUCTION INC. - ASSET LISTING

	PHOTOS	UNIT #	S/N	DESCRIPTION
226				(30) 10'x12' Jersey Barriers
227				10' Jersey Barriers
228				Goss Industries GSE6000W Portable Generator, c/w 13.0 hp gas eng, elec start, condition - fair
229	 			Eagle Air Compressor, c/w Honda 13 hp gas eng, condition - fair

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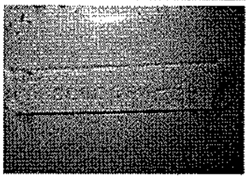
SCHEDULE 'A'
ATCON CONSTRUCTION INC. - ASSET LISTING

	PHOTOS	UNIT #	S/N	DESCRIPTION
230	 			EFI 36" Cleanup Bucket to fit mini excavator, c/w Q/A

APPENDIX "F"

Law Office of Harry H. Williamson, Q.C.
Barrister and Solicitor

Keystone Place – Suite 304
270 Douglas Avenue
Bathurst, N. B.
E2A 1M9

Telephone: (506) 546-6050
Facsimile: (506) 545-1010
E-mail:hhwilliamson@nb.aibn.com

May 15, 2012

DELIVERED BY COURIER AND E-MAIL

PRIVILEGED AND CONFIDENTIAL
SOLICITOR AND CLIENT COMMUNICATION

Ernst & Young Inc.
The Fortis Building
139 Water Street, 7th Floor
St. John's, NL A1C 1B2

Attention: Mr. Paul D. Hickey, Senior Vice President

Dear Sirs:

Re: **Review of certain security documents held by The Bank of Nova Scotia re Atcon Group Inc. *et al.***

I. OVERVIEW

A. Receivership Proceedings

Pursuant to the Receivership Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 2, 2010 and the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 30, 2010, both of which were issued in proceedings bearing Court File No. N/M/17/10 (the "**Receivership Proceedings**"), Ernst & Young Inc. ("**EYI**") was appointed as receiver and receiver manager ("**Receiver**") of all the property, assets and undertakings of the following companies (collectively, the "**Atcon Companies**", and individually, an "**Atcon Company**"):[1]

[1] The appointment of the Receiver with respect to: (i) Group, Holdings, APH, Veneer and Logistics was effective as of 12:01 am AST on March 1, 2010; (ii) Construction, AMS, Civil, Dycon and Structures was effective as of March 30, 2010; and (iii) Envirem was effective as of April 28, 2010.

Atcon Group Inc. (“**Group**”)	Atcon Logistics Inc. (“**Logistics**”)	Dycon Construction Ltd. (“**Dycon**”)
Atcon Holdings Inc. (“**Holdings**”)	Atcon Construction Inc. (“**Construction**”)	Atcon Structures Inc. (“**Structures**”)
Atcon Property Holdings Inc. (“**APH**”)	Atcon Management Services Inc. (“**AMS**”)	Envirem Technologies Inc. (now known as 058545 N.B. Inc.) (“**Envirem**”).
Atcon Veneer Products Inc. (“**Veneer**”)	Atcon Civil Ltd. (“**Civil**”)	

B. Bankruptcy Proceedings

I understand that EYI was appointed as trustee in bankruptcy (“**Trustee**”) of: (i) Group, Holdings, APH and Construction on April 26, 2010; (ii) Logistics on April 27, 2010; and (iii) Veneer, AMS, Civil, Dycon, Structures and Envirem on April 29, 2010.

C. Security Review

In connection with your appointment as Receiver of the Atcon Companies, you have requested that I provide an opinion as to the validity, perfection and enforceability against the Trustee of the Atcon Companies of the security held by The Bank of Nova Scotia (the "**Bank**") against:

(a) the personal property of the Atcon Companies governed by the *Personal Property Security Act* (New Brunswick) (the “**PPSA**”), pursuant to the GSAs, the 2009 Securities Pledge Agreement and the General Security and Movable Hypothec Agreements (each capitalized term as defined in **Schedule “A”** attached hereto);

(b) the real property of the Atcon Companies listed on **Schedule “E”** attached hereto subject to the Debentures and the Collateral Mortgages (each capitalized term as defined in Schedule “A”), which security is either currently registered against title to the applicable real property listed on Schedule “E” under the *Land Titles Act* (New Brunswick) (the “**LTA**”) or the *Registry Act* (New Brunswick) (the “**Registry Act**”) or was previously registered against title prior to the sale of such real property to a third party pursuant to an Approval and Vesting Order granted by the New Brunswick Court in the Receivership Proceedings or the *Companies' Creditors Arrangement Act* proceedings of certain of the Atcon Companies bearing Court File No. N/M/16/10 (the “**CCAA Proceedings**”);

(c) leasehold interests in real property and licenses to remove aggregates from certain quarries located in the Province of New Brunswick held by certain of the Atcon Companies, pursuant to the General Security and Movable Hypothec Agreements; and

(d) real property listed on Schedule "E" that is or was owned by any of the Atcon Companies and is not or was not subject to any of the Debentures and the Collateral Mortgages, pursuant to the General Security and Movable Hypothec Agreements, where:

  (i) the General Security and Movable Hypothec Agreements do not specifically identify the real property listed on Schedule "E"; and

  (ii) the General Security and Movable Hypothec Agreements were not registered on title to the real property listed on Schedule "E".

This opinion is provided to you in your capacity as Receiver of the Atcon Companies and is limited to my review of: (a) the corporate and real and personal property search results summarized in **Schedule "D"** hereto; and (b) the documents set out on Schedule "A" attached hereto (collectively, the "**Security Documents**"). I understand that New Brunswick legal counsel to the Bank has confirmed that the Security Documents listed on Schedule "A" represent all of the operative security agreements, instruments and documents held by the Bank against the real and personal property of the Atcon Companies.

I understand that the Security Documents include certain security documents delivered in connection with credit facilities previously made available to Holdings by MG Stratum Fund III, Limited Partnership ("**MG Stratum**") and Roynat Capital Inc. ("**Roynat**"), which credit facilities and security documents were assigned to the Bank as of June 30, 2009. I also understand that certain of the Security Documents may have been assigned by the Bank to the Province of New Brunswick. For the purposes of this opinion, I have assumed that the Security Documents have not been assigned by the Bank.

I also understand that each of MG Stratum and Roynat obtained a securities pledge agreement dated April 4, 2006 executed by Group, Holdings, Construction and AMS. I have not reviewed and considered the validity, perfection and enforceability against the Trustee of the Atcon Companies of such security documents, given that, with certain exceptions, the majority of the shares that have been pledged thereunder are with respect to insolvent and/or bankrupt Atcon companies. I would be happy to review such securities pledge agreements and provide an opinion with respect thereto upon receiving your instructions to do so.

For the purposes of my opinion: (a) I have made the assumptions contained herein and as set out on **Schedule "B"** attached hereto; (b) my opinion is subject to the qualifications and limitations contained herein and as set out on **Schedule "C"** attached hereto; and (c) I have relied upon the corporate and real and personal property search results summarized on Schedule "D" hereto. The corporate and real and personal property search results were obtained from the registries identified in Schedule "D".

I have made no investigation of the laws of any jurisdiction other than, and the opinion hereinafter expressed is confined to, the laws of the Province of New Brunswick and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, I express no opinion thereon.

I have considered such questions of law as I have considered relevant and necessary as a basis for the opinion hereinafter expressed.

No opinion is expressed as to the priority of the Bank's security over other creditors. I note that there are a number of registrations against certain of the Atcon Companies or properties that were registered prior-in-time to the security held by the Bank. The real property registrations are summarized on Schedule "D".

II. SECURITY OPINION

Based upon the foregoing, and subject to the assumptions, qualifications and comments I have made in this letter and the Schedules attached hereto, I am of the opinion that:

A. Security Granted to the Bank

Personal Property and PPSA

1. The GSAs create, under the laws of the Province of New Brunswick, valid security interests in favour of the Bank in all of the present and after-acquired personal property of each of the Atcon Companies to which the PPSA applies and in which each of the Atcon Companies had rights to, to secure payment and performance of the obligations described in the GSAs as being secured thereby.

2. The 2009 Securities Pledge Agreement creates, under the laws of the Province of New Brunswick, a valid security interest in favour of the Bank in all of the "Collateral" under the 2009 Securities Agreement, which is defined to include all shares and capital stock of OPI Aktiebolag beneficially owned by Group, to secure payment and performance of the obligations described in the 2009 Securities Pledge Agreement as being secured thereby.

3. The security interests created by the GSAs in favour of the Bank in all of the present and after-acquired personal property of each of the Atcon Companies to which the PPSA applies, and the security interest created by the 2009 Securities Agreement in favour of the Bank in the "Collateral" of Group to which the PPSA applies:

   (a) have been perfected by registration under the provisions of the PPSA; and

   (b) were perfected as of the applicable date of bankruptcy of each of the Atcon Companies.

Real Property and Collateral Mortgages

4. The Collateral Mortgages create, under the laws of the Province of New Brunswick, valid mortgages and charges in favour of the Bank in the applicable real property more particularly described therein and listed on Schedule "E" as being subject to the Collateral Mortgages.

5. The mortgages and charges created by the Collateral Mortgages have been, or were, registered in favour of the Bank in the appropriate land title offices maintained in the Province of New Brunswick in respect of the applicable real property listed on Schedule "E" and are enforceable as against the Trustee of the applicable Atcon Company.

B. Security Granted to MG Stratum and Roynat and Assigned to the Bank

I understand that as of June 30, 2009, the Atcon Companies (with the exception of Structures) were indebted to Roynat and MG Stratum in the aggregate amount of approximately $21,273,506.16. That debt (the "**Assigned Debt**") and the related security (the "**Assigned Security**") was assigned to the Bank by agreement amongst the Atcon Companies, Roynat, MG Stratum and the Bank dated June 30, 2009. Arrangements with respect to the Assigned Debt and the Assigned Security are provided for in a second and concurrent agreement amongst the Atcon Companies, Roynat, MG Stratum and the Bank dated June 30, 2009. Pursuant to those two agreements and the June 30, 2009 credit agreement between the Bank and the Atcon Companies, as amended (the "**2009 Credit Agreement**") it was agreed that the Assigned Debt would be refinanced pursuant to the 2009 Credit Agreement (primarily through a facility referred to as the "Term Loan Facility B" under the 2009 Credit Agreement, which reduced the rate of interest payable in respect of the Assigned Debt) and would remain secured by the Assigned Security. Accordingly, I am of the view that a court would hold that the Assigned Security secures the Assigned Debt, Term Loan Facility B and the balance of the "refinanced" Assigned Debt.

Personal Property and PPSA

6. The General Security and Movable Hypothec Agreements create, under the laws of the Province of New Brunswick, valid security interests in favour of the Bank, by way of assignment from MG Stratum and Roynat, in all of the present and after-acquired personal property of each of the Atcon Companies (other than Structures) to which the PPSA applies and in which each of the Atcon Companies (other than Structures) had rights to, to secure payment and performance of the obligations described in the General Security and Movable Hypothec Agreements as being secured thereby.

Real Property and Registered Debentures

7. The Debentures create, under the laws of the Province of New Brunswick, valid mortgages and charges in favour of the Bank, by way of assignment from MG Stratum and Roynat, in the real property more particularly described therein and listed on Schedule "E" as being subject to the Debentures.

8. The charges and mortgages created by the Debentures have been, or were, registered in favour of the Bank in the appropriate land title offices maintained in the Province of New Brunswick in respect of the applicable real property described in the Debentures and listed on Schedule "E" and are enforceable as against the Trustee of the applicable Atcon Company.

C. **Security Over Other Property**

9. A New Brunswick Court likely would hold that the charging language contained in the General Security and Hypothec Agreements is sufficient to create a charge against the leasehold interests and quarry licenses held by certain Atcon Companies, and such charges would be enforceable by the Bank against leasehold interests and quarry licenses of the Atcon Companies in the Province of New Brunswick in priority to the rights of the Trustee of the Atcon Companies.

10. A New Brunswick Court likely would hold that the charging language contained in the General Security and Hypothec Agreements is sufficient to create a charge against the real property of the Atcon Companies listed on Schedule "E" that is or was not specifically subject to the Debentures or the Collateral Mortgages, and such charges would be enforceable by the Bank against such real property of the Atcon Companies in priority to the rights of the Trustee of the Atcon Companies.

III. COMMENTS ON SECURITY

You have requested that I explain why I am of the opinion that the General Security and Hypothec Agreements create a charge in favour of the Bank over: (a) all of the leasehold interests and quarry licenses held by the Atcon Companies; and (b) the real property that is or was owned by any of the Atcon Companies listed on Schedule "E" that is or was not subject to any of the Debentures or the Collateral Mortgages.

<u>1. Real Property and Unregistered Charges</u>

With respect to leases of real property, I note that section 4(e) of the PPSA provides that the statute does not apply to "the creation or transfer of an interest in land including a lease".

I have reviewed relevant jurisprudence and statutes to determine whether Canadian courts have held that charging language similar to that contained in the General Security and Hypothec Agreements was sufficient to charge real property and leasehold interests in real property, notwithstanding that no specific real property is identified in the security agreements. I have reviewed, among other cases, *Sifton Credit Union Limited v. Barber et al.*[2], *Stewart v. 441921 B.C. Ltd.*[3], *Canadian Independent Stationers Ltd. v. Shaw*[4] and *Re Powers*[5].

Based on my review of such jurisprudence, along with provisions of the LTA, it is my opinion that, on balance, a New Brunswick Court likely would hold that the charging language contained in the General Security and Hypothec Agreements is sufficient to create a charge against the real property of the Atcon Companies listed on Schedule "E" that is not subject to the Debentures and the Collateral Mortgages, and any leasehold interest in real property held by the Atcon Companies, as

[2] 1986 CarswellMan 82 (Man. Q.B.)

[3] 1995 CarswellBC 454 (B.C.S.C.)

[4] [1994] O.J. No. 4447 (Ont. S.C.J.)

[5] 2005 CarswellAlta 1259 (Alta. Q.B.)

Courts have determined that language substantially similar to the charging language contained in the General Security and Hypothec Agreements constituted an equitable mortgage or charge on property.

I understand that the only documents registered in favour of the Bank with respect to the real property interests of the Atcon Companies are the Debentures and the Collateral Mortgages. As a result, I have also reviewed relevant jurisprudence to determine whether Canadian courts have held that an unregistered charge against real property is enforceable in priority to the rights of the trustee in bankruptcy of the owner of the property. I have reviewed, among other cases, *Citifinancial Canada East Corp. v. Morrow Estate (Trustee of)*[6] and *Citifinancial Canada East Corp. v. Hurley Estate (Trustee of).*[7]

Based on my review of such jurisprudence, along with relevant provisions of the LTA and the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**"), it is my opinion that, on balance, a New Brunswick Court would likely hold that the unregistered charges contained in the General Security and Hypothec Agreements would be enforceable against the interests in real property of the Atcon Companies listed on Schedule "E" that is not subject to the Debentures and the Collateral Mortgages in priority to the rights of the Trustee.

2. <u>Licenses</u>

With respect to licenses held by any of the Atcon Companies to extract aggregates from a quarry, I have reviewed relevant jurisprudence to determine whether such a license would constitute "personal property' under the PPSA, including the decision of the Supreme Court of Canada in *Saulnier (Receiver of) v. Saulnier.*[8]

Based on my review of such jurisprudence, along with relevant provisions of the PPSA and the BIA, it is my opinion that, on balance, a New Brunswick Court would likely hold that a quarry license held by any of the Atcon Companies would be subject to the security interests and charges (equitable or otherwise) provided for by the General Security and Hypothec Agreements and would be enforceable in priority to the rights of the Trustee.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by or provided to any other person without my prior written consent.

Yours very truly,

HARRY H. WILLIAMSON

Encl.

TOR01: 4589072: v9

[6] 2006 CarswellNB 439 (N.B.Q.B.)

[7] 2005 CarswellNB 808 (N.B.Q.B.)

[8] 2008 CarswellNS 569 (S.C.C.)

SCHEDULE "A"

SECURITY DOCUMENTS

I. SECURITY GRANTED TO THE BANK

A. GSAs

1. General Security Agreement dated May 29, 2006 granted by Holdings in favour of the Bank
2. General Security Agreement dated May 29, 2006 granted by APH in favour of the Bank
3. General Security Agreement dated May 29, 2006 granted by Veneer in favour of the Bank
4. General Security Agreement dated May 29, 2006 granted by Construction in favour of the Bank
5. General Security Agreement dated May 29, 2006 granted by AMS in favour of the Bank
6. General Security Agreement dated May 29, 2006 granted by Envirem in favour of the Bank
7. General Security Agreement dated June 30, 2009 granted by Group in favour of the Bank
8. General Security Agreement dated June 30, 2009 granted by Logistics in favour of the Bank
9. General Security Agreement dated June 30, 2009 granted by Civil in favour of the Bank
10. General Security Agreement dated June 30, 2009 granted by Dycon in favour of the Bank
11. General Security Agreement dated June 30, 2009 granted by Structures in favour of the Bank

B. 2009 Securities Pledge Agreement

12. Security Pledge Agreement dated June 30, 2009 granted by Group in favour of the Bank in respect of shares in OPI AB

C. Collateral Mortgages

13. Collateral Mortgage dated May 23, 2006 granted by APH in favour of the Bank, in respect of PIDs 40204778, 40304487, and 40304529
14. Collateral Mortgage dated May 23, 2006 granted by APH in favour of the Bank, in respect of PID 20756318
15. Collateral Mortgage dated 23 May 2006 granted by Construction in favour of the Bank, in respect to PID 40186561

16. Collateral Mortgage dated 23 May 2006 granted by Envirem in favour of the Bank, in respect to PID 01483031

17. Collateral Mortgage dated June 30, 2009 granted by Construction in favour of the Bank, in respect of PIDs 40450785 and 40489577

II. SECURITY GRANTED TO MG STRATUM AND ROYNAT AND ASSIGNED TO THE BANK

A. General Security and Movable Hypothec Agreements

18. General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Group, Holdings, APH, Veneer, Logistics, Construction, AMS, Civil, Dycon and Envirem, among others, in favour of MG Stratum

19. General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Group, Holdings, APH, Veneer, Logistics, Construction, AMS, Civil, Dycon and Envirem, among others, in favour of Roynat

B. Debentures

20. Debenture and Pledge Agreement dated April 1, 2006 granted by Group in favour of MG Stratum, in respect of PID 40477259

21. Debenture and Pledge Agreement dated April 1, 2006 granted by Group in favour of Roynat, in respect of PID 40477259

22. Debenture and Pledge Agreement dated April 1, 2006 granted by APH in favour of MG Stratum, in respect of PIDs 40095887 and 40165656

23. Debenture and Pledge Agreement dated April 1, 2006 granted by APH in favour of Roynat, in respect of PIDs 40095887 and 40165656

24. Debenture and Pledge Agreement dated April 1, 2006 granted by Construction in favour of MG Stratum, in respect of PIDs 40186561, 40181455, 40175069, 40179152, 40277774, 70245741, 10208858, 40450785, and 40179715

25. Debenture and Pledge Agreement dated April 1, 2006 granted by Construction in favour of Roynat, in respect of PIDs 40186561, 40181455, 40175069, 40179152, 40277774, 70245741, 10208858, 40450785, and 40179715

26. Debenture and Pledge Agreement dated April 1, 2006 granted by Arvin Machine Works Inc. ("**Arvin**") (later, Arvin amalgamated with, and continued on as, Construction) in favour of MG Stratum, in respect of PID 40206989

27. Debenture and Pledge Agreement dated April 1, 2006 granted by Arvin (later, Arvin amalgamated with, and continued on as, Construction) in favour of Roynat, in respect of PID 40206989

28. Debenture and Pledge Agreement dated April 1, 2006 granted by AMS in favour of MG Stratum, in respect of PIDs 40441917, 40204778, 40304487, 40304529, 40219941, and 40466039

29. Debenture and Pledge Agreement dated April 1, 2006 granted by AMS in favour of Roynat, in respect of PIDs 40441917, 40204778, 40304487, 40304529, 40219941, and 40466039

30. Debenture and Pledge Agreement dated April 1, 2006, granted by Envirem in favour of MG Stratum, in respect of PIDs 40450389, 1483031, 40030413, 40450355, 75165480, 75246660, 75165209, 40406282, 40164311, and 15086259

31. Debenture and Pledge Agreement dated April 1, 2006, granted by Envirem in favour of Roynat, in respect of PIDs 40450389, 1483031, 40030413, 40450355, 75165480, 75246660, 75165209, 40406282, 40164311, and 15086259

D. Assignment Agreements

32. Assignment of Credit Agreements, Loans, and Security dated as of the 30th day of June 2009, between MG Stratum, Roynat, the Bank, Group, Holdings, APH, Veneer, Logistics, Construction, AMS, Civil, Dycon and Envirem, among others

33. Acknowledgement and Confirmation Agreement dated as of the 30th day of June, 2009 between the Bank, Group, Holdings, APH, Veneer, Logistics, Construction, AMS, Civil, Dycon and Envirem, among others

SCHEDULE "B"

ASSUMPTIONS

A. Authenticity and Accuracy

I have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to me as copies thereof. I have also assumed the accuracy and currency of all indices, filing and registration systems maintained at the public offices where I have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein, the reliability of all search results obtained by electronic transmission and the accuracy of the result of any printed or computer search of any office of public record.

B. Authority

I have assumed that:

(a) each Atcon Company was a duly incorporated and validly existing corporation at the time the Security Documents were authorized, executed and delivered and each Atcon Company has continued to be duly incorporated and validly existing since that time;

(b) each Atcon Company had the requisite corporate power, capacity and authority to enter into and perform its obligations under the Security Documents at the time the Security Documents were authorized, executed and delivered;

(c) all necessary corporate action and proceedings had been taken by each Atcon Company to authorize the execution, delivery and performance of the Security Documents at the time each Security Document was authorized, executed and delivered; and

(d) the place of business, registered office and chief executive office of each of the Atcon Companies are located in the Province of New Brunswick.

C. Security Document

I have assumed that:

(a) none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements (other than the Security Documents) between the Atcon Companies and the Bank, which are relevant to the matters discussed in this letter;

(b) except as expressly stipulated in the opinion, none of the assets charged by the Security Documents is:

(i) outside the scope of the PPSA;

(ii) outside the scope of the LTA or the Registry Act; and

(iii) property for which conflicts rules provide that security interests in such property are governed by the laws of a jurisdiction other than the Province of New Brunswick.

D. Existence of Debt and Security Matters

I have assumed that:

(a) value has respectively been given by the Bank to each Atcon Company and payment and other obligations respectively remain outstanding by each Atcon Company to the Bank;

(b) each of the Security Documents were duly executed and delivered by the Atcon Companies;

(c) each of the Security Documents were issued for valuable consideration and that all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;

(d) attachment of the security interests constituted by the Security Documents have occurred within the meaning of the PPSA;

(e) each of the Atcon Companies have an interest in its collateral expressed to be subject to each of the Security Documents;

(f) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Province of New Brunswick, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction; and

(g) the Security Documents do not include consumer goods (as defined in the PPSA).

E. Factual Matters

I have assumed that no fact exists, or has existed, which would entitle any of the Atcon Companies to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Documents.

F. Entire Agreement

I have assumed that there is no written or oral agreement or other understanding and there is no trade usage or course of conduct or prior dealing, which would vary the interpretation or application of any term or condition of any of the Security Documents, and there have been no amendments, restatements, deletions or other modifications to any of the Security Documents.

G. Choice of Law

I have assumed that the choice of the law of the Province of New Brunswick law as the governing law of the Security Documents will be given effect to in any legal proceedings.

SCHEDULE "C"

QUALIFICATIONS

1. **Title:** I express no opinion concerning:

   (a) title to any property which purports to be subject to any security constituted by each of the Security Documents and such title has been assumed to the full extent necessary to express the opinions contained herein; and

   (b) the effectiveness of each of the Security Documents as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions which expressly or by necessity relate to the enforceability of each of the Security Documents (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:

   (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the PPSA at the time affecting the rights and remedies of creditors generally);

   (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;

   (c) the power of a court to grant relief from forfeiture;

   (d) applicable laws regarding limitations of action;

   (e) the court's powers to stay proceedings and execution of judgments;

   (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;

   (g) limitations which may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;

   (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

   (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;

(j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and

(k) the following limitations:

(i) provisions which purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;

(ii) the *Judicature Act* (New Brunswick) limits interest on a judgment debt arising under the judgment of a New Brunswick Court to rates prescribed by regulation from time to time;

(iii) rights of indemnity may be limited by applicable law;

(iv) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;

(v) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation; no opinion is expressed as to the enforceability of any provision which purports to provide for a higher rate of interest after default than before;

(vi) no opinion is expressed as to the enforceability of a provision of any of the Security Documents that provides that the provisions of any agreement or instrument governs in the event of any conflict or inconsistency between the provisions of such agreement or instrument and such Security Document;

(vii) the validity and enforceability of provisions inserted in any agreement or instrument that purport to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument would be determined only in the discretion of the court;

(viii) no opinion is expressed as to the enforceability of any provision which purports to waive the benefit or protection of any doctrine, principle or statutory protection viewed by the court as being based on public policy;

(ix) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;

(x) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the Security Documents;

(xi) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the Security Documents, whether such enforcement involves the operation of the business of any of the Atcon Companies or a sale, transfer or disposition of any of its property or assets;

(xii) the enforceability of the security interests in each of the Security Documents may be subject, as against an account debtor with respect to any property which is an account, to:

(1) notice of the security interest and proof thereof being given to the account debtor, together with a direction to pay the same to the secured party;

(2) the terms of the contract between any of the Atcon Companies and the account debtor and any defence or claim arising out of the contract or a closely connected contract; and

(3) any other defence or claim of the account debtor against any of the Atcon Companies accruing before the account debtor has knowledge of the security interest;

(xiii) no opinion is expressed as to the enforceability of any provision in any of the Security Documents which purports to constitute a receiver or receiver and manager thereunder as agent of any of the Atcon Companies or absolve a receiver or receiver and manager of responsibility for its acts;

(xiv) no opinion is expressed as to the enforcement of any security interest or hypothec in federal or provincial Crown debts to which the *Financial Administration Act* (Canada) or similar provincial legislation apply; and

(xv) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest or hypothec created by any of the Security Documents.

4. **Searches:** I have only reviewed those searches described in Schedule "D" hereto.

5. **Fraudulent Preference:** No opinion is given as to whether any security interest given under any of the Security Documents constitutes a fraudulent preference pursuant to the provisions of the *Bankruptcy and Insolvency Act.*

6. **Security Interests and Registrations:** Except as expressly stipulated in the opinion, I express no opinion:

(a) as to whether a security interest may be created in:

(i) property consisting of a receivable, approval, privilege,

(ii) contractual right, franchise, or permit (collectively, "**Special Property**") to the extent that the terms of the Special Property, any applicable law or the nature of the business of any of the Atcon Companies prohibit its assignment or hypothecation or require, as a condition of its assignability or hypothecation, a consent, approval or other authorization or registration which has not been made or given;

(iii) any collateral to the extent that security agreements, hypothecs or assignments with respect to such collateral are governed by the laws of the Parliament of Canada including, without limitation, any vessel registered under the *Canada Shipping Act, 2001* any rolling stock and any trademark, trade name, copyright, patent, industrial design or other intellectual property right;

(iv) permits, quotas, privileges, governmental authorizations or other property which are not personal property and which are held by or issued to any of the Atcon Companies;

(v) property for which, pursuant to applicable conflicts rules (including without limitation the conflicts rules of the PPSA), the validity, perfection and the effect of perfection or non- perfection or enforcement are governed by the laws of a jurisdiction other than the Province of New Brunswick;

(vi) property which is now or hereafter becomes a fixture or crop;

(vii) property or rights of a nature listed in section 4 of the PPSA;

(viii) property that is not identifiable or traceable or any property being proceeds which are not identifiable or traceable; or

(ix) property which is after-acquired consumer goods.

(b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in any the Province of New Brunswick;

(c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under any of the Security Documents with respect to any property of any of the Atcon Companies that is not identifiable or traceable or any proceeds of any property of any of the Atcon Companies that is not identifiable or traceable.

7. **Specific Collateral:** Any security interests created by the Security Documents in any equipment that is:

(a) a serial numbered good (as defined in the Regulation under the PPSA), situate in the Province of New Brunswick has not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder.

8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by any of the Security Documents.

SCHEDULE "D"

SEARCHES COMPLETED FOR ATCON COMPANIES

A. GROUP

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Group Inc." Such report indicated that Group is a New Brunswick corporation that came into existence on December 3, 2004 by way of amalgamation of Atcon Group Inc. (Reference No. 504040) and Eastwood Furniture Inc. (Reference No. 610360).

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Group Inc." Such search result report evidenced the following registrations in favour of the Bank against Group:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Atcon Group Inc. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Atcon Group Inc. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
17671371	Atcon Group Inc.	The Bank of Nova Scotia	06-30-2009	06-30-2019	A security interest is taken in all of the Debtor's present and after-acquired personal property.
17671751	Atcon Group Inc.	The Bank of Nova Scotia	06-30-2009	06-30-2019	A security interest is taken in: (A) all shares in the capital stock of OPI AKTIEBOLAG beneficially owned by the Debtor, including any such shares that are issued and registered in the name of the Debtor at the time of this pledge together with all shares in which the Debtor hereafter acquires a beneficial interest or that are subsequently acquired and registered in addition to or substitution to the foregoing, and (B)the Debtor's records with respect to any of the foregoing, and (C) proceeds of any of the foregoing, in any form, including goods, documents of title, chattel paper, securities, instruments, money and intangibles and including, without limitation, any proceeds arising out of any consolidation, subdivision, reclassification, conversion, stock dividend or other similar increase or decrease in or

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					alteration of capital or any other event.

B. HOLDINGS

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Holdings Inc." Such report indicated that Holdings is a New Brunswick corporation that came into existence on January 14, 2004.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Holdings Inc." Such search result report evidenced the following registrations in favour of the Bank against Holdings:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Atcon Holdings Inc. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Atcon Holdings Inc. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
13591623	Atcon Holdings Inc.	The Bank of Nova Scotia	05-29-2006	05-29-2011	A security interest is taken in all present and after-acquired personal property of the Debtor and all proceeds that are present or after-acquired personal property.
			17665815 06-30-2009 (Renewal)	05-29-2020	
14192280	Atcon Holdings Inc.	The Bank of Nova Scotia	10-31-2006	10-31-2011	Priorities Agreement among Maple Trade Finance Inc. ("MTF"), The Bank of Nova Scotia (the "Bank"), and Atcon Construction Inc. (the "Company") The parties agree that: the MTF Security shall rank in priority to the Bank Security to the extent of the MTF indebtedness; all mortgages, charges, assignments, secirtiy interests and all other security held from time to time by the Bank other than the Bank Security shall rank and continue to rank in priority to the MTF Security to the extent of the Bank indebtedness; the macimum MTD indebtedness at any time shall not exceed $5,000,000.00
17455569	Atcon Holdings Inc. *et al*	The Bank of Nova Scotia	05-07-2009	05-07-2014	A Priority Agreement dated May 30, 2006

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					Between: MG Stratum Fund III, Limited Partnership ("MG Stratum" and Roynat Capital Inc. ("Roynat") and together with MG Stratum, the "Term Lender") and Atcon Holdings Inc. (the "Borrower"), Atcon Plywood Inc., Atcon Construction Inc. ("Atcon Construction"), Envirem Technologies Inc., Arvin Machine Works Inc., Trac Industries Ltd., Atcon Veneer Products Inc., Atcon Management Services Inc., Atcon Civil Ltd., Aspen Environmental Inc., Atcon Structures Inc., Atcon Property Holdings Inc., Dycon Construction Ltd. And Atcon Logistics Inc. (collectively, the "Atcon Companies") MG Stratum and Roynat hereby agree that the MG Stratum and Roynat Security is hereby postponed and subordinated in all respects to the Bank Security on Bank Collateral (other than the Term Lender Priority Collateral) to the extent of the indebtedness of the Atcon Companies to the Bank from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Bank in connection therewith. The Bank hereby agrees that the Bank Security is hereby postponed and subordinated in all respects to the MG Stratum and Roynat Security on the Term Lender Priority Collateral

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					to the extent of the indebtedness of the Atcon Companies to the Term Lenders from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Term Lenders in connection therewith.

C. APH

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Property Holdings Inc." Such report indicated that APH is a New Brunswick corporation that came into existence on February 20, 2003.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Property Holdings Inc." Such search result report evidenced the following registrations in favour of the Bank against APH:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Atcon Property Holdings Inc. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346960	Atcon Property Holdings Inc. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
13591813	Atcon Property Holdings Inc.	The Bank of Nova Scotia	05-29-2006	05-29-2011	A security interest is taken in all present and after-acquired personal property of the Debtor and all proceeds that are present or after-acquired personal property.
			17668658 06-30-2009 (Renewal)	05-29-2019	
17455569	Atcon Property Holdings Inc. *et al*	The Bank of Nova Scotia	05-07-2009	05-07-2014	A Priority Agreement dated May 30, 2006 Between: MG Stratum Fund III, Limited Partnership ("MG Stratum" and Roynat Capital Inc. ("Roynat") and together with MG Stratum, the "Term Lender") and Atcon Holdings Inc. (the "Borrower"), Atcon Plywood Inc., Atcon Construction Inc. ("Atcon Construction"), Envirem Technologies Inc., Arvin Machine Works Inc., Trac Industries Ltd., Atcon Veneer Products Inc., Atcon Management Services Inc., Atcon Civil

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					Ltd., Aspen Environmental Inc., Atcon Structures Inc., Atcon Property Holdings Inc., Dycon Construction Ltd. And Atcon Logistics Inc. (collectively, the "Atcon Companies") MG Stratum and Roynat hereby agree that the MG Stratum and Roynat Security is hereby postponed and subordinated in all respects to the Bank Security on Bank Collateral (other than the Term Lender Priority Collateral) to the extent of the indebtedness of the Atcon Companies to the Bank from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Bank in connection therewith. The Bank hereby agrees that the Bank Security is hereby postponed and subordinated in all respects to the MG Stratum and Roynat Security on the Term Lender Priority Collateral to the extent of the indebtedness of the Atcon Companies to the Term Lenders from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Term Lenders in connection therewith.

3. Real Property Searches (New Brunswick)

PID 40095887

A Certificate of Registered Ownership ("**CRO**") was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40095887 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917795	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918066	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394502	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394528	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

In addition to such encumbrances in favour of the Bank, a mortgage was registered in favour of Caterpillar Financial Services Limited ("**Caterpillar**") on June 17, 2005 as Instrument Number 20442613. The Caterpillar mortgage was registered prior in time to the Bank's registrations.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of APH's right, title and interest in PID 40095887 was conveyed to Five Islands Forest Development Limited free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40095887 stands in the place and stead of PID 40095887, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40095887 immediately prior to the sale, as if PID 40095887 had not been sold.

PIDs 40304487 and 40304529

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PIDs 40304487 and 40304529 on September 28, 2010. Such CROs evidenced that the owner of each property was "Atcon Property Holdings Inc." and the following encumbrances were registered on title of each property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917548	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21917944	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006

Instrument Number	Chargee	Instrument Type	Date of Registration
22139191	The Bank of Nova Scotia Mortgagee	Collateral Mortgage	05-24-2006
22293352	The Bank of Nova Scotia Mortgagee	Postponement Agreement	06-20-2006
22293493	The Bank of Nova Scotia Mortgagee	Postponement Agreement	06-20-2006
27394502	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394528	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of APH's right, title and interest in PIDs 40304487 and 40304529 was conveyed to Concreate USL Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PIDs 40304487 and 40304529 stand in the place and stead of PIDs 40304487 and 40304529, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PIDs 40304487 and 40304529 immediately prior to the sale, as if PIDs 40304487 and 40304529 had not been sold.

PID 40313660

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40313660 on April 25, 2012. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and there were no encumbrances registered on title.

PID 40179798

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40179798 on April 25, 2011. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917902	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918173	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394502	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394528	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

In addition to such encumbrances in favour of the Bank, a mortgage was registered in favour of Caterpillar on June 17, 2005 as Instrument Number 20442696. The Caterpillar mortgage was registered prior in time to the Bank's registrations.

PID 40473076

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40473076 on September 28, 2012. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and there were no encumbrances registered on title.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of APH's right, title and interest in PID 40473076 was conveyed to Five Islands Forest Development Limited free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40473076 stands in the place and stead of PID 40473076, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40473076 immediately prior to the sale, as if PID 40473076 had not been sold.

PID 40477259

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40477259 on April 21, 2010. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917860	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918124	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394502	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394528	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

Pursuant to paragraphs 3 and 5 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated May 12, 2010 granted in the Receivership Proceedings, all of APH's right, title and interest in PID 40477259 was conveyed to Shaun Perrett and Susan Perrett free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 6 of the Order, the net proceeds from the sale of PID 40477259 stands in the place and stead of PID 40477259, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40477259 immediately prior to the sale, as if PID 40477259 had not been sold.

PID 40204778

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40204778 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and the following encumbrances were registered on title of the property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917548	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21917944	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
22139191	The Bank of Nova Scotia Mortgagee	Collateral Mortgage	05-24-2006
22293352	The Bank of Nova Scotia Mortgagee	Postponement Agreement	06-20-2006
22293493	The Bank of Nova Scotia Mortgagee	Postponement Agreement	06-20-2006
27394502	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394528	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of APH's right, title and interest in PID 40204778 was conveyed to Concreate USL Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40204778 stands in the place and stead of PID 40204778, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40204778 immediately prior to the sale, as if PID 40204778 had not been sold.

PID 40473068

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40473068 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and there were no encumbrances registered on title.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of APH's right, title and interest in PID 40473068 was conveyed to Five Islands Forest Development Limited free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40473068 stands in the place and stead of PID 40473068, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40473068 immediately prior to the sale, as if PID 40473068 had not been sold.

PID 40206989

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40206989 on May 4, 2011. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917886	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918132	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394502	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394528	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

In addition to such encumbrances in favour of the Bank: (i) a debenture was registered in favour of Roynat Inc. on July 30, 1999 as Instrument Number 10387810; and (ii) a notice of security interest was registered in favour of Irving Oil Limited on May 27, 2003 as Instrument Number 16305204. Such registrations were registered prior in time to the Bank's registrations.

Pursuant to paragraphs 4 and 6 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated May 10, 2011 granted in the Receivership Proceedings, all of APH's right, title and interest in PID 40206989 was conveyed to Sunny Corner Enterprises Inc. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 7 of the Order, the net proceeds from the sale of PID 40206989 stands in the place and stead PID 40206989, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40206989 immediately prior to the sale, as if PID 40206989 had not been sold.

PID 40165656

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40165656 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917795	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006

Instrument Number	Chargee	Instrument Type	Date of Registration
21918066	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394502	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394528	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of APH's right, title and interest in PID 40165656 was conveyed to Goodfellows Trucking Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40095887 stands in the place and stead of PID 40165656, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40165656 immediately prior to the sale, as if PID 40165656 had not been sold.

PID 40441917

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40441917 on March 30, 2011. Such CRO evidenced that the owner of the property was "Atcon Property Holdings Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917548	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21917944	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394502	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394528	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

In addition to such encumbrances in favour of the Bank, a mortgage was registered in favour of Caterpillar on June 17, 2005 as Instrument Number 20442654. The Caterpillar mortgage was registered prior in time to the Bank's registrations.

The Receiver sold this property to 659533 N.B. Inc. without obtaining a vesting order, as permitted under the terms of the Receivership Order, and such sale closed on October 4, 2011. I personally attended to the registration of the discharges from Caterpillar and the Bank of the above-noted charges/mortgages.

D. VENEER

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Veneer Products Inc." Such report indicated that Veneer is a New Brunswick corporation that came into existence on September 5, 2003.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Veneer Products Inc." Such search result report evidenced the following registrations in favour of the Bank against Veneer:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Atcon Veneer Products Inc. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Atcon Veneer Products Inc. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
17455569	Atcon Veneer Products Inc. *et al*	The Bank of Nova Scotia	05-07-2009	05-07-2014	A Priority Agreement dated May 30, 2006 Between: MG Stratum Fund III, Limited Partnership ("MG Stratum" and Roynat Capital Inc. ("Roynat") and together with MG Stratum, the "Term Lender") and Atcon Holdings Inc. (the "Borrower"), Atcon Plywood Inc., Atcon Construction Inc. ("Atcon Construction"), Envirem Technologies Inc., Arvin Machine Works Inc., Trac Industries Ltd., Atcon Veneer Products Inc., Atcon Management Services Inc., Atcon Civil Ltd., Aspen Environmental Inc., Atcon Structures Inc., Atcon Property Holdings Inc., Dycon Construction Ltd. And Atcon Logistics Inc. (collectively, the "Atcon Companies") MG Stratum and Roynat hereby agree that the MG Stratum and Roynat Security is hereby postponed and subordinated in all respects to the Bank Security on Bank Collateral (other than the Term Lender Priority Collateral) to the extent of the indebtedness of the Atcon Companies to the Bank from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					Bank in connection therewith. The Bank hereby agrees that the Bank Security is hereby postponed and subordinated in all respects to the MG Stratum and Roynat Security on the Term Lender Priority Collateral to the extent of the indebtedness of the Atcon Companies to the Term Lenders from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Term Lenders in connection therewith.
17907510	Atcon Veneer Products Inc.	The Bank of Nova Scotia	09-01-2009	09-01-2019	A security interest is taken in all of the Debtor's present and after-acquired personal property.

E. LOGISTICS

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Logistics Inc." Such report indicated that Logistics is a New Brunswick corporation that came into existence on July 12, 2004.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Logistics Inc." Such search result report evidenced the following registrations in favour of the Bank against Logistics:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Atcon Logistics Inc. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006		A security interest is taken in all present and

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
			(Amendment)		after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Atcon Logistics Inc. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
17907593	Atcon Logistics Inc.	The Bank of Nova Scotia	09-01-2009	09-01-2019	A security interest is taken in all of the Debtor's present and after-acquired personal property.

F. CONSTRUCTION

1. <u>Corporate Search (New Brunswick)</u>

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Construction Inc." Such report indicated that Construction is a New Brunswick corporation that came into existence on August 31, 2006 by way of amalgamation of

Atcon Construction Inc. (514650), Arvin Machine Works Inc. (509936), Thermolok Inc. (602225) and Plymac Inc. (616108).

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Construction Inc." Such search result report evidenced the following registrations in favour of the Bank against Construction:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Atcon Construction Inc. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Atcon Construction Inc. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13591664	Atcon Construction Inc.	The Bank of Nova Scotia	05-29-2006	05-29-2011	A security interest is taken in all present and after-acquired personal property of the Debtor and all proceeds that are present or after-acquired personal property.
			13592035 05-29-2006 (Amendment re Debtor Address)		
			17668534 06-30-2009 (Renewal)	05-29-2020	
17455569	Atcon Construction Inc. *et al*	The Bank of Nova Scotia	05-07-2009	05-07-2014	A Priority Agreement dated May 30, 2006 Between: MG Stratum Fund III, Limited Partnership ("MG Stratum" and Roynat Capital Inc. ("Roynat") and together with MG Stratum, the "Term Lender") and Atcon Holdings Inc. (the "Borrower"), Atcon Plywood Inc., Atcon Construction Inc. ("Atcon Construction"), Envirem Technologies Inc., Arvin Machine Works Inc., Trac Industries Ltd., Atcon Veneer Products Inc., Atcon Management Services Inc., Atcon Civil Ltd., Aspen Environmental Inc., Atcon Structures Inc., Atcon Property Holdings Inc., Dycon Construction Ltd. And Atcon Logistics Inc. (collectively, the "Atcon Companies") MG Stratum and Roynat hereby agree that the MG Stratum and Roynat Security is hereby postponed and subordinated in all respects to the Bank Security on Bank

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					Collateral (other than the Term Lender Priority Collateral) to the extent of the indebtedness of the Atcon Companies to the Bank from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Bank in connection therewith. The Bank hereby agrees that the Bank Security is hereby postponed and subordinated in all respects to the MG Stratum and Roynat Security on the Term Lender Priority Collateral to the extent of the indebtedness of the Atcon Companies to the Term Lenders from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Term Lenders in connection therewith.
17671793	Atcon Construction Inc.	The Bank of Nova Scotia	06-30-2009	06-30-2019	A security interest is taken in all of the Debtor's present and after-acquired personal property.

3. <u>Real Property (New Brunswick)</u>

<u>PIDs 40052912, 40053001, 40328742 and 40328734</u>

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PIDs 40052912, 40053001, 40327842 and 40328734 on September 28, 2010. Such CROs evidenced that the owner of each property was "Atcon Construction Inc." and there were no encumbrances registered on title, other than judgment creditor registration with respect to PID 40052912 and PID 40328734.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Atcon Construction's right, title and interest in PIDs 40052912, 40053001, 40327842 and 40328734 was conveyed to Goodfellows Trucking Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PIDs 40052912, 40053001, 40327842 and 40328734 stands in the place and stead of PIDs 40052912, 40053001, 40327842 and 40328734, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PIDs 40052912, 40053001, 40327842 and 40328734 immediately prior to the sale, as if PIDs 40052912, 40053001, 40327842 and 40328734 had not been sold.

PID 40125825

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Harry H. Williamson, Q.C. dated April 27, 2012, "Atcon Construction Inc." was the registered owner of PID 40125825 and there were no liens recorded against this property other than judgment creditor registrations.

PID 40335184

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Construction Inc." was the registered owner of PID 40335184 and there were no liens recorded against this property as of the date of the search, other than two judgments.

PID 10208858

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 10208858 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21924205	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-05-2006
21924296	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-05-2006
27403139	The Bank of Nova Scotia Assignee	Other Assignment	07-08-2009
27403261	The Bank of Nova Scotia Assignee	Other Assignment	07-08-2009

In addition to such encumbrances in favour of the Bank, a collateral mortgage was registered in favour of Aviva Insurance Company of Canada (**"Aviva"**) on October 11, 2005 as Instrument Number 21107553. The Aviva mortgage was registered prior in time to the Bank's registrations.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 28, 2010 granted in the Receivership

Proceedings, all of Construction's right, title and interest in PID 10208858 was conveyed to Northern Construction & Supplies Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 10208858 stands in the place and stead of PID 10208858, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 10208858 immediately prior to the sale, as if PID 10208858 had not been sold.

PID 70245741

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 70245741 on March 17, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21922324	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-05-2006
21928453	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-05-2006
27400846	The Bank of Nova Scotia Assignee	Other Assignment	07-08-2009
27400879	The Bank of Nova Scotia Assignee	Other Assignment	07-08-2009

In addition to such encumbrances in favour of the Bank, a collateral mortgage was registered in favour of Aviva on October 6, 2005 as Instrument Number 21092797. The Aviva mortgage was registered prior in time to the Bank's registrations.

Pursuant to paragraph 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 22, 2010 granted in the CCAA Proceedings, all of Construction's right, title and interest in PID 70245741 was conveyed to Envirem Organics Inc. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 6 of the Order, the net proceeds from the sale of PID 70245741 stands in the place and stead of PID 70245741, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 70245741 immediately prior to the sale, as if PID 70245741 had not been sold.

PID 40489437

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40489437 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917670	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006

Instrument Number	Chargee	Instrument Type	Date of Registration
21918041	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
22139233	The Bank of Nova Scotia Mortgagee	Collateral Mortgage	05-24-2006
22293303	The Bank of Nova Scotia Mortgagee	Postponement Agreement	06-20-2006
22293337	The Bank of Nova Scotia Mortgagee	Postponement Agreement	06-20-2006
27394726	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394759	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40489437 was conveyed to C.M. Dickison & Sons Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40489437 stands in the place and stead of PID 40489437, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40489437 immediately prior to the sale, as if PID 40489437 had not been sold.

PID 40127862

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40128762 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and there were no encumbrances registered on title, other than a judgment creditor registration.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40128762 was conveyed to C.M. Dickison & Sons Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40128762 stands in the place and stead of PID 40128762, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40128762 immediately prior to the sale, as if PID 40128762 had not been sold.

PID 40179152

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40179152 on March 30, 2011. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and the following encumbrances were registered on title of the property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917670	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918041	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394726	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394759	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

Pursuant to paragraph 2 of the Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 15, 2011 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40179152 was conveyed to Hitchman Construction Inc. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 3 of the Order, all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40179152 immediately prior to the sale, as if PID 40179152 had not been sold.

PID 40179715

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40179715 on April 25, 2012. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and the following encumbrances were registered on title of the property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917670	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918041	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394726	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394759	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

PID 40277774

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40277774 on March 30, 2011. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and the following encumbrances were registered on title of the property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917670	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918041	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394726	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394759	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

Pursuant to paragraph 2 of the Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 15, 2011 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40277774 was conveyed to Hitchman Construction Inc. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 3 of the Order, all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40277774 immediately prior to the sale, as if PID 40277774 had not been sold.

PIDs 40450785

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40450785 on July 12, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and the following encumbrances were registered on title of the property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917670	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918041	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27365965	The Bank of Nova Scotia Mortgagee	Collateral Mortgage	06-30-2009
27394726	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394759	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

In addition to such encumbrances in favour of the Bank, a collateral mortgage was registered in favour of General Electric Canada Real Estate Finance Inc. ("**GE**") on July 31, 2007 as Instrument Number 24254592. The GE mortgage was registered subsequent to the Bank's registrations; however, I understand that, as a result of a postponement agreement between GE and the Bank, the GE mortgage has priority over the Bank's encumbrances.

Pursuant to paragraphs 3 and 5 of the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated July 28, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40450785 was conveyed to Modular Fabrication Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 6 of the Order, the net proceeds from the sale of PID 40450785 stands in the place and stead of PID 40450785, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40450785 immediately prior to the sale, as if PID 40450785 had not been sold.

PID 40052995

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40052995 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and there were no encumbrances registered on title, other than a judgment.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Atcon Construction's right, title and interest in PID 40052995 was conveyed to Goodfellows Trucking Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40052995 stands in the place and stead of PID 40052995, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40052995 immediately prior to the sale, as if PID 40052995 had not been sold.

PID 40177131

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40177131 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and there were no encumbrances registered on title, other than a judgment.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40177131 was conveyed to C.M. Dickison & Sons Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40177131 stands in the place and stead of PID 40177131, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40177131 immediately prior to the sale, as if PID 40177131 had not been sold.

PID 40489577

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40489577 on July 12, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and the following encumbrances were registered on title of each property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917670	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21918041	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27365965	The Bank of Nova Scotia Mortgagee	Collateral Mortgage	06-30-2009
27365890	The Bank of Nova Scotia Mortgagee	Collateral Mortgage	06-30-2009
27394726	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394759	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

In addition to such encumbrances in favour of the Bank, two collateral mortgages were registered in favour of GE on July 31, 2007 respectively as Instrument Number 24254592 and Instrument Number 24254626. The GE mortgages were registered subsequent to the Bank's registrations; however, I understand that, as a result of a postponement agreement between GE and the Bank, the GE mortgages have priority over the Bank's encumbrances.

Pursuant to paragraphs 3 and 5 of the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated July 28, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40489577 was conveyed to Modular Fabrication Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 6 of the Order, the net proceeds from the sale of PID 40489577 stands in the place and stead of PID 40489577, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40489577 immediately prior to the sale, as if PID 40489577 had not been sold.

PID 40175622

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40175622 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and there were no encumbrances registered on title, other than two judgments.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40175622 was conveyed to C.M. Dickison & Sons Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40175622 stands in the place and stead of PID 40175622, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40175622 immediately prior to the sale, as if PID 40175622 had not been sold.

PID 40276263

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Construction Inc." was the owner of PID 40276263 and there were no liens recorded against this property as of the date of the search, other than two judgments.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40276263 was conveyed to Caldwell & Ross Limited free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40276263 stands in the place and stead of PID 40276263, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40276263 immediately prior to the sale, as if PID 40276263 had not been sold.

PID 40277873

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40277873 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and there were no encumbrances registered on title, other than two judgments.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40277873 was conveyed to C.M. Dickison & Sons Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40277873 stands in the place and stead of PID 40277873, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40277873 immediately prior to the sale, as if PID 40277873 had not been sold.

PID 40277881

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 40277881 on September 28, 2010. Such CRO evidenced that the owner of the property was "Atcon Construction Inc." and there were no encumbrances registered on title, other than two judgments.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of Construction's right, title and interest in PID 40277881 was conveyed to C.M. Dickison & Sons Ltd. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40277881 stands in the place and stead of PID 40277881, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40277881 immediately prior to the sale, as if PID 40277881 had not been sold.

G. AMS

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Management Services Inc." Such report indicated that AMS is a New Brunswick corporation that came into existence on November 1, 1991 and was, prior to January 31, 2003, known as 050818 N.B. Ltd.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Management Services Inc." Such search result report evidenced the following registrations in favour of the Bank against AMS:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Atcon Management Services Inc. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Atcon Management Services Inc. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
13591821	Atcon Management Services Inc.	The Bank of Nova Scotia	05-29-2006	05-29-2011	A security interest is taken in all present and after-acquired personal property of the Debtor and all proceeds that are present or after-acquired personal property.
			17668641 06-30-2009 (Renewal)	05-29-2020	
17455569	Atcon Management Services Inc. *et al*	The Bank of Nova Scotia	05-07-2009	05-07-2014	A Priority Agreement dated May 30, 2006 Between: MG Stratum Fund III, Limited Partnership ("MG Stratum" and Roynat Capital Inc. ("Roynat") and together with MG Stratum, the "Term Lender") and Atcon Holdings Inc. (the "Borrower"), Atcon Plywood Inc., Atcon Construction Inc. ("Atcon Construction"), Envirem Technologies Inc., Arvin Machine Works Inc., Trac Industries Ltd., Atcon Veneer Products Inc., Atcon Management Services Inc., Atcon Civil Ltd., Aspen Environmental Inc., Atcon Structures Inc., Atcon Property Holdings Inc., Dycon Construction Ltd. And Atcon Logistics Inc. (collectively, the "Atcon Companies") MG Stratum and Roynat hereby agree that the MG Stratum and Roynat Security is hereby postponed and subordinated in all

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					respects to the Bank Security on Bank Collateral (other than the Term Lender Priority Collateral) to the extent of the indebtedness of the Atcon Companies to the Bank from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Bank in connection therewith. The Bank hereby agrees that the Bank Security is hereby postponed and subordinated in all respects to the MG Stratum and Roynat Security on the Term Lender Priority Collateral to the extent of the indebtedness of the Atcon Companies to the Term Lenders from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Term Lenders in connection therewith.

3. <u>Real Property (New Brunswick)</u>

<u>PID 40217994</u>

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Management Services Inc." was the owner of PID 40217994 and there were no liens recorded against this property as of the date of the search.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of AMS' right, title and interest in PID 40217994 was conveyed to Terrance Kelly free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40217994 stands in the place and stead of PID 40217994, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40217994 immediately prior to the sale, as if PID 40217994 had not been sold.

PID 40218687

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Harry H. Williamson, Q.C. dated April 27, 2012, "Atcon Management Services Inc." was the registered owner of PID 40218687 and there were no liens recorded against this property.

PID 40219933

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Management Services Inc." was the owner of PID 40219933 and there were no liens recorded against this property as of the date of the search.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of AMS' right, title and interest in PID 40219933 was conveyed to Gary Leroux free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40219933 stands in the place and stead of PID 40219933, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40219933 immediately prior to the sale, as if PID 40219933 had not been sold.

PID 40219941

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Management Services Inc." was the owner of PID 40219941 and the followings encumbrances were registered in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917605	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21917985	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394924	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27395020	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

This property has been subject to an Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 28, 2010 granted in the Receivership Proceedings, and an Approval and Vesting Order dated August 15, 2011. I understand that the first sale transaction did not close, and the second sale transaction has not closed as of the date of this opinion letter.

PIDs 40221426 and 40221434

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Management Services Inc." was the owner of PIDs 40221426 and 40221434 and there were no liens recorded against these properties.

These properties have been subject to an Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 28, 2010 granted in the Receivership Proceedings, and an Approval and Vesting Order dated August 15, 2011. I understand that the first sale transaction did not close, and the second sale transaction has not closed as of the date of this opinion letter.

PID 40221459

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Management Services Inc." was the owner of PID 40221459 and there were no liens recorded against this property.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of AMS' right, title and interest in PID 40221459 was conveyed to Gary Leroux free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40221459 stands in the place and stead of PID 40221459, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40221459 immediately prior to the sale, as if PID 40221459 had not been sold.

PID 40286668

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Management Services Inc." was the owner of PID 40286668 and there were no liens recorded against this property.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of AMS' right, title and interest in PID 40217994 was conveyed to Terrance Kelly free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40217994 stands in the place and stead of PID 40217994, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40217994 immediately prior to the sale, as if PID 40217994 had not been sold.

PID 40374266

Based on a search conducted at the applicable registry/land titles office and reported on in the memorandum of Cox & Palmer dated October 1, 2010, "Atcon Management Services Inc." was the owner of PID 40374266 and there were no liens recorded against this property.

Pursuant to paragraphs 2 and 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated September 29, 2010 granted in the Receivership Proceedings, all of AMS' right, title and interest in PID 40374266 was conveyed to Gary Leroux free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 5 of the Order, the net proceeds from the sale of PID 40374266 stands in the place and stead of PID 40374266, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40374266 immediately prior to the sale, as if PID 40374266 had not been sold.

PID 40466039

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect PID 40466039 on July 18, 2011. Such CRO evidenced that the owner of the property was "Atcon Management Services Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917548	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
21917944	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394874	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394973	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

Pursuant to paragraphs 4 and 6 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated August 15, 2011 granted in the Receivership Proceedings, all of AMS' right, title and interest in PID 40466039 was conveyed to 7013272 Canada Inc. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 7 of the Order, the net proceeds from the sale of PID 40466039 stands in the place and stead of PID 40466039, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to PID 40466039 immediately prior to the sale, as if PID 40466039 had not been sold.

As of the date hereof, this sale transaction has not closed.

H. CIVIL

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Civil Ltd." Such report indicated that Civil is a New Brunswick corporation that came into existence on October 21, 1996 and was, prior to August 20, 1998, known as 502661 N.B. Ltd.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Civil Ltd." Such search result report evidenced the following registrations in favour of the Bank against Civil:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Atcon Civil Ltd. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Atcon Civil Ltd. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
17907452	Atcon Civil Ltd.	The Bank of Nova Scotia	09-01-2009	09-01-2019	A security interest is taken in all of the Debtor's present and after-acquired personal property.

I. DYCON

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Dycon Construction Ltd." Such report indicated that Dycon is a New Brunswick corporation that came into existence on March 5, 1985.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Dycon Construction Ltd." Such search result report evidenced the following registrations in favour of the Bank against Dycon:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Dycon Construction Ltd. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Dycon Construction Ltd. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
17907403	Dycon Construction Ltd.	The Bank of Nova Scotia	09-01-2009	09-01-2019	A security interest is taken in all of the Debtor's present and after-acquired personal property.

J. STRUCTURES

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Structures Inc." Such report indicated that Structures is a New Brunswick corporation that came into existence on February 5, 2003.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Structures Inc." Such search result report evidenced the following registrations in favour of the Bank against Structures:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
17671413	Atcon Structures Inc.	The Bank of Nova Scotia	06-30-2009	06-30-2019	A security interest is taken in all of the Debtor's present and

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					after-acquired personal property.

K. ENVIREM

1. Corporate Search (New Brunswick)

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "058545 N.B. Inc." Such report indicated that Envirem is a New Brunswick corporation that came into existence on September 30, 1994 and was, prior to April 28, 2010, known as Envirem Technologies Inc.

2. PPSA Search (New Brunswick)

A New Brunswick PPRS Search Result report was obtained on September 26, 2011 with respect to "Envirem Technologies Inc." and "058545 N.B. Inc." Such search result report evidenced the following registrations in favour of the Bank against Envirem:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
13346861	Envirem Technologies Inc. *et al*	MG Stratum Fund III, Limited Partnership	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367347 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of the debtor.
			13367362 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685587 07-06-2009 (Amendment)		
			17685595 07-06-2009 (Renewal)	03-28-2019	
13346960	Envirem Technologies Inc. *et al*	Roynat Capital Inc.	03-28-2006	03-28-2016	All present and after acquired personal property of each debtor.
			13367321 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					property of the debtor.
			13367388 04-03-2006 (Amendment)		A security interest is taken in all present and after acquired personal property of each debtor.
		The Bank of Nova Scotia	17685603 07-06-2009 (Amendment)		
			17685611 07-06-2009 (Renewal)	03-28-2019	
13591797	Envirem Technologies Inc.	The Bank of Nova Scotia	05-29-2006	05-29-2011	A security interest is taken in all present and after-acquired personal property of the Debtor and all proceeds that are present or after-acquired personal property.
			17668559 06-30-2009 (Renewal)	05-29-2020	
17455569	Envirem Technologies Inc. *et al*	The Bank of Nova Scotia	05-07-2009	05-07-2014	A Priority Agreement dated May 30, 2006 Between: MG Stratum Fund III, Limited Partnership ("MG Stratum" and Roynat Capital Inc. ("Roynat") and together with MG Stratum, the "Term Lender") and Atcon Holdings Inc. (the "Borrower"), Atcon Plywood Inc., Atcon Construction Inc. ("Atcon Construction"), Envirem Technologies Inc., Arvin Machine Works Inc., Trac Industries Ltd., Atcon Veneer Products Inc., Atcon Management Services Inc., Atcon Civil Ltd., Aspen Environmental Inc., Atcon Structures Inc., Atcon Property Holdings Inc., Dycon Construction Ltd. And Atcon Logistics Inc. (collectively, the

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
					"Atcon Companies") MG Stratum and Roynat hereby agree that the MG Stratum and Roynat Security is hereby postponed and subordinated in all respects to the Bank Security on Bank Collateral (other than the Term Lender Priority Collateral) to the extent of the indebtedness of the Atcon Companies to the Bank from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Bank in connection therewith. The Bank hereby agrees that the Bank Security is hereby postponed and subordinated in all respects to the MG Stratum and Roynat Security on the Term Lender Priority Collateral to the extent of the indebtedness of the Atcon Companies to the Term Lenders from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Term Lenders in connection therewith.

3. Real Property

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PIDs 40450389, 40030413, 40450355, 40406282 and 40164311 on March 17, 2010. Such CROs evidenced that the owner of each property was "Envirem Technologies Inc." and the following encumbrances were registered on title of each property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21917829	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006

Instrument Number	Chargee	Instrument Type	Date of Registration
21918116	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-04-2006
27394791	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009
27394858	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-07-2009

With respect to PID 40030413, in addition to such encumbrances in favour of the Bank, a mortgage was registered in favour of SWP Industries Inc. on January 16, 2012 as Instrument Number 13548343. This mortgage was registered prior in time to the Bank's registrations.

With respect to PID 40450389, in addition to such encumbrances in favour of the Bank, a mortgage was registered in favour of Caterpillar on June 17, 2005 as Instrument Number 20442480. The Caterpillar mortgage was registered prior in time to the Bank's registrations.

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PIDs 01483031, 75165480, 7524660 and 75165209 on March 17, 2010. Such CROs evidenced that the owner of each property was "Envirem Technologies Inc." and the following encumbrances were registered on title of each property in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21922571	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-05-2006
21922654	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-05-2006
22146477[9]	The Bank of Nova Scotia Mortgagee	Collateral Mortgage	05-25-2006
22310099[10]	The Bank of Nova Scotia Mortgagee	Postponement Agreement	06-23-2006
22310198[11]	The Bank of Nova Scotia Mortgagee	Postponement Agreement	06-23-2006
27402610	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-08-2009
27402669	The Bank of Nova Scotia Debenture Holder	Assignment of Mortgage or Charge	07-08-2009

A CRO was obtained from the Registrar of Land Titles for the District of New Brunswick with respect to PID 15086259 on March 17, 2010. Such CRO evidenced that the owner of the property

[9] With respect only to PID 01483031
[10] *Ibid.*
[11] *Ibid.*

was "Envirem Technologies Inc." and the following encumbrances were registered on title in favour of the Bank:

Instrument Number	Chargee	Instrument Type	Date of Registration
21924148	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-05-2006
21924171	The Bank of Nova Scotia Debenture Holder	Debenture or Other Voluntary Charge	04-05-2006
27402487	The Bank of Nova Scotia Assignee	Other Assignment	07-08-2009
27402511	The Bank of Nova Scotia Assignee	Other Assignment	07-08-2009

Pursuant to paragraph 4 of the Approval and Vesting Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 22, 2010 granted in the CCAA Proceedings, all of Construction's right, title and interest in PIDs 40450389, 40030413, 40450355, 40406282, 40164311, 01483031, 75165480, 7524660, 75165209 and 15086259 (collectively, the "Envirem **Real Property**") was conveyed to Envirem Organics Inc. free and clear of any and all mortgages and charges, among other things. Pursuant to paragraph 6 of the Order, the net proceeds from the sale of the Envirem Real Property stand in the place and stead of the Envirem Real Property, and all claims and encumbrances attached to the net proceeds from the sale with the same priority as they had with respect to the Envirem Real Property immediately prior to the sale, as the Envirem Real Property had not been sold.

SCHEDULE "E"

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
PID 40052912	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40053001	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40328742	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40328734	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40125825 (R)	**Atcon Construction Inc.**	N/A	Not sold to date
PID 40335184 (R)	**Atcon Construction Inc.**	N/A	Sold – Leroux Approval and Vesting Order dated September 29, 2010
PID 10208858	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – Northern Approval and Vesting Order dated September 29, 2010
PID 70245741	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics by Approval and Vesting Order dated March 22, 2010
PID 40489437	**Atcon Construction Inc.** 3 PIDs retired to form this	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1,	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
	property	2006 in favour of MG Stratum re PID 40186561, PID 40181455 and PID 40175069 Collateral Mortgage dated May 23, 2006 in favour of BNS re PID 40186561	
PID 40127862	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 40179152	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Hitchman Construction by Vesting Order dated September 15, 2011
PID 40179715	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Subject to Agreement of Purchase and Sale dated February 29, 2012
PID 40277774	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Hitchman Construction by Vesting Order dated September 15, 2011
PID 40450785	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum Collateral Mortgage dated June 30, 2009 in favour of BNS	Sold – to Modular Fabrication by Approval and Vesting Order dated July 28, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
PID 40052995	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40177131	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 40489577	**Atcon Construction Inc.**	Collateral Mortgage dated June 30, 2009 in favour of BNS	Sold – to Modular Fabrication by Approval and Vesting Order dated July 28, 2010
PID 40175622	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 40276263 (R)	**Atcon Construction Inc.**	N/A	Sold – Caldwell Approval and Vesting Order dated September 29, 2010
PID 40277873	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 40277881	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 20756532 (R)	**Atcon Construction Inc.**	N/A	Sold – to Falls Construction
PID 40469595 (R)	**Atcon Construction Inc.**	N/A	N/A
PID 40095887	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1,	Sold – Five Islands Approval and Vesting Order dated September 29, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
		2006 in favour of MG Stratum	
PID 40304487	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Management Services Inc. Collateral Mortgage dated May 23, 2006 in favour of BNS from Atcon Management Services Inc.	Sold – Concreat Approval and Vesting Order dated September 29, 2010
PID 40304529	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Management Services Inc. Collateral Mortgage dated May 23, 2006 in favour of BNS	Sold – Concreat Approval and Vesting Order dated September 29, 2010
PID 40313660	**Atcon Property Holdings Inc.**	N/A	Not sold to date
PID 40179798	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Group Inc.	Not sold to date
PID 40473076	**Atcon Property Holdings Inc**	N/A	Sold – Five Islands Approval and Vesting Order dated September 29, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
PID 40477259	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Group Inc.	Sold – to Shaun and Susan Perrett by Approval and Vesting Order dated May 12, 2010
PID 40204778	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Management Services Inc. Collateral Mortgage dated May 23, 2006 in favour of BNS from Atcon Management Services Inc.	Sold – Concreat Approval and Vesting Order dated September 29, 2010
PID 40473068	**Atcon Property Holdings Inc.**	N/A	Sold – Five Islands Approval and Vesting Order dated September 29, 2010
PID 40206989	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Arvin Machine Works Inc.	Sold – to Sunny Corner Enterprises by Approval and Vesting Order dated May 10, 2011
PID 40165656	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40441917	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG	Sold to 659533 N.B. Inc. without obtaining a vesting order, closed on October 4, 2011

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
		Stratum from Atcon Management Services Inc.	
PID 15086259	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics by Approval and Vesting Order dated March 22, 2010
PID 20693396 (R)	**Envirem Technologies Inc.** Confirmed leasehold interest in memo dated April 27, 2012	N/A	N/A
PID 20693404 (R)	**Envirem Technologies Inc.** Confirmed leasehold interest in memo dated April 27, 2012	N/A	N/A
PID 40030413	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 01483031	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum Collateral Mortgage dated May 23, 2006 in favour of BNS	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 40450355	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1,	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
		2006 in favour of MG Stratum	
PID 40406282	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 40164311	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 40450389	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 75165209	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 75246660	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 75165480	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
PID 40217994 (R)	**Atcon Management Services Inc.**	N/A	Sold – Kelly Approval and Vesting Order dated September 29, 2010
PID 40218687 (R)	**Atcon Management Services Inc.**	N/A	Not sold to date
PID 40219933 (R)	**Atcon Management Services Inc.**	N/A	Sold – Leroux Approval and Vesting Order dated September 29, 2010
PID 40219941 (R)	**Atcon Management Services Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – Kelly Approval and Vesting Order dated September 29, 2010 [Did not close] Sold – Approval and Vesting Order dated August 15, 2011 [Has not closed]
PID 40221426 (R)	**Atcon Management Services Inc.**	N/A	Sold – Kelly Approval and Vesting Order dated September 29, 2010 [Did not close] Sold – Approval and Vesting Order dated August 15, 2011 [Has not closed]
PID 40221434 (R)	**Atcon Management Services Inc.**	N/A	Sold – Kelly Approval and Vesting Order dated September 29, 2010 [Did not close] Sold – Approval and Vesting Order dated August 15, 2011 [Has not closed]
PID 40221459 (R)	**Atcon Management Services Inc.**	N/A	Sold – Leroux Approval and Vesting Order dated September 29, 2010
PID 40286668 (R)	**Atcon Management Services Inc.**	N/A	Sold – Kelly Approval and Vesting Order dated

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
			September 29, 2010
PID 40374266 (R)	**Atcon Management Services Inc.**	N/A	Sold – Leroux Approval and Vesting Order dated September 29, 2010
PID 40466039	**Atcon Management Services Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – Kelly Approval and Vesting Order dated September 29, 2010 [Did not close] Sold – Approval and Vesting Order dated August 15, 2011 [Has not closed]

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November 7, 2011

DELIVERED BY COURIER

PRIVILEGED AND CONFIDENTIAL
SOLICITOR AND CLIENT COMMUNICATION

Ernst & Young Inc.
The Fortis Building
139 Water Street, 7th Floor
St. John's, NL A1C 1B2

Attention: Mr. Paul D. Hickey, Senior Vice President

Dear Sirs:

Re: Review of certain security documents held by The Bank of Nova Scotia re Atcon Construction Inc.

I. OVERVIEW

Pursuant to the Receivership Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 2, 2010 and the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 30, 2010, both of which were issued in proceedings bearing Court File No. N/M/17/10 (the "**Receivership Proceeding**"), Ernst & Young Inc. ("**EYI**") was appointed as receiver and receiver manager of all the property, assets and undertakings of Atcon Construction Inc. ("**Construction**"), among other affiliated companies (collectively, the "**Atcon Companies**") (the "**Receiver**"). The appointment of the Receiver with respect to Construction was effective as of March 30, 2010. We understand that EYI was appointed as trustee in bankruptcy of Construction on April 26, 2010 (the "**Trustee**").

In connection with your appointment as Receiver, you have requested that we provide an opinion as to the validity, perfection and enforceability against the Trustee of the security held by The Bank of Nova Scotia (the "**Bank**") against the personal property of Construction governed by the *Personal Property Security Act* (Alberta) (the "**PPSA**"), pursuant to the GSA and the General Security and Movable Hypothec Agreements (each capitalized term as defined below).

This opinion is provided to you in your capacity as Receiver and is limited to our review of: (a) the corporate and personal property search results summarized in **Schedule "D"** hereto; and (b) the documents set out on **Schedule "A"** attached hereto (collectively, the "**Security Documents**").

We understand that the Security Documents include certain security documents delivered in connection with credits previously made available to an affiliate of Construction by MG Stratum

Fund III, Limited Partnership ("**MG Stratum**") and Roynat Capital Inc. ("**Roynat**"), which credits and security documents were assigned to the Bank as of June 30, 2009. We also understand that certain of the Security Documents may have been assigned by the Bank to the Province of New Brunswick. For the purposes of this opinion, we have assumed that the Security Documents have not been assigned by the Bank.

We understand that as of June 30, 2009, the Atcon Companies were indebted to Roynat and MG Stratum in the aggregate amount of approximately $21,273,506.16. That debt (the "**Assigned Debt**") and the related security (the "**Assigned Security**") was assigned to the Bank by agreement amongst the Atcon Companies, Roynat, MG Stratum and the Bank, among others, dated June 30, 2009. Arrangements with respect to the Assigned Debt and the Assigned Security are provided for in a second and concurrent agreement amongst the Atcon Companies, Roynat, MG Stratum and the Bank, among others, dated June 30, 2009. Pursuant to those two agreements and the June 30, 2009 credit agreement between the Bank and the Atcon Companies, as amended (the "**2009 Credit Agreement**"), it was agreed that the Assigned Debt would be refinanced pursuant to the 2009 Credit Agreement (primarily through a facility referred to as the "Term Loan Facility B" under the 2009 Credit Agreement, which reduced the rate of interest payable in respect of the Assigned Debt) and would remain secured by the Assigned Security. Accordingly, we are of the view that an Alberta Court would hold that the Assigned Security secures the Assigned Debt, Term Loan Facility B and the balance of the "refinanced" Assigned Debt.

For the purposes of our opinion: (a) we have made the assumptions contained herein and as set out on **Schedule "B"** attached hereto; (b) our opinion is subject to the qualifications and limitations contained herein and as set out on **Schedule "C"** attached hereto; and (c) we have relied upon the corporate and personal property search results summarized on Schedule "D" hereto. The corporate and personal property search results were obtained from the registries identified in Schedule "D".

We have made no investigation of the laws of any jurisdiction other than, and the opinion hereinafter expressed is confined to, the laws of the Province of Alberta and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, we express no opinion thereon.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinion hereinafter expressed.

II. SECURITY OPINION

Based upon the foregoing, and subject to the assumptions, qualifications and comments we have made in this letter and the Schedules attached hereto, we are of the opinion that:

1. The General Security Agreement dated May 29, 2006 granted by Construction in favour of the Bank (the "**GSA**") creates, under the laws of the Province of Alberta, a valid security interest in favour of the Bank in all of the present and after-acquired personal property of Construction to which the PPSA applies and in which Construction had rights to, to secure payment and performance of the obligations described in the GSA as being secured thereby.

2. The General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of MG Stratum, and the General Security and

Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of Roynat (collectively, the **"General Security and Movable Hypothec Agreements"**), create, under the laws of the Province of Alberta, valid security interests in favour of the Bank, by way of assignment from MG Stratum and Roynat, in all of the present and after-acquired personal property of Construction to which the PPSA applies and in which Construction had rights to, to secure payment and performance of the obligations described in the General Security and Movable Hypothec Agreements as being secured thereby.

3. The security interests created by the GSA and the General Security and Movable Hypothec Agreements in favour of the Bank in all of the present and after-acquired personal property of Construction to which the PPSA applies:

   (a) have been perfected by registration under the provisions of the PPSA; and

   (b) were perfected as of the applicable date of bankruptcy of Construction.

The opinions herein expressed are being provided to the Receiver for its sole use, may not be provided by it to any person, firm or corporation and no other person, firm or corporation is entitled to rely on the opinions herein expressed without our written consent.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Borden Ladner Gervais LLP

Borden Ladner Gervais

SCHEDULE "A"

SECURITY DOCUMENTS

1. General Security Agreement dated May 29, 2006 granted by Construction in favour of the Bank

2. General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of MG Stratum

3. General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of Roynat

4. Assignment of Credit Agreements, Loans, and Security dated as of the 30th day of June 2009, between MG Stratum, Roynat, the Bank, and Construction, among others

5. Acknowledgement and Confirmation Agreement dated as of the 30th day of June, 2009 between the Bank and Construction, among others

SCHEDULE "B"

ASSUMPTIONS

A. Authenticity and Accuracy

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein, the reliability of all search results obtained by electronic transmission and the accuracy of the result of any printed or computer search of any office of public record.

B. Authority

We have assumed that:

(a) Construction was a duly incorporated and validly existing corporation at the time the Security Documents were authorized, executed and delivered and Construction has continued to be duly incorporated and validly existing since that time;

(b) Construction had the requisite corporate power, capacity and authority to enter into and perform its obligations under the Security Documents at the time the Security Documents were authorized, executed and delivered;

(c) all necessary corporate action and proceedings had been taken by Construction to authorize the execution, delivery and performance of the Security Documents at the time each Security Document was authorized, executed and delivered; and

(d) the place of business, registered office and chief executive office of Construction are located in the Province of New Brunswick.

C. Security Document

We have assumed that:

(a) none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements (other than the Security Documents) between Construction and the Bank, which are relevant to the matters discussed in this letter;

(b) none of the assets charged by the Security Documents is:

   (i) outside the scope of the PPSA; and

   (ii) property for which conflicts rules provide that security interests in such property are governed by the laws of a jurisdiction other than the Province of Alberta.

D. Existence of Debt and Security Matters

We have assumed that:

(a) value has been given by the Bank to Construction and payment and other obligations respectively remain outstanding by Construction to the Bank;

(b) each of the Security Documents were duly executed and delivered by Construction;

(c) each of the Security Documents were issued for valuable consideration and that all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;

(d) attachment of the security interests constituted by the Security Documents have occurred within the meaning of the PPSA;

(e) Construction has an interest in its collateral expressed to be subject to each of the Security Documents;

(f) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Province of Alberta, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction; and

(g) the Security Documents do not include consumer goods (as defined in the PPSA).

E. Factual Matters

We have assumed that no fact exists, or has existed, which would permit Construction to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Documents.

F. Entire Agreement

We have assumed that there is no written or oral agreement or other understanding and there is no trade usage or course of conduct or prior dealing, which would vary the interpretation or application of any term or condition of any of the Security Documents, and there have been no amendments, restatements, deletions or other modifications to any of the Security Documents.

SCHEDULE "C"

QUALIFICATIONS

1. **Title:** We express no opinion concerning:

   (a) title to any property which purports to be subject to any security constituted by each of the Security Documents and such title has been assumed to the full extent necessary to express the opinions contained herein; and

   (b) the effectiveness of each of the Security Documents as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions which expressly or by necessity relate to the enforceability of each of the Security Documents (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:

   (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the PPSA at the time affecting the rights and remedies of creditors generally);

   (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;

   (c) the power of a court to grant relief from forfeiture;

   (d) applicable laws regarding limitations of action;

   (e) the court's powers to stay proceedings and execution of judgments;

   (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;

   (g) limitations which may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;

   (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

   (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;

(j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and

(k) the following limitations:

(i) provisions which purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;

(ii) rights of indemnity may be limited by applicable law;

(iii) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;

(iv) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation; no opinion is expressed as to the enforceability of any provision which purports to provide for a higher rate of interest after default than before;

(v) no opinion is expressed as to the enforceability of a provision of any of the Security Documents that provides that the provisions of any agreement or instrument governs in the event of any conflict or inconsistency between the provisions of such agreement or instrument and such Security Document;

(vi) the validity and enforceability of provisions inserted in any agreement or instrument that purport to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument would be determined only in the discretion of the court;

(vii) no opinion is expressed as to the enforceability of any provision which purports to waive the benefit or protection of any doctrine, principle or statutory protection viewed by the court as being based on public policy;

(viii) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;

(ix) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the Security Documents;

(x) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the Security Documents, whether such enforcement involves the operation of the business of Construction or a sale, transfer or disposition of any of its property or assets;

(xi) the enforceability of the security interests in each of the Security Documents may be subject, as against an account debtor with respect to any property which is an account, to:

(1) notice of the security interest and proof thereof being given to the account debtor, together with a direction to pay the same to the secured party;

(2) the terms of the contract between Construction and the account debtor and any defence or claim arising out of the contract or a closely connected contract; and

(3) any other defence or claim of the account debtor against Construction accruing before the account debtor has knowledge of the security interest;

(xii) no opinion is expressed as to the enforceability of any provision in any of the Security Documents which purports to constitute a receiver or receiver and manager thereunder as agent of Construction or absolve a receiver or receiver and manager of responsibility for its acts;

(xiii) no opinion is expressed as to the enforcement of any security interest or hypothec in federal or provincial Crown debts to which the *Financial Administration Act* (Canada) or similar provincial legislation apply; and

(xiv) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest or hypothec created by any of the Security Documents.

4. **Searches:** We have only reviewed those searches described in Schedule "D" hereto.

5. **Fraudulent Preference:** No opinion is given as to whether any security interest given under any of the Security Documents constitutes a fraudulent preference pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

6. **Security Interests and Registrations:** We express no opinion:

(a) as to whether a security interest may be created in:

(i) property consisting of a receivable, approval, privilege, contractual right, franchise, or permit (collectively, "**Special Property**") to the extent that the terms of the Special Property, any applicable law or the nature of the business of Construction prohibits its assignment or hypothecation or require, as a condition of its assignability or hypothecation, a consent, approval or other authorization or registration which has not been made or given;

(ii) any collateral to the extent that security agreements, hypothecs or assignments with respect to such collateral are governed by the laws of the Parliament of Canada including, without limitation, any vessel registered under the *Canada Shipping Act, 2001* any rolling stock and any trademark, trade name, copyright, patent, industrial design or other intellectual property right;

(iii) permits, quotas, privileges, governmental authorizations or other property which are not personal property and which are held by or issued to Construction;

(iv) property for which, pursuant to applicable conflicts rules (including without limitation the conflicts rules of the PPSA), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than the Province of Alberta;

(v) property which is now or hereafter becomes a fixture or crop;

(vi) property or rights of a nature listed in section 4 of the PPSA;

(vii) property that is not identifiable or traceable or any property being proceeds which are not identifiable or traceable; or

(viii) property which is after-acquired consumer goods.

(b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in any the Province of Alberta;

(c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under any of the Security Documents with respect to any property of Construction that is not identifiable or traceable or any proceeds of any property of Construction that is not identifiable or traceable.

7. **Specific Collateral:** Any security interests created by the Security Documents in any equipment that is a serial numbered good (as defined in the Regulation under the PPSA), situate in the Province of Alberta has not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder.

8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by any of the Security Documents.

Borden Ladner Gervais

SCHEDULE "D"

SEARCHES COMPLETED FOR CONSTRUCTION

1. Corporate Searches

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Construction Inc." Such report indicated that Construction is a New Brunswick corporation that came into existence on August 31, 2006 by way of amalgamation of Atcon Construction Inc. (514650), Arvin Machine Works Inc. (509936), Thermolok Inc. (602225) and Plymac Inc. (616108).

2. PPSA Search (Alberta)

An Alberta PPR Search Results Report was obtained on September 26, 2011 with respect to "Atcon Construction Inc." Such search result report evidenced the following registrations in favour of the Bank against Construction:

Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
Atcon Construction Inc.	The Bank of Nova Scotia	09121118594 12-11-2009	12-11-2014	A security interest is taken in all present and after-acquired personal property of the Debtor and all proceeds that are present or after-acquired personal property

OTTENHEIMER | BAKER
BARRISTERS & SOLICITORS

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October 31, 2011

DELIVERED BY COURIER

PRIVILEGED AND CONFIDENTIAL
SOLICITOR AND CLIENT COMMUNICATION

Ernst & Young Inc.
The Fortis Building
139 Water Street, 7th Floor
St. John's, NL A1C 1B2

Attention: Mr. Paul D. Hickey, Senior Vice President

Dear Sirs:

Re: Review of certain security documents held by The Bank of Nova Scotia re Atcon Construction Inc.

I. OVERVIEW

Pursuant to the Receivership Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 2, 2010 and the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 30, 2010, both of which were issued in proceedings bearing Court File No. N/M/17/10 (the "**Receivership Proceeding**"), Ernst & Young Inc. ("**EYI**") was appointed as receiver and receiver manager of all the current and future property, assets and undertakings of Atcon Construction Inc. ("**Construction**"), among other affiliated companies (collectively, the "**Atcon Companies**") (the "**Receiver**"). The appointment of the Receiver with respect to Construction was effective as of March 30, 2010. We understand that EYI was appointed as trustee in bankruptcy of Construction on April 26, 2010 (the "**Trustee**").

In connection with your appointment as Receiver, you have requested that we provide an opinion as to the validity, perfection and enforceability against the Trustee of the security held by The Bank of Nova Scotia (the "**Bank**") against the personal property of Construction governed by the *Personal Property Security Act* (Newfoundland and Labrador) (the "**PPSA**"), pursuant to the GSA and the General Security and Movable Hypothec Agreements (each capitalized term as defined below).

This opinion is provided to you in your capacity as Receiver and is limited to our review of: (a) the corporate and personal property search results summarized in **Schedule "D"** hereto; and (b) the documents set out on **Schedule "A"** attached hereto (collectively, the "**Security Documents**").

We understand that the Security Documents include certain security documents delivered in connection with credits previously made available to an affiliate of Construction by MG Stratum Fund III, Limited Partnership ("**MG Stratum**") and Roynat Capital Inc. ("**Roynat**"), which credits and security documents were assigned to the Bank as of June 30, 2009. For the purposes of this opinion, we have assumed that the Security Documents have not been assigned by the Bank.

The fifth recital of the Acknowledgment and Confirmation Agreement dated June 30, 2009 indicates that as of June 22, 2009, the Atcon Companies were indebted to Roynat and MG Stratum in the aggregate amount of approximately $21,273,506.16. That debt (the "**Assigned Debt**") and the related security (the "**Assigned Security**") were assigned to the Bank by agreement amongst the Atcon Companies, Roynat, MG Stratum and the Bank, among others, dated June 30, 2009. Upon a review of the Acknowledgment and Confirmation Agreement executed on June 30, 2009 by the Bank and the Atcon Companies, it would appear that the Bank and the Atcon Companies executed a credit agreement on June 30, 2009 (the "**2009 Credit Agreement**"), whereby it was agreed that the Assigned Debt would be refinanced pursuant to the 2009 Credit Agreement (primarily through a facility referred to as the "Term Loan Facility B" under the 2009 Credit Agreement, which I am informed reduced the rate of interest payable in respect of the Assigned Debt) and would remain secured by the Assigned Security. Accordingly, we are of the view that a Newfoundland and Labrador Court would hold that the Assigned Security secures the Assigned Debt, Term Loan Facility B and the balance of the "refinanced" Assigned Debt.

For the purposes of our opinion: (a) we have made the assumptions contained herein and as set out on **Schedule "B"** attached hereto; (b) our opinion is subject to the qualifications and limitations contained herein and as set out on **Schedule "C"** attached hereto; and (c) we have relied upon the corporate and personal property search results summarized on Schedule "D" hereto. The corporate and personal property search results were obtained from the registries identified in Schedule "D".

We have made no investigation of the laws of any jurisdiction other than, and the opinion hereinafter expressed is confined to, the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, we express no opinion thereon.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinion hereinafter expressed.

II. SECURITY OPINION

Based upon the foregoing, and subject to the assumptions, qualifications and comments we have made in this letter and the Schedules attached hereto, we are of the opinion that:

1. The General Security Agreement dated May 29, 2006 granted by Construction in favour of the Bank (the "**GSA**") creates, under the laws of the Province of Newfoundland and Labrador, a valid security interest in favour of the Bank in all of the present and after-acquired personal property of Construction to which the PPSA applies and in which Construction had rights to, to secure payment and performance of the obligations described in the GSA as being secured thereby.

2. The General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of MG Stratum, and the General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of Roynat (collectively, the "**General Security and Movable Hypothec Agreements**") , create, under the laws of the Province of Newfoundland and Labrador, valid security interests in favour of the Bank, by way of assignment from MG Stratum and Roynat, in all of the present and after-acquired personal property of Construction to which the PPSA applies and in which Construction had rights to, to secure payment and performance of the obligations described in the General Security and Movable Hypothec Agreements as being secured thereby.

3. The security interests created by the GSA and the General Security and Movable Hypothec Agreements in favour of the Bank in all of the present and after-acquired personal property of Construction to which the PPSA applies:

   (a) have been perfected by registration under the provisions of the PPSA; and

   (b) were perfected as of the applicable date of bankruptcy of Construction.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by or provided to any other person without my prior written consent.

Yours very truly,

Ottenheimer Baker

Christian J. Hurley

CJH/mn

SCHEDULE "A"

SECURITY DOCUMENTS

1. General Security Agreement dated May 29, 2006 granted by Construction in favour of the Bank

2. General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of MG Stratum

3. General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of Roynat

4. Assignment of Credit Agreements, Loans, and Security dated as of the 30th day of June 2009, between MG Stratum, Roynat, the Bank, and Construction, among others

5. Acknowledgement and Confirmation Agreement dated as of the 30th day of June, 2009 between the Bank and Construction, among others

SCHEDULE "B"

ASSUMPTIONS

A. Authenticity and Accuracy

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein, the reliability of all search results obtained by electronic transmission and the accuracy of the result of any printed or computer search of any office of public record.

B. Authority

We have assumed that:

(a) Construction was a duly incorporated and validly existing corporation at the time the Security Documents were authorized, executed and delivered and Construction has continued to be duly incorporated and validly existing since that time;

(b) Construction had the requisite corporate power, capacity and authority to enter into and perform its obligations under the Security Documents at the time the Security Documents were authorized, executed and delivered;

(c) all necessary corporate action and proceedings had been taken by Construction to authorize the execution, delivery and performance of the Security Documents at the time each Security Document was authorized, executed and delivered; and

(d) the place of business, registered office and chief executive office of Construction are located in the Province of New Brunswick.

C. Security Document

We have assumed that:

(a) none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements (other than the Security Documents) between Construction and the Bank, which are relevant to the matters discussed in this letter;

(b) none of the assets charged by the Security Documents is:

   (i) outside the scope of the PPSA; and

   (ii) property for which conflicts rules provide that security interests in such property are governed by the laws of a jurisdiction other than the Province of Newfoundland and Labrador.

D. Existence of Debt and Security Matters

We have assumed that:

(a) value has been given by the Bank to Construction and payment and other obligations respectively remain outstanding by Construction to the Bank;

(b) each of the Security Documents were duly executed and delivered by Construction;

(c) each of the Security Documents were issued for valuable consideration and that all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;

(d) attachment of the security interests constituted by the Security Documents have occurred within the meaning of the PPSA;

(e) Construction has an interest in its collateral expressed to be subject to each of the Security Documents;

(f) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Province of Newfoundland and Labrador, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction; and

(g) the Security Documents do not include consumer goods (as defined in the PPSA).

E. Factual Matters

We have assumed that no fact exists, or has existed, which would permit Construction to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Documents.

F. Entire Agreement

We have assumed that there is no written or oral agreement or other understanding and there is no trade usage or course of conduct or prior dealing, which would vary the interpretation or application of any term or condition of any of the Security Documents, and there have been no amendments, restatements, deletions or other modifications to any of the Security Documents.

SCHEDULE "C"

QUALIFICATIONS

1. **Title:** We express no opinion concerning:

   (a) title to any property which purports to be subject to any security constituted by each of the Security Documents and such title has been assumed to the full extent necessary to express the opinions contained herein; and

   (b) the effectiveness of each of the Security Documents as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions which expressly or by necessity relate to the enforceability of each of the Security Documents (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:

   (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the PPSA at the time affecting the rights and remedies of creditors generally);

   (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;

   (c) the power of a court to grant relief from forfeiture;

   (d) applicable laws regarding limitations of action;

   (e) the court's powers to stay proceedings and execution of judgments;

   (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;

   (g) limitations which may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;

   (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

   (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;

   (j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and

(k) the following limitations:

(i) provisions which purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;

(ii) the *Judicature Act* (Newfoundland and Labrador) limits interest on a judgment debt arising under the judgment of a Newfoundland and Labrador Court to rates prescribed by regulation from time to time;

(iii) rights of indemnity may be limited by applicable law;

(iv) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;

(v) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation; no opinion is expressed as to the enforceability of any provision which purports to provide for a higher rate of interest after default than before;

(vi) no opinion is expressed as to the enforceability of a provision of any of the Security Documents that provides that the provisions of any agreement or instrument governs in the event of any conflict or inconsistency between the provisions of such agreement or instrument and such Security Document;

(vii) the validity and enforceability of provisions inserted in any agreement or instrument that purport to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument would be determined only in the discretion of the court;

(viii) no opinion is expressed as to the enforceability of any provision which purports to waive the benefit or protection of any doctrine, principle or statutory protection viewed by the court as being based on public policy;

(ix) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;

(x) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the Security Documents;

(xi) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the Security Documents, whether such enforcement involves the operation of the business of Construction or a sale, transfer or disposition of any of its property or assets;

(xii) the enforceability of the security interests in each of the Security Documents may be subject, as against an account debtor with respect to any property which is an account, to:

(1) notice of the security interest and proof thereof being given to the account debtor, together with a direction to pay the same to the secured party;

(2) the terms of the contract between Construction and the account debtor and any defence or claim arising out of the contract or a closely connected contract; and

(3) any other defence or claim of the account debtor against Construction accruing before the account debtor has knowledge of the security interest;

(xiii) no opinion is expressed as to the enforceability of any provision in any of the Security Documents which purports to constitute a receiver or receiver and manager thereunder as agent of Construction or absolve a receiver or receiver and manager of responsibility for its acts;

(xiv) no opinion is expressed as to the enforcement of any security interest or hypothec in federal or provincial Crown debts to which the *Financial Administration Act* (Canada) or similar provincial legislation apply; and

(xv) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest or hypothec created by any of the Security Documents.

4. **Searches:** We have only reviewed those searches described in Schedule "D" hereto.

5. **Fraudulent Preference**: No opinion is given as to whether any security interest given under any of the Security Documents constitutes a fraudulent preference pursuant to the provisions of the *Bankruptcy and Insolvency Act.*

6. **Security Interests and Registrations:** we express no opinion:

(a) as to whether a security interest may be created in:

(i) property consisting of a receivable, approval, privilege, contractual right, franchise, or permit (collectively, "**Special Property**") to the extent that the terms of the Special Property, any applicable law or the nature of the business of Construction prohibits its assignment or hypothecation or require, as a condition of its assignability or hypothecation, a consent, approval or other authorization or registration which has not been made or given;

(ii) any collateral to the extent that security agreements, hypothecs or assignments with respect to such collateral are governed by the laws of the Parliament of Canada including, without limitation, any vessel registered under the *Canada Shipping Act, 2001* any rolling stock and any trademark, trade name, copyright, patent, industrial design or other intellectual property right;

(iii) permits, quotas, privileges, governmental authorizations or other property which are not personal property and which are held by or issued to Construction;

(iv) property for which, pursuant to applicable conflicts rules (including without limitation the conflicts rules of the PPSA), the validity, perfection and the effect of perfection or non- perfection or enforcement are governed by the laws of a jurisdiction other than the Province of Newfoundland & Labrador;

(v) property which is now or hereafter becomes a fixture or crop;

(vi) property or rights of a nature listed in section 4 of the PPSA;

(vii) property that is not identifiable or traceable or any property being proceeds which are not identifiable or traceable; or

(viii) property which is after-acquired consumer goods.

(b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in any the Province of Newfoundland and Labrador;

(c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under any of the Security Documents with respect to any property of Construction that is not identifiable or traceable or any proceeds of any property of Construction that is not identifiable or traceable.

7. **Specific Collateral:** Any security interests created by the Security Documents in any equipment that is a serial numbered good (as defined in the Regulation under the PPSA), situate in the Province of Newfoundland and Labrador has not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder.

8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by any of the Security Documents.

SCHEDULE "D"

SEARCHES COMPLETED FOR CONSTRUCTION

1. Corporate Searches

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Construction Inc." Such report indicated that Construction is a New Brunswick corporation that came into existence on August 31, 2006 by way of amalgamation of Atcon Construction Inc. (514650), Arvin Machine Works Inc. (509936), Thermolok Inc. (602225) and Plymac Inc. (616108).

2. PPSA Search (Newfoundland and Labrador)

A Newfoundland & Labrador PPRS Search Result report was obtained on September 26, 2011 with respect to "Atcon Construction Inc." Such search result report evidenced the following registrations in favour of the Bank against Construction:

Base Reg. No.	Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
7836443	Atcon Construction Inc.	The Bank of Nova Scotia	7836443 12-08-2009	12-08-2014	A security interest is taken in all present and after-acquired personal property of the Debtor and all proceeds that are present or after-acquired personal property.

LAWSON LUNDELL

April 19, 2012

DELIVERED VIA COURIER

Ernst & Young Inc.
The Fortis Building
139 Water Street, 7th Floor
St. John's, NL A1C 1B2

Attention: Mr. Paul D. Hickey, Senior Vice President

Dear Sir:

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200, 4915 - 48th Street
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Review of certain security documents held by The Bank of Nova Scotia re Atcon Construction Inc

I. OVERVIEW

Pursuant to the Receivership Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 2, 2010 and the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 30, 2010, both of which were issued in proceedings bearing Court File No. N/M/17/10 (the "**Receivership Proceeding**"), Ernst & Young Inc. ("**EYI**") was appointed as receiver and receiver manager of all the property, assets and undertakings of Atcon Construction Inc. ("**Construction**"), among other affiliated companies (collectively, the "**Atcon Companies**") (the "**Receiver**"). The appointment of the Receiver with respect to Construction was effective as of March 30, 2010. We understand that EYI was appointed as trustee in bankruptcy of Construction on April 26, 2010 (the "**Trustee**").

In connection with your appointment as Receiver, you have requested that we provide an opinion as to the validity, perfection and enforceability against the Trustee of the security held by The Bank of Nova Scotia (the "**Bank**") against the personal property of Construction governed by the *Personal Property Security Act* (Northwest Territories) (the "**PPSA**"), pursuant to the GSA and the General Security and Movable Hypothec Agreements (each capitalized term as defined below).

This opinion is provided to you in your capacity as Receiver and is limited to our review of: (a) the corporate and personal property search results summarized in **Schedule "D"** hereto; and (b) the documents set out on **Schedule "A"** attached hereto (collectively, the "**Security Documents**").

We understand that the Security Documents include certain security documents delivered in connection with credits previously made available to an affiliate of Construction by MG Stratum Fund III, Limited Partnership ("**MG Stratum**") and Roynat Capital Inc. ("**Roynat**"), which credits and security documents were assigned to the Bank as of June 30, 2009. We also understand that certain of the Security Documents may have been assigned by the Bank to the Province of New Brunswick. For the purposes of this opinion, we have assumed that the Security Documents have not been assigned by the Bank.

We understand that as of June 30, 2009, the Atcon Companies were indebted to Roynat and MG Stratum in the aggregate amount of approximately $21,273,506.16. That debt (the "**Assigned Debt**") and the related security (the "**Assigned Security**") was assigned to the Bank by agreement amongst the Atcon Companies, Roynat, MG Stratum and the Bank, among others, dated June 30, 2009. Arrangements with respect to the Assigned Debt and the Assigned Security are provided for in a second and concurrent agreement amongst the Atcon Companies, Roynat, MG Stratum and the Bank, among others, dated June 30, 2009. Pursuant to those two agreements and the June 30, 2009 credit agreement between the Bank and the Atcon Companies, as amended (the "**2009 Credit Agreement**"), it was agreed that the Assigned Debt would be refinanced pursuant to the 2009 Credit Agreement (primarily through a facility referred to as the "**Term Loan Facility B**" under the 2009 Credit Agreement, which reduced the rate of interest payable in respect of the Assigned Debt) and would remain secured by the Assigned Security.

For the purposes of our opinion: (a) we have made the assumptions contained herein and as set out on **Schedule "B"** attached hereto; (b) our opinion is subject to the qualifications and limitations contained herein and as set out on **Schedule "C"** attached hereto; and (c) we have relied upon the corporate and personal property search results summarized on **Schedule "D"** hereto. The corporate and personal property search results were obtained from the registries identified in Schedule "D".

We have made no investigation of the laws of any jurisdiction other than, and the opinion hereinafter expressed is confined to, the laws of the Northwest Territories and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, we express no opinion thereon.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinion hereinafter expressed.

II. SECURITY OPINION

Based upon the foregoing, and subject to the assumptions, qualifications and comments we have made in this letter and the Schedules attached hereto, we are of the opinion that:

1. The General Security Agreement dated May 29, 2006 granted by Construction in favour of the Bank (the "**GSA**") creates, under the laws of the Northwest Territories, a valid security interest in favour of the Bank in all of the present and after-acquired personal property of Construction to which the PPSA applies and in which Construction had rights to, to secure payment and performance of the obligations described in the GSA as being secured thereby.

2. The General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of MG Stratum, and the General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of Roynat (collectively, the "**General Security and Movable Hypothec Agreements**") , create, under the laws of the Northwest Territories, valid security interests in favour of the Bank, by way of assignment from MG Stratum and Roynat, in all of the present and after-acquired personal property of Construction to which the PPSA applies and in which Construction had rights to, to secure payment and performance of the obligations described in the General Security and Movable Hypothec Agreements as being secured thereby.

3. The security interests created by the GSA and the General Security and Movable Hypothec Agreements in favour of the Bank in all of the present and after-acquired personal property of Construction to which the PPSA applies:

   (a) have been perfected by registration under the provisions of the PPSA; and

   (b) were perfected as of the applicable date of bankruptcy of Construction.

III. CHOICE OF LAW

1. Choice of Law

In any proceeding in a court of competent jurisdiction in the Northwest Territories (an "**NWT Court**") for the enforcement of the Security Documents an NWT Court would apply the laws of the Province of New Brunswick or the Province of Nova Scotia, as the case may be, ("**Governing Law**"), in accordance with the parties' choice of Governing Law in the Security Documents, as the case may be, to all issues which under the laws of the Northwest Territories and the federal laws applicable in the Northwest Territories ("**NWT Law**") are to be determined in accordance with the chosen law of the contract, provided that:

(a) the parties' choice of Governing Law is bona fide and legal and is not contrary to public policy, as such term is interpreted under NWT Law ("**Public Policy**");

(b) in any such proceeding, an NWT Court:

(i) will not take judicial notice of the provisions of Governing Law but will only apply such provisions if they are pleaded and proven by expert testimony;

(ii) will apply NWT Law to matters which would be characterized as procedural under NWT Law and will not apply any Governing Law that under NWT Law would be characterized as procedural;

(iii) will apply provisions of NWT Law that have overriding effect;

(iv) will not apply any Governing Law if its application would be contrary to Public Policy;

(v) will not apply any Governing Law if such application would be characterized under NWT Law as the direct or indirect enforcement of a foreign revenue, expropriatory, penal or other public law; and

(vi) will not enforce the performance of any obligation that is illegal under the laws of any jurisdiction in which the obligation is to be performed; and

(c) an NWT Court has discretion to decline to hear an action if:

(i) it is contrary to Public Policy;

(ii) it is not the proper forum to hear such an action; or

(iii) another action is properly pending before, or a decision has been rendered by, a foreign authority relating to the same cause of action.

2. **Northwest Territories Judgment.**

An NWT Court would give a judgment based upon a final and conclusive *in personam* judgment of a court of competent jurisdiction in the Province of New Brunswick or the Province of Nova Scotia, as the case may be (a "**Foreign Court**") for a sum certain, obtained against Construction with respect to a claim arising out of the Security Documents (a "**Foreign Judgment**") without reconsideration of the merits provided that:

(a) the Foreign Court has jurisdiction over the parties to the Security Documents according to NWT Law (and submission by the parties in the Security Documents to the non-exclusive jurisdiction of the Foreign Court is sufficient for that purpose);

(b) an action to enforce the Foreign Judgment must be commenced in an NWT Court within any applicable limitation period;

(c) an NWT Court has discretion to stay or decline to hear an action on the Foreign Judgment if such judgment is under appeal, or there is another subsisting judgment in any jurisdiction relating to the same cause of action;

(d) an NWT Court will render judgment only in Canadian dollars; and

(e) an action in an NWT Court on the Foreign Judgment may be affected by bankruptcy, insolvency or laws affecting the enforcement of creditors' rights generally;

further, an NWT Court will not give such judgment if:

(f) the Foreign Judgment was obtained by fraud or in a manner contrary to the principles of natural justice;

(g) the Foreign Judgment is for a claim which would be characterized as based on foreign revenue, expropriatory, or penal, or other public law under NWT Law;

(h) the Foreign Judgment is contrary to Public Policy or to an order made by the Attorney General of Canada under the *Foreign Extraterritorial Measures Act* (Canada) or by the Competition Tribunal under the *Competition Act* (Canada) in respect of certain judgments referred to in such statutes; and

(i) the Foreign Judgment has been satisfied or is void or voidable under Governing Law.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by or provided to any other person without my prior written consent.

Yours very truly,

LAWSON LUNDELL LLP

Lawson Lundell LLP

20917.114224.MAK1.4515838.1

SCHEDULE "A"

SECURITY DOCUMENTS

1. General Security Agreement dated May 29, 2006 granted by Construction in favour of the Bank

2. General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of MG Stratum

3. General Security and Movable Hypothec Agreement dated April 4, 2006 granted by Construction, among others, in favour of Roynat

4. Assignment of Credit Agreements, Loans, and Security dated as of the 30th day of June 2009, between MG Stratum, Roynat, the Bank, and Construction, among others

5. Acknowledgement and Confirmation Agreement dated as of the 30th day of June, 2009 between the Bank and Construction, among others

SCHEDULE "B"

ASSUMPTIONS

1. Authenticity and Accuracy

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein, the reliability of all search results obtained by electronic transmission and the accuracy of the result of any printed or computer search of any office of public record.

2. Authority

We have assumed that:

(a) Construction was a duly incorporated and validly existing corporation at the time the Security Documents were authorized, executed and delivered and Construction has continued to be duly incorporated and validly existing since that time;

(b) Construction had the requisite corporate power, capacity and authority to enter into and perform its obligations under the Security Documents at the time the Security Documents were authorized, executed and delivered;

(c) all necessary corporate action and proceedings had been taken by Construction to authorize the execution, delivery and performance of the Security Documents at the time each Security Document was authorized, executed and delivered; and

(d) the place of business, registered office and chief executive office of Construction are located in the Province of New Brunswick.

3. Security Document

We have assumed that:

(a) each of the Security Documents constitutes a legal, valid and binding obligation of, and is enforceable against, Construction in accordance with its terms under the laws of the jurisdiction governing such Security Docuemnts;

(b) none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements (other than the Security Documents) between Construction and the Bank, which are relevant to the matters discussed in this letter;

(c) none of the assets charged by the Security Documents is:

   (i) outside the scope of the PPSA; and

   (ii) property for which conflicts rules provide that security interests in such property are governed by the laws of a jurisdiction other than the Northwest Territories.

4. Existence of Debt and Security Matters

We have assumed that:

(a) value has been given by the Bank to Construction and payment and other obligations respectively remain outstanding by Construction to the Bank;

(b) each of the Security Documents were duly executed and delivered by Construction;

(c) each of the Security Documents were issued for valuable consideration and that all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;

(d) attachment of the security interests constituted by the Security Documents have occurred within the meaning of the PPSA;

(e) Construction has an interest in its collateral expressed to be subject to each of the Security Documents;

(f) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Northwest Territories, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction; and

(g) the Security Documents do not include consumer goods (as defined in the PPSA).

5. Factual Matters

We have assumed that no fact exists, or has existed, which would permit Construction to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Documents.

6. Entire Agreement

We have assumed that there is no written or oral agreement or other understanding and there is no trade usage or course of conduct or prior dealing, which would vary the interpretation or application of any term or condition of any of the Security Documents, and there have been no amendments, restatements, deletions or other modifications to any of the Security Documents.

SCHEDULE "C"

QUALIFICATIONS

1. **Title:**

We express no opinion concerning:

(a) title to any property which purports to be subject to any security constituted by each of the Security Documents and such title has been assumed to the full extent necessary to express the opinions contained herein; and

(b) the effectiveness of each of the Security Documents as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:**

We express no opinion as to the enforceability of the Security Documents as they are governed by the laws of jurisdictions other than the Northwest Territories. All opinions which relate to the enforceability of each of the Security Documents (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:

(a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the PPSA at the time affecting the rights and remedies of creditors generally);

(b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;

(c) the power of a court to grant relief from forfeiture;

(d) applicable laws regarding limitations of action;

(e) the court's powers to stay proceedings and execution of judgments;

(f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;

(g) limitations which may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;

(h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

(i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;

(j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and

(k) the following limitations:

  (i) provisions which purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;

  (ii) rights of indemnity may be limited by applicable law;

  (iii) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;

  (iv) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation; no opinion is expressed as to the enforceability of any provision which purports to provide for a higher rate of interest after default than before;

  (v) no opinion is expressed as to the enforceability of a provision of any of the Security Documents that provides that the provisions of any agreement or instrument governs in the event of any conflict or inconsistency between the provisions of such agreement or instrument and such Security Document;

  (vi) the validity and enforceability of provisions inserted in any agreement or instrument that purport to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument would be determined only in the discretion of the court;

  (vii) no opinion is expressed as to the enforceability of any provision which purports to waive the benefit or protection of any doctrine, principle or statutory protection viewed by the court as being based on public policy;

(viii) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;

(ix) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the Security Documents;

(x) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the Security Documents, whether such enforcement involves the operation of the business of Construction or a sale, transfer or disposition of any of its property or assets;

(xi) the enforceability of the security interests in each of the Security Documents may be subject, as against an account debtor with respect to any property which is an account, to:

   (1) notice of the security interest and proof thereof being given to the account debtor, together with a direction to pay the same to the secured party;

   (2) the terms of the contract between Construction and the account debtor and any defence or claim arising out of the contract or a closely connected contract; and

   (3) any other defence or claim of the account debtor against Construction accruing before the account debtor has knowledge of the security interest;

(xii) no opinion is expressed as to the enforceability of any provision in any of the Security Documents which purports to constitute a receiver or receiver and manager thereunder as agent of Construction or absolve a receiver or receiver and manager of responsibility for its acts;

(xiii) no opinion is expressed as to the enforcement of any security interest or hypothec in federal or provincial Crown debts to which the *Financial Administration Act* (Canada) or similar provincial legislation apply; and

(xiv) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Priority:**

No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest or hypothec created by any of the Security Documents.

4. **Searches:**

We have only reviewed those searches described in Schedule "D" hereto.

5. **Fraudulent Preference:**

No opinion is given as to whether any security interest given under any of the Security Documents constitutes a fraudulent preference pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

6. **Security Interests and Registrations:**

We express no opinion:

(a) as to whether a security interest may be created in:

(i) property consisting of a receivable, approval, privilege, contractual right, franchise, or permit (collectively, "**Special Property**") to the extent that the terms of the Special Property, any applicable law or the nature of the business of Construction prohibits its assignment or hypothecation or require, as a condition of its assignability or hypothecation, a consent, approval or other authorization or registration which has not been made or given;

(ii) any collateral to the extent that security agreements, hypothecs or assignments with respect to such collateral are governed by the laws of the Parliament of Canada including, without limitation, any vessel registered under the *Canada Shipping Act, 2001* any rolling stock and any trademark, trade name, copyright, patent, industrial design or other intellectual property right;

(iii) permits, quotas, privileges, governmental authorizations or other property which are not personal property and which are held by or issued to Construction;

(iv) property for which, pursuant to applicable conflicts rules (including without limitation the conflicts rules of the PPSA), the validity, perfection and the effect of perfection or non- perfection or enforcement are governed by the laws of a jurisdiction other than the Northwest Territories;

(v) property which is now or hereafter becomes a fixture or crop;

(vi) property or rights of a nature listed in section 3 of the PPSA;

(vii) property that is not identifiable or traceable or any property being proceeds which are not identifiable or traceable; or

(viii) property which is after-acquired consumer goods.

(b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in any the Northwest Territories;

(c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under any of the Security Documents with respect to any property of Construction that is not identifiable or traceable or any proceeds of any property of Construction that is not identifiable or traceable.

7. **Specific Collateral:**

Any security interests created by the Security Documents in any equipment that is a serial numbered good (as defined in the Regulation under the PPSA), situate in the Northwest Territories has not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder.

8. **Maintaining Perfection:** \

We express no opinion with respect to maintaining perfection of any security interest created by any of the Security Documents.

SCHEDULE "D"

SEARCHES COMPLETED FOR CONSTRUCTION

1. Corporate Searches

A Corporate Affairs Registry Database search report was obtained from Service New Brunswick on October 14, 2011 for "Atcon Construction Inc." Such report indicated that Construction is a New Brunswick corporation that came into existence on August 31, 2006 by way of amalgamation of Atcon Construction Inc. (514650), Arvin Machine Works Inc. (509936), Thermolok Inc. (602225) and Plymac Inc. (616108).

2. PPSA Search (Northwest Territories)

A Northwest Territories PPR Search Results Report was obtained on September 27, 2011 with respect to "Atcon Construction Inc." Such search result report evidenced the following registrations in favour of the Bank against Construction:

Debtor	Secured Party	Reg. No. and Date	Reg. Expiry Date	General Collateral Description
Atcon Construction Inc.	The Bank of Nova Scotia	745125 12-08-2009	12-08-2014	A security interest is taken in all present and after-acquired personal property of the Debtor and all proceeds that are present or after-acquired personal property.

APPENDIX "G"

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
PID 40052912	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40053001	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40328742	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40328734	**Atcon Construction Inc.**	N/A	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40125825 (R)	**Atcon Construction Inc.**	N/A	Not sold to date
PID 40335184 (R)	**Atcon Construction Inc.**	N/A	Sold – Leroux Approval and Vesting Order dated September 29, 2010
PID 10208858	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – Northern Approval and Vesting Order dated September 29, 2010
PID 70245741	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics by Approval and Vesting Order dated March 22, 2010
PID 40489437	**Atcon Construction Inc.** 3 PIDs retired to form this property	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
		Stratum re PID 40186561, PID 40181455 and PID 40175069 Collateral Mortgage dated May 23, 2006 in favour of BNS re PID 40186561	
PID 40127862	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 40179152	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Hitchman Construction by Vesting Order dated September 15, 2011
PID 40179715	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Subject to Agreement of Purchase and Sale dated February 29, 2012
PID 40277774	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Hitchman Construction by Vesting Order dated September 15, 2011
PID 40450785	**Atcon Construction Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum Collateral Mortgage dated June 30, 2009 in favour of BNS	Sold – to Modular Fabrication by Approval and Vesting Order dated July 28, 2010
PID 40052995	**Atcon Construction**	N/A	Sold – Goodfellows

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
	Inc.		Approval and Vesting Order dated September 29, 2010
PID 40177131	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 40489577	**Atcon Construction Inc.**	Collateral Mortgage dated June 30, 2009 in favour of BNS	Sold – to Modular Fabrication by Approval and Vesting Order dated July 28, 2010
PID 40175622	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 40276263 (R)	**Atcon Construction Inc.**	N/A	Sold – Caldwell Approval and Vesting Order dated September 29, 2010
PID 40277873	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 40277881	**Atcon Construction Inc.**	N/A	Sold - C.M. Dickison Approval and Vesting Order dated September 29, 2010
PID 20756532 (R)	**Atcon Construction Inc.**	N/A	Sold – to Falls Construction
PID 40469595 (R)	**Atcon Construction Inc.**	N/A	N/A
PID 40095887	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG	Sold – Five Islands Approval and Vesting Order dated September 29, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
		Stratum	
PID 40304487	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Management Services Inc. Collateral Mortgage dated May 23, 2006 in favour of BNS from Atcon Management Services Inc.	Sold – Concreat Approval and Vesting Order dated September 29, 2010
PID 40304529	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Management Services Inc. Collateral Mortgage dated May 23, 2006 in favour of BNS	Sold – Concreat Approval and Vesting Order dated September 29, 2010
PID 40313660	**Atcon Property Holdings Inc.**	N/A	Not sold to date
PID 40179798	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Group Inc.	Not sold to date
PID 40473076	**Atcon Property Holdings Inc**	N/A	Sold – Five Islands Approval and Vesting Order dated September 29, 2010
PID 40477259	**Atcon Property**	Debenture dated April 1,	Sold – to Shaun and

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
	Holdings Inc.	2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Group Inc.	Susan Perrett by Approval and Vesting Order dated May 12, 2010
PID 40204778	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon Management Services Inc. Collateral Mortgage dated May 23, 2006 in favour of BNS from Atcon Management Services Inc.	Sold – Concreat Approval and Vesting Order dated September 29, 2010
PID 40473068	**Atcon Property Holdings Inc.**	N/A	Sold – Five Islands Approval and Vesting Order dated September 29, 2010
PID 40206989	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Arvin Machine Works Inc.	Sold – to Sunny Corner Enterprises by Approval and Vesting Order dated May 10, 2011
PID 40165656	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – Goodfellows Approval and Vesting Order dated September 29, 2010
PID 40441917	**Atcon Property Holdings Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum from Atcon	Sold to 659533 N.B. Inc. without obtaining a vesting order, closed on October 4, 2011

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
		Management Services Inc.	
PID 15086259	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics by Approval and Vesting Order dated March 22, 2010
PID 20693396 (R)	**Envirem Technologies Inc.** Confirmed leasehold interest in memo dated April 27, 2012	N/A	N/A
PID 20693404 (R)	**Envirem Technologies Inc.** Confirmed leasehold interest in memo dated April 27, 2012	N/A	N/A
PID 40030413	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 01483031	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum Collateral Mortgage dated May 23, 2006 in favour of BNS	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 40450355	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
		Stratum	
PID 40406282	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 40164311	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 40450389	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 75165209	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 75246660	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010
PID 75165480	**Envirem Technologies Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – to Envirem Organics Approval and Vesting Order dated March 22, 2010

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
PID 40217994 (R)	**Atcon Management Services Inc.**	N/A	Sold – Kelly Approval and Vesting Order dated September 29, 2010
PID 40218687 (R)	**Atcon Management Services Inc.**	N/A	Not sold to date
PID 40219933 (R)	**Atcon Management Services Inc.**	N/A	Sold – Leroux Approval and Vesting Order dated September 29, 2010
PID 40219941 (R)	**Atcon Management Services Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – Kelly Approval and Vesting Order dated September 29, 2010 [Did not close] Sold – Approval and Vesting Order dated August 15, 2011 [Has not closed]
PID 40221426 (R)	**Atcon Management Services Inc.**	N/A	Sold – Kelly Approval and Vesting Order dated September 29, 2010 [Did not close] Sold – Approval and Vesting Order dated August 15, 2011 [Has not closed]
PID 40221434 (R)	**Atcon Management Services Inc.**	N/A	Sold – Kelly Approval and Vesting Order dated September 29, 2010 [Did not close] Sold – Approval and Vesting Order dated August 15, 2011 [Has not closed]
PID 40221459 (R)	**Atcon Management Services Inc.**	N/A	Sold – Leroux Approval and Vesting Order dated September 29, 2010
PID 40286668 (R)	**Atcon Management Services Inc.**	N/A	Sold – Kelly Approval and Vesting Order dated

REAL PROPERTY	OWNER	BNS SPECIFIC CHARGING DOCUMENT	CURRENT STATUS OF PROPERTY
			September 29, 2010
PID 40374266 (R)	**Atcon Management Services Inc.**	N/A	Sold – Leroux Approval and Vesting Order dated September 29, 2010
PID 40466039	**Atcon Management Services Inc.**	Debenture dated April 1, 2006 in favour of Roynat Capital Inc. and Debenture dated April 1, 2006 in favour of MG Stratum	Sold – Kelly Approval and Vesting Order dated September 29, 2010 [Did not close] Sold – Approval and Vesting Order dated August 15, 2011 [Has not closed]

APPENDIX “H”

Law Office of Harry H. Williamson, Q.C.
Barrister and Solicitor

Keystone Place – Suite 304
270 Douglas Avenue
Bathurst, N. B.
E2A 1M9

Telephone: (506) 546-6050
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E-mail:hhwilliamson@nb.aibn.com

April 23, 2012

DELIVERED BY COURIER AND E-MAIL

PRIVILEGED AND CONFIDENTIAL
SOLICITOR AND CLIENT COMMUNICATION

Ernst & Young Inc.
The Fortis Building
139 Water Street, 7th Floor
St. John's, NL A1C 1B2

Attention: Mr. Paul D. Hickey, Senior Vice President

Dear Sirs:

Re: Review of certain security documents held by General Electric Canada Real Estate Finance Inc. re Atcon Construction Inc.

I. OVERVIEW

A. Insolvency Proceedings

Pursuant to the Initial Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 1, 2010 issued in proceedings commenced under the *Companies' Creditors Arrangement Act* and bearing Court File No. N/M/16/10, Ernst & Young Inc. ("**EYI**") was appointed as Monitor of Atcon Construction Inc. ("**Atcon Construction**"). Pursuant to the Receivership Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 2, 2010 and the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 30, 2010, both of which were issued in proceedings bearing Court File No. N/M/17/10 (the "**Receivership Proceedings**"), EYI was appointed as receiver and receiver manager ("**Receiver**") of all the property, assets and undertakings of Atcon Construction. The appointment of the Receiver was effective as of March 30, 2010. EYI was also appointed as trustee in bankruptcy of Atcon Construction on April 26, 2010.

B. G.E. and Atcon Construction

I have reviewed the proof of claim of General Electric Canada Real Estate Finance Inc., as nominee of GE Canada Equipment & Financing G.P., dated May 13, 2010, along with the following documents that were appended thereto (collectively, the "**Security Documents**"), and filed in the Atcon Construction bankruptcy proceeding (the "**GE Proof of Claim**"):

(a) Mortgage Loan Agreement dated May 30, 2007 between GE Canada Equipment & Financing G.P., as lender, Atcon Industrial Services Inc. ("**Atcon Industrial**"), as borrower, and Atcon Construction, as guarantor (the "**Loan Agreement**");

(b) Collateral Mortgage dated July 30, 2007 against PID 40489577 between Atcon Industrial, as mortgagor, and General Electric Canada Real Estate Finance Inc. (as nominee of GE Canada Equipment & Financing G.P.), as mortgagee;

(c) Collateral Mortgage dated July 30, 2007 against PID 40450785 and PID 40489577 (the "**General Manson Way Property**") between Atcon Construction, as mortgagor, and General Electric Canada Real Estate Finance Inc. (as nominee of GE Canada Equipment & Financing G.P.), as mortgagee (the "**Collateral Mortgage**");

(d) Optional Mortgage Covenant GECEF-1512;

(e) Assignment of Lease dated July 30, 2007 against PID 40489577 between Atcon Industrial, as assignor, General Electric Canada Real Estate Finance Inc. (as nominee of GE Canada Equipment & Financing G.P.), as assignee, and Atcon Construction, as landlord;

(f) Acknowledgement and Postponement Agreement dated July 30, 2007 between General Electric Canada Real Estate Finance Inc. (as nominee of GE Canada Equipment & Financing G.P.), MG Stratum Fund III, Limited Partnership, Roynat Capital Inc., Atcon Industrial and Atcon Construction;

(g) Postponement dated December 23, 2009 against the General Manson Way Property; and

(h) Forbearance Agreement dated September 30, 2009.

Based on my review of the GE Proof of Claim and the Security Documents, I understand that GE Canada Equipment & Financing G.P., as lender, entered into the Loan Agreement, pursuant to which Atcon Construction guaranteed a loan made by GE Canada Equipment & Financing G.P. to Atcon Industrial, and the loan was to be secured by a first ranking mortgage of land on the General Manson Way Property.

I have reviewed Certificates of Registered Ownership dated July 12, 2010 with respect to the General Manson Way Property, which provide that Atcon Construction was the registered owner of the property at that time, and the property was subject to the Collateral Mortgage, which was registered on title on July 31, 2007 as registration number 24254592.

Pursuant to the terms of the Collateral Mortgage, the mortgage is intended to provide collateral security, and continuing collateral security, for the payment to the mortgagee, on demand, of all obligations, debts and liabilities, present of future, direct or indirect, absolute or contingent, joint or several.

C. Sale of Property

I understand that the Collateral Mortgage was registered against title to the General Manson Way Property prior to the granting of an Approval of Vesting Order dated July 28, 2010 in the Receivership Proceedings (the "**Order**"), which provided that all of Atcon Construction's right, title and interest in and to the General Manson Way Property vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick).

Pursuant to the Order, all of Atcon Construction's right, title and interest in and to the General Manson Way Property vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick). The Order provides that, for the purposes of determining the nature and priority of claims against the assets, the net proceeds of the sale stand in the place and stead of the assets, and all claims and encumbrances attach to the net proceeds from the sale with the same priority as they had with respect to the assets.

D. Security Review

In connection with your appointment as Receiver of Atcon Construction, you have requested that I provide an opinion as to the validity and enforceability of the security held by General Electric Canada Real Estate Finance Inc. (as nominee of GE Canada Equipment & Financing G.P.) against the General Manson Way Property.

This opinion is provided to you in your capacity as Receiver of Atcon Construction and is limited to my review of the Certificates of Registered Ownership, the GE Proof of Claim and the Security Documents.

For the purposes of my opinion: (a) I have made the assumptions contained herein and as set out on **Schedule "A"** attached hereto; and (b) my opinion is subject to the qualifications and limitations contained herein and as set out on **Schedule "B"** attached hereto.

I have made no investigation of the laws of any jurisdiction other than, and the opinion hereinafter expressed is confined to, the laws of the Province of New Brunswick and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, I express no opinion thereon.

I have considered such questions of law as I have considered relevant and necessary as a basis for the opinion hereinafter expressed.

No opinion is expressed as to the priority of the security held by General Electric Canada Real Estate Finance Inc. (as nominee of GE Canada Equipment & Financing G.P.) over other creditors. I note that there are a number of registrations against the General Manson Way Property that were registered prior-in-time to the security held by General Electric Canada Real

Estate Finance Inc. (as nominee of GE Canada Equipment & Financing G.P.). The registrations are summarized on **Schedule "C"** attached hereto.

II. SECURITY OPINION

Based upon the foregoing, and subject to the assumptions, qualifications and comments I have made in this letter and the Schedules attached hereto, I am of the opinion that the Collateral Mortgage is valid and enforceable, as:

1. The Collateral Mortgage creates, under the laws of the Province of New Brunswick, a valid charge in favour of General Electric Canada Real Estate Finance Inc. (as nominee of GE Canada Equipment & Financing G.P.) in the General Manson Way Property.

2. Registrations were made in the appropriate land titles office maintained in the Province of New Brunswick in respect of the Collateral Mortgage against the General Manson Way Property prior to the sale of such property in the Receivership Proceedings.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by or provided to any other person without my prior written consent.

Yours very truly,

HARRY H. WILLIAMSON

SCHEDULE "A"

ASSUMPTIONS

A. Authenticity and Accuracy

I have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to me as copies thereof. I have also assumed the accuracy and currency of all indices, filing and registration systems maintained at the public offices where I have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein, the reliability of all search results obtained by electronic transmission and the accuracy of the result of any printed or computer search of any office of public record.

B. Authority

I have assumed that:

(a) Atcon Construction was a duly incorporated and validly existing corporation at the time the Security Documents were authorized, executed and delivered;

(b) Atcon Construction had the requisite corporate power, capacity and authority to enter into and perform its obligations under the Security Documents at the time the Security Documents were authorized, executed and delivered; and

(c) all necessary corporate action and proceedings had been taken by Atcon Construction to authorize the execution, delivery and performance of the Security Documents at the time Security Documents were authorized, executed and delivered.

C. Documents

I have assumed that:

(a) none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements (other than the Security Documents) between Atcon Construction, General Electric Canada Real Estate Finance Inc. and/or GE Canada Equipment & Financing G.P., which are relevant to the matters discussed in this letter; and

(b) none of the assets charged by the Collateral Mortgage is outside the scope of the *Land Title Act* (New Brunswick).

D. Existence of Debt and Security Matters

I have assumed that:

(a) value has been given by GE Canada Equipment & Financing G.P. to Atcon Construction and payment and other obligations respectively remain outstanding by Atcon Construction to GE Canada Equipment & Financing G.P.;

(b) each of the Security Documents were issued for valuable consideration and that all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;

(c) Atcon Construction had interest in its collateral expressed to be subject to the Security Documents; and

(d) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Province of New Brunswick, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction..

E. Factual Matters

I have assumed that no fact exists, or has existed, which would entitle Atcon Construction to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Documents.

F. Entire Agreement

I have assumed that there is no written or oral agreement or other understanding and there is no trade usage or course of conduct or prior dealing, which would vary the interpretation or application of any term or condition of any of the Security Documents, and there have been no amendments, restatements, deletions or other modifications to any of the Security Documents.

G. Choice of Law

I have assumed that the choice of the law of the Province of New Brunswick law as the governing law of the Security Documents will be given effect to in any legal proceedings.

SCHEDULE "B"

QUALIFICATIONS

1. **Title:** I express no opinion concerning:

   (a) title to any property which purports to be subject to any security constituted by the Collateral Mortgage and such title has been assumed to the full extent necessary to express the opinions contained herein; and

   (b) the effectiveness of the Collateral Mortgage as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions which expressly or by necessity relate to the enforceability of the Collateral Mortgage (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:

   (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws;

   (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;

   (c) the power of a court to grant relief from forfeiture;

   (d) applicable laws regarding limitations of action;

   (e) the court's powers to stay proceedings and execution of judgments;

   (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;

   (g) limitations which may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;

   (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

   (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;

(j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and

(k) the following limitations:

(i) provisions which purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;

(ii) the *Judicature Act* (New Brunswick) limits interest on a judgment debt arising under the judgment of a New Brunswick Court to rates prescribed by regulation from time to time;

(iii) rights of indemnity may be limited by applicable law;

(iv) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;

(v) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation; no opinion is expressed as to the enforceability of any provision which purports to provide for a higher rate of interest after default than before;

(vi) no opinion is expressed as to the enforceability of a provision of any of the Security Documents that provides that the provisions of any agreement or instrument governs in the event of any conflict or inconsistency between the provisions of such agreement or instrument and the Security Documents;

(vii) the validity and enforceability of provisions inserted in any agreement or instrument that purport to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument would be determined only in the discretion of the court;

(viii) no opinion is expressed as to the enforceability of any provision which purports to waive the benefit or protection of any doctrine, principle or statutory protection viewed by the court as being based on public policy;

(ix) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;

(x) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the Security Documents;

(xi) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the Security Documents, whether such enforcement involves the operation of the business of Atcon Construction or a sale, transfer or disposition of any of its property or assets;

(xii) no opinion is expressed as to the enforceability of any provision in Security Documents which purports to constitute a receiver or receiver and manager thereunder as agent of Atcon Construction or absolve a receiver or receiver and manager of responsibility for its acts;

(xiii) no opinion is expressed as to the enforcement of any security interest or hypothec in federal or provincial Crown debts to which the *Financial Administration Act* (Canada) or similar provincial legislation apply; and

(xiv) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any mortgage or charge created by the Collateral Mortgage.

4. **Searches:** I have only reviewed those searches described in the foregoing letter.

5. **Fraudulent Preference:** No opinion is given as to whether any charge or mortgage given under the Collateral Mortgage constitutes a fraudulent preference pursuant to the provisions of the *Bankruptcy and Insolvency Act*.

6. **Security Interests and Registrations:** Except as set out herein, I express no opinion:

(a) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in any the Province of New Brunswick; and

(b) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Collateral Mortgage with respect to any property of Atcon Construction that is not identifiable or traceable or any proceeds of any property of Atcon Construction that is not identifiable or traceable.

SCHEDULE "C"

REGISTRATIONS AGAINST THE GENERAL MANSON WAY PROPERTY

The following information is based on Certificates of Registered Ownership dated July 12, 2010 with respect to PID 40450785 and PID 40489577:

PID 40450785

Registration Number	Party	Nature of Registration
201423	Aliant Telecom Inc.	Easement Holder, Subdivision & Amalgamations
201423	City of Miramichi	Easement Holder, Subdivision & Amalgamations
201423	New Brunswick Power Corporation	Easement Holder, Subdivision & Amalgamations
17892028	PID 40445207	Easement Holder
21917670	Bank of Nova Scotia	Debenture or Other Voluntary Charge
21918041	Bank of Nova Scotia	Debenture or Other Voluntary Charge
23650725	PID 40489577	Lease, Notice of Lease or Sub-Lease

PID 40489577

Registration Number	Party	Nature of Registration
201423	City of Miramichi	Easement Holder, Subdivision & Amalgamations
21917670	Bank of Nova Scotia	Debenture or Other Voluntary Charge
21918041	Bank of Nova Scotia	Debenture or Other Voluntary Charge
23650725	General Electric Canada Real Estate Finance Inc.	Lease, Notice of Lease or Sub-Lease

APPENDIX “I”

Law Office of Harry H. Williamson, Q.C.

Barrister and Solicitor

Keystone Place – Suite 304
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April 23, 2012

DELIVERED BY COURIER AND E-MAIL

PRIVILEGED AND CONFIDENTIAL
SOLICITOR AND CLIENT COMMUNICATION

Ernst & Young Inc.
The Fortis Building
139 Water Street, 7th Floor
St. John's, NL A1C 1B2

Attention: Mr. Paul D. Hickey, Senior Vice President

Dear Sirs:

Re: Review of certain security documents held by Aviva Insurance Company of Canada ("Aviva") re Atcon Construction Inc. ("Atcon Construction")

I. OVERVIEW

A. Insolvency Proceedings

Pursuant to the Initial Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 1, 2010 issued in proceedings commenced under the *Companies' Creditors Arrangement Act* and bearing Court File No. N/M/16/10 (the "**CCAA Proceedings**"), Ernst & Young Inc. ("**EYI**") was appointed as Monitor of Atcon Construction. Pursuant to the Receivership Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 2, 2010 and the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 30, 2010, both of which were issued in proceedings bearing Court File No. N/M/17/10 (the "**Receivership Proceedings**"), EYI was appointed as receiver and receiver manager ("**Receiver**") of all the property, assets and undertakings of Atcon Construction. The appointment of the Receiver was effective as of March 30, 2010. EYI was also appointed as trustee in bankruptcy ("**Trustee**") of Atcon Construction on April 26, 2010.

B. Aviva and Atcon Construction

I have reviewed the affidavit of Paul Dennis of Aviva Surety sworn July 27, 2010 and filed in the Receivership Proceedings and the exhibits attached thereto (the "**Affidavit**"). Based on my review of the Affidavit, I understand that Aviva established a surety bonding facility for Atcon Construction, and Atcon Construction entered into a Master Surety Agreement dated September 9, 2005 (the "**MSA**") which provided, among other things, that Atcon Construction would indemnify Aviva for any losses suffered by Aviva as a result of Aviva issuing surety bonds for Atcon Construction. I further understand that Atcon Construction granted a Collateral Mortgage dated September 6, 2005 (the "**Collateral Mortgage**") in respect of real property owned by Atcon Construction located in the County of Westmorland, NB bearing Parcel Identification Number 70245741 and all plants and other buildings located thereon (the "**Memramcook Bioremediation Facility**"), and real property owned by Atcon Construction and located in Woodstock, NB bearing Parcel Identification Number 10208858 (the "**Woodstock Quarry**").

I have reviewed a Certificate of Registered Ownership dated March 17, 2010 with respect to the Memramcook Bioremediation Facility, which provides that Atcon Construction was the registered owner of the property at that time, and the property was subject to the Collateral Mortgage, which was registered on title on October 6, 2005 as registration number 21092797. I have also reviewed a Certificate of Registered Ownership dated September 28, 2010 with respect to the Woodstock Quarry, which provides that Atcon Construction was the registered owner of the property, and the property was subject to the Collateral Mortgage, which was registered on title on October 11, 2005 as registration number 21107553.

Pursuant to the terms of the Collateral Mortgage, the mortgage is intended to provide collateral security for payment to Aviva on demand of all debts and liabilities, present or future, direct or indirect, contingent or absolute, matured or not, at any time owed by Atcon Construction to Aviva.

C. Sale of Properties

I understand that the Collateral Mortgage was registered against title to the Memramcook Bioremediation Facility and the Woodstock Quarry prior to:

(a) the granting of an Approval of Vesting Order dated March 22, 2010 in the CCAA Proceedings (the "**Memramcook Order**"), which provided that all of Atcon Construction's right, title and interest in and to certain assets, including the Memramcook Bioremediation Facility, vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick); and

(b) the granting of an Approval and Vesting Order dated September 29, 2010 in the Receivership Proceedings (the "**Woodstock Order**"), which provided that all of Atcon Construction's right, title and interest in and to certain assets, including the Woodstock Quarry, vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick).

Pursuant to the Memramcook Order and the Woodstock Order, all of Atcon Construction's right, title and interest in and to certain assets, including the Memramcook Bioremediation Facility and the Woodstock Quarry, vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick). Each order provides that, for the purposes of determining the nature and priority of claims against the assets, the net proceeds of the sale stand in the place and stead of the assets, and all claims and encumbrances attach to the net proceeds from the sale with the same priority as they had with respect to the assets.

D. Security Review

In connection with your appointment as Receiver of Atcon Construction, you have requested that I provide an opinion as to the validity and enforceability of the security held by Aviva against the Memramcook Bioremediation Facility and the Woodstock Quarry.

This opinion is provided to you in your capacity as Receiver of Atcon Construction and is limited to my review of the Certificates of Registered Ownership discussed herein, the Collateral Mortgage, the MSA and the Affidavit.

For the purposes of my opinion: (a) I have made the assumptions contained herein and as set out on **Schedule "A"** attached hereto; and (b) my opinion is subject to the qualifications and limitations contained herein and as set out on **Schedule "B"** attached hereto.

I have made no investigation of the laws of any jurisdiction other than, and the opinion hereinafter expressed is confined to, the laws of the Province of New Brunswick and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, I express no opinion thereon.

I have considered such questions of law as I have considered relevant and necessary as a basis for the opinion hereinafter expressed.

II. SECURITY OPINION

Based upon the foregoing, and subject to the assumptions, qualifications and comments I have made in this letter and the Schedules attached hereto, I am of the opinion that the Collateral Mortgage is valid and enforceable, as:

1. The Collateral Mortgage creates, under the laws of the Province of New Brunswick, a valid charge in favour of Aviva in the Memramcook Bioremediation Facility and the Woodstock Quarry.

2. Registrations were made in the appropriate land titles office maintained in the Province of New Brunswick in respect of the Collateral Mortgage against the Memramcook Bioremediation Facility and the Woodstock Quarry prior to the sale of such properties in the CCAA Proceedings and the Receivership Proceedings, as applicable.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by or provided to any other person without my prior written consent.

Yours very truly,

HARRY H. WILLIAMSON

SCHEDULE "A"

ASSUMPTIONS

A. Authenticity and Accuracy

I have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to me as copies thereof. I have also assumed the accuracy and currency of all indices, filing and registration systems maintained at the public offices where I have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein, the reliability of all search results obtained by electronic transmission and the accuracy of the result of any printed or computer search of any office of public record.

B. Authority

I have assumed that:

(a) Atcon Construction was a duly incorporated and validly existing corporation at the time the MSA and the Collateral Mortgage were authorized, executed and delivered;

(b) Atcon Construction had the requisite corporate power, capacity and authority to enter into and perform its obligations under the MSA and the Collateral Mortgage at the time the MSA and the Collateral Mortgage were authorized, executed and delivered; and

(c) all necessary corporate action and proceedings had been taken by Atcon Construction to authorize the execution, delivery and performance of the MSA and the Collateral Mortgage at the time MSA and the Collateral Mortgage were authorized, executed and delivered.

C. Documents

I have assumed that:

(a) none of the MSA or the Collateral Mortgage have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements (other than the MSA and the Collateral Mortgage) between Atcon Construction and Aviva, which are relevant to the matters discussed in this letter; and

(b) none of the assets charged by the Collateral Mortgage is outside the scope of the *Land Title Act* (New Brunswick).

D. Existence of Debt and Security Matters

I have assumed that:

(a) value has been given by Aviva to Atcon Construction and payment and other obligations respectively remain outstanding by Atcon Construction to Aviva;

(b) each of the MSA and the Collateral Mortgage were issued for valuable consideration and that all of the conditions precedent contained in each of the MSA and the Collateral Mortgage, if any, were satisfied or waived;

(c) Atcon Construction had interest in its collateral expressed to be subject to each of the MSA and the Collateral Mortgage; and

(d) insofar as any obligation under any of the MSA and the Collateral Mortgage is to be performed in any jurisdiction outside the Province of New Brunswick, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction..

E. Factual Matters

I have assumed that no fact exists, or has existed, which would entitle Atcon Construction to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the MSA and the Collateral Mortgage.

F. Entire Agreement

I have assumed that there is no written or oral agreement or other understanding and there is no trade usage or course of conduct or prior dealing, which would vary the interpretation or application of any term or condition of any of the MSA and the Collateral Mortgage, and there have been no amendments, restatements, deletions or other modifications to any of the MSA and the Collateral Mortgage.

G. Choice of Law

I have assumed that the choice of the law of the Province of New Brunswick law as the governing law of the MSA and the Collateral Mortgage will be given effect to in any legal proceedings.

SCHEDULE "B"

QUALIFICATIONS

1. **Title:** I express no opinion concerning:

   (a) title to any property which purports to be subject to any security constituted by the Collateral Mortgage and such title has been assumed to the full extent necessary to express the opinions contained herein; and

   (b) the effectiveness of the Collateral Mortgage as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions which expressly or by necessity relate to the enforceability of the Collateral Mortgage (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:

   (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws;

   (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;

   (c) the power of a court to grant relief from forfeiture;

   (d) applicable laws regarding limitations of action;

   (e) the court's powers to stay proceedings and execution of judgments;

   (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;

   (g) limitations which may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;

   (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

   (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;

(j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and

(k) the following limitations:

  (i) provisions which purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;

  (ii) the *Judicature Act* (New Brunswick) limits interest on a judgment debt arising under the judgment of a New Brunswick Court to rates prescribed by regulation from time to time;

  (iii) rights of indemnity may be limited by applicable law;

  (iv) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;

  (v) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation; no opinion is expressed as to the enforceability of any provision which purports to provide for a higher rate of interest after default than before;

  (vi) no opinion is expressed as to the enforceability of a provision of any of the MSA or the Collateral Mortgage that provides that the provisions of any agreement or instrument governs in the event of any conflict or inconsistency between the provisions of such agreement or instrument and the MSA or the Collateral Mortgage;

  (vii) the validity and enforceability of provisions inserted in any agreement or instrument that purport to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument would be determined only in the discretion of the court;

  (viii) no opinion is expressed as to the enforceability of any provision which purports to waive the benefit or protection of any doctrine, principle or statutory protection viewed by the court as being based on public policy;

  (ix) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;

  (x) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the MSA or the Collateral Mortgage;

(xi) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the MSA or the Collateral Mortgage, whether such enforcement involves the operation of the business of Atcon Construction or a sale, transfer or disposition of any of its property or assets;

(xii) no opinion is expressed as to the enforceability of any provision in MSA or the Collateral Mortgage which purports to constitute a receiver or receiver and manager thereunder as agent of Atcon Construction or absolve a receiver or receiver and manager of responsibility for its acts;

(xiii) no opinion is expressed as to the enforcement of any security interest or hypothec in federal or provincial Crown debts to which the *Financial Administration Act* (Canada) or similar provincial legislation apply; and

(xiv) remedies exercisable upon default in any of the MSA or the Collateral Mortgage must be exercised in good faith and in a commercially reasonable manner.

3. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any mortgage or charge created by the Collateral Mortgage.

4. **Searches:** I have only reviewed those searches described in the foregoing letter.

5. **Fraudulent Preference:** No opinion is given as to whether any charge or mortgage given under the Collateral Mortgage constitutes a fraudulent preference pursuant to the provisions of the *Bankruptcy and Insolvency Act.*

6. **Security Interests and Registrations:** Except as set out herein, I express no opinion:

(a) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in any the Province of New Brunswick; and

(b) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Collateral Mortgage with respect to any property of Atcon Construction that is not identifiable or traceable or any proceeds of any property of Atcon Construction that is not identifiable or traceable.

APPENDIX "J"

Law Office of Harry H. Williamson, Q.C.

Barrister and Solicitor

Keystone Place – Suite 304
270 Douglas Avenue
Bathurst, N. B.
E2A 1M9

Telephone: (506) 546-6050
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April 23, 2012

DELIVERED BY COURIER AND E-MAIL

PRIVILEGED AND CONFIDENTIAL
SOLICITOR AND CLIENT COMMUNICATION

Ernst & Young Inc.
The Fortis Building
139 Water Street, 7th Floor
St. John's, NL A1C 1B2

Attention: Mr. Paul D. Hickey, Senior Vice President

Dear Sirs:

Re: Review of certain security documents held by Caterpillar Financial Services Limited

I. OVERVIEW

A. Insolvency Proceedings

Pursuant to the Initial Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 1, 2010 issued in proceedings commenced under the *Companies' Creditors Arrangement Act* and bearing Court File No. N/M/16/10 (the "**CCAA Proceedings**"), Ernst & Young Inc. ("**EYI**") was appointed as Monitor of Atcon Construction Inc. ("**Atcon Construction**"), Atcon Management Services Inc. ("**AMS**") and Envirem Technologies Inc. (now known as 058545 N.B. Inc.) ("**Envirem**"). Pursuant to the Receivership Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 2, 2010 and the Order of Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 30, 2010, both of which were issued in proceedings bearing Court File No. N/M/17/10 (the "**Receivership Proceedings**"), EYI was appointed as receiver and receiver manager ("**Receiver**") of all the property, assets and undertakings of Atcon Construction, Envirem, AMS, Atcon Property Holdings Inc. ("**APH**") (collectively, the "**Atcon Companies**") and Atcon Holdings Inc. ("**Holdings**"). The appointment of the Receiver was effective as of: (i) March 1, 2010 with respect to APH and Holdings; (ii) March 30, 2010 with respect to Atcon Construction and AMS; and (iii) April 28, 2010 with respect to Envirem. EYI was also appointed as trustee in bankruptcy of: (y) Atcon Construction, APH and Holdings on April 26, 2010; and (z) Envirem and AMS on April 29, 2010.

B. Caterpillar

I have reviewed the following documents with respect to security and loans held by Caterpillar Financial Services Limited (**"Caterpillar"**) (collectively, the **"Security Documents"**):

(a) Promissory Note dated June 16, 2005 granted by Holdings in favour of Caterpillar, as amended by an undated Promissory Note Amendment executed by Caterpillar and Holdings (collectively, the **"Promissory Note"**);

(b) Guarantee of Promissory Note dated June 16, 2005 executed by Atcon Construction, APH, AMS, Envirem and TRAC Industries Ltd. (**"TRAC"**) (the **"Guarantee"**);

(c) Collateral Mortgage dated June 16, 2005 against PID 40095887 between APH, as mortgagor, and Caterpillar, as mortgagee (the **"Route 126 Mortgage"**);

(d) Collateral Mortgage dated June 16, 2005 against PID 40450389 between Envirem, as mortgagor, and Caterpillar, as mortgagee (the **"Searle Road Mortgage"**);

(e) Collateral Mortgage dated June 16, 2005 against PID 40441917 between AMS, as mortgagor, and Caterpillar, as mortgagee (the **"Torbay Road Mortgage"**); and

(f) Collateral Mortgage dated June 16, 2005 against PID 40179798 between TRAC, as mortgagor, and Caterpillar, as mortgagee (the **"Whalen Street Mortgage"**, and together with the Route 126 Mortgage, the Searle Road Mortgage and the Torbay Road Mortgage, the **"Collateral Mortgages"**).

Based on my review of the Security Documents, I understand that Caterpillar provided a loan to Holdings in the principal amount of $2,000,000, which loan was evidenced by the Promissory Note. Pursuant to the terms of the Guarantee, each of Atcon Companies and TRAC jointly and severally guaranteed payment to Caterpillar when due of all payments, fees, interests and other monies payable by Holdings under or in connection with the Promissory Note and any amendment or supplement thereto and any ultimate unpaid balance thereof, and any liabilities, losses, costs, legal fees and expenses which Caterpillar may incur because of the default of Holding's or the guarantors.

C. Properties

1. <u>PID 40095887</u>

I have reviewed a Certificate of Registered Ownership dated September 28, 2010 with respect to PID 40095887, which provides that APH was the registered owner of the property at that time, and the property was subject to the Route 126 Mortgage, which was registered on title on June 17, 2005 as registration number 20442613.

I understand that the Route 126 Mortgage was registered against title to PID 40095887 prior to the granting of an Approval of Vesting Order dated September 29, 2010 in the Receivership Proceedings (the "**PID 40095887 Order**"), which provided that all of APH's right, title and interest in and to certain assets, including PID 40095887, vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick).

Pursuant to the PID 40095887 Order, all of APH's right, title and interest in and to PID 40095887 vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick). The PID 40095887 Order provides that, for the purposes of determining the nature and priority of claims against the assets, the net proceeds of the sale stand in the place and stead of the assets, and all claims and encumbrances attach to the net proceeds from the sale with the same priority as they had with respect to the assets.

2. PID 40450389

I have reviewed a Certificate of Registered Ownership dated March 17, 2010 with respect to PID 40450389, which provides that Envirem was the registered owner of the property at that time, and the property was subject to the Searle Road Mortgage, which was registered on title on June 17, 2005 as registration number 20442480.

I understand that the Searle Road Mortgage was still registered against title to PID 40450389 prior to the granting of an Approval of Vesting Order dated March 22, 2010 in the CCAA Proceedings (the "**PID 40450389 Order**"), which provided that all of Envirem's right, title and interest in and to certain assets, including PID 40450389, vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick).

Pursuant to the PID 40450389 Order, all of Envirem's right, title and interest in and to PID 40450389 vested in the purchaser, free and clear of all mortgages and charges, including all charges evidenced by registrations pursuant to the *Land Titles Act* (New Brunswick). The PID 40450389 Order provides that, for the purposes of determining the nature and priority of claims against the assets, the net proceeds of the sale stand in the place and stead of the assets, and all claims and encumbrances attach to the net proceeds from the sale with the same priority as they had with respect to the assets.

3. PID 40441917

I have reviewed a Certificate of Registered Ownership dated March 30, 2011 with respect to PID 40441917, which provides that APH was the registered owner of the property at that time, and the property was subject to the Torbay Road Mortgage, which was registered on title on June 17, 2005 as registration number 20442654.

As noted above, the Torbay Road Mortgage was originally granted by AMS as mortgagor. I understand that subsequent to the granting of the Torbay Road Mortgage, PID 40441917 was transferred by AMS to APH, and such transfer was subject to the Torbay Road Mortgage.

This property was sold without having to obtain a vesting order and I personally attended to the registration of the discharge from Caterpillar for the Torbay Road Mortgage and for The Bank of Nova Scotia charges which were registered subsequent in time to the Torbay Road Mortgage.

4. PID 40179798

I have reviewed a Certificate of Registered Ownership dated March 30, 2011 with respect to PID 40179798, which provides that APH was the registered owner of the property at that time, and the property was subject to the Whalen Street Mortgage, which was registered on title on June 17, 2005 as registration number 20442696.

As noted above, the Whalen Street Mortgage was originally granted by TRAC as mortgagor. I understand that subsequent to the granting of the Whalen Street Mortgage, PID 40179798 was transferred by TRAC to APH, and such transfer was subject to the Whalen Street Mortgage.

I understand that, as of the date of this opinion letter, a sale of PID 40179798 has yet to be completed by the Receiver.

D. Security Review

In connection with your appointment as Receiver of APH and Envirem, you have requested that I provide an opinion as to the validity and enforceability of the security held by Caterpillar against PID 40095887, PID 40450389, PID 40441917 and PID 40179798 (collectively, the "**Properties**").

This opinion is provided to you in your capacity as Receiver of APH and Envirem and is limited to my review of the Certificates of Registered Ownership referred to herein, the Security Documents, the PID 40095887 Order and the PID 40450389 Order.

For the purposes of my opinion: (a) I have made the assumptions contained herein and as set out on **Schedule "A"** attached hereto; and (b) my opinion is subject to the qualifications and limitations contained herein and as set out on **Schedule "B"** attached hereto.

I have made no investigation of the laws of any jurisdiction other than, and the opinion hereinafter expressed is confined to, the laws of the Province of New Brunswick and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are relevant, I express no opinion thereon.

I have considered such questions of law as I have considered relevant and necessary as a basis for the opinion hereinafter expressed.

No opinion is expressed as to the priority of the security held by Caterpillar over other creditors. However, I note that, based on my review of the Certificates of Registered Ownership discussed herein, Caterpillar had the first-in-time charge/encumbrance registration against each of the Properties as of the date of the searches.

II. SECURITY OPINION

Based upon the foregoing, and subject to the assumptions, qualifications and comments I have made in this letter and the Schedules attached hereto, I am of the opinion that the Collateral Mortgages are valid and enforceable with respect to the applicable Properties, as:

1. The Collateral Mortgages create, under the laws of the Province of New Brunswick, valid charges in favour of Caterpillar in the applicable Properties.

2. Registrations were made in the appropriate land titles office maintained in the Province of New Brunswick in respect of the Collateral Mortgages against the applicable Properties prior to the sale of such property in the Receivership Proceedings or the CCAA Proceedings, as applicable.

This opinion is provided solely for the use of the addressee hereof and may not be relied on by or provided to any other person without my prior written consent.

Yours very truly,

HARRY H. WILLIAMSON

SCHEDULE "A"

ASSUMPTIONS

A. Authenticity and Accuracy

I have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to me as copies thereof. I have also assumed the accuracy and currency of all indices, filing and registration systems maintained at the public offices where I have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein, the reliability of all search results obtained by electronic transmission and the accuracy of the result of any printed or computer search of any office of public record.

B. Authority

I have assumed that:

(a) each of the Atcon Companies was a duly incorporated and validly existing corporation at the time the applicable Security Documents were authorized, executed and delivered;

(b) each of the Atcon Companies had the requisite corporate power, capacity and authority to enter into and perform its obligations under the applicable Security Documents at the time the applicable Security Documents were authorized, executed and delivered; and

(c) all necessary corporate action and proceedings had been taken by each of the Atcon Companies to authorize the execution, delivery and performance of the applicable Security Documents at the time applicable Security Documents were authorized, executed and delivered.

C. Documents

I have assumed that:

(a) none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements (other than the Security Documents) between the applicable Atcon Companies and Caterpillar, which are relevant to the matters discussed in this letter; and

(b) none of the assets charged by the Collateral Mortgages is outside the scope of the *Land Titles Act* (New Brunswick).

D. Existence of Debt and Security Matters

I have assumed that:

(a) value has been given by Caterpillar to each of the Atcon Companies and payment and other obligations respectively remain outstanding by each of the Atcon Companies to Caterpillar;

(b) each of the Security Documents were issued for valuable consideration and that all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;

(c) each of the Atcon Companies had interest in its respective collateral expressed to be subject to the applicable Security Documents; and

(d) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Province of New Brunswick, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

E. Factual Matters

I have assumed that no fact exists, or has existed, which would entitle any of the Atcon Companies to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the applicable Security Documents.

F. Entire Agreement

I have assumed that there is no written or oral agreement or other understanding and there is no trade usage or course of conduct or prior dealing, which would vary the interpretation or application of any term or condition of any of the Security Documents, and there have been no amendments, restatements, deletions or other modifications to any of the Security Documents.

G. Choice of Law

I have assumed that the choice of the law of the Province of New Brunswick law as the governing law of the Security Documents will be given effect to in any legal proceedings.

SCHEDULE "B"

QUALIFICATIONS

1. **Title:** I express no opinion concerning:

   (a) title to any property which purports to be subject to any security constituted by the Collateral Mortgages and such title has been assumed to the full extent necessary to express the opinions contained herein; and

   (b) the effectiveness of the Collateral Mortgages as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions which expressly or by necessity relate to the enforceability of the Collateral Mortgages (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:

   (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws;

   (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;

   (c) the power of a court to grant relief from forfeiture;

   (d) applicable laws regarding limitations of action;

   (e) the court's powers to stay proceedings and execution of judgments;

   (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;

   (g) limitations which may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;

   (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

   (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;

(j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and

(k) the following limitations:

  (i) provisions which purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;

  (ii) the *Judicature Act* (New Brunswick) limits interest on a judgment debt arising under the judgment of a New Brunswick Court to rates prescribed by regulation from time to time;

  (iii) rights of indemnity may be limited by applicable law;

  (iv) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;

  (v) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation; no opinion is expressed as to the enforceability of any provision which purports to provide for a higher rate of interest after default than before;

  (vi) no opinion is expressed as to the enforceability of a provision of any of the Security Documents that provides that the provisions of any agreement or instrument governs in the event of any conflict or inconsistency between the provisions of such agreement or instrument and the Security Documents;

  (vii) the validity and enforceability of provisions inserted in any agreement or instrument that purport to sever from the agreement or instrument any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument would be determined only in the discretion of the court;

  (viii) no opinion is expressed as to the enforceability of any provision which purports to waive the benefit or protection of any doctrine, principle or statutory protection viewed by the court as being based on public policy;

  (ix) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;

  (x) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in any of the Security Documents;

(xi) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of each of the Security Documents, whether such enforcement involves the operation of the business of any of the Atcon Companies or a sale, transfer or disposition of any of its property or assets;

(xii) no opinion is expressed as to the enforceability of any provision in any of the Security Documents which purports to constitute a receiver or receiver and manager thereunder as agent of any of the Atcon Companies or absolve a receiver or receiver and manager of responsibility for its acts;

(xiii) no opinion is expressed as to the enforcement of any security interest or hypothec in federal or provincial Crown debts to which the *Financial Administration Act* (Canada) or similar provincial legislation apply; and

(xiv) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any mortgage or charge created by the Collateral Mortgages.

4. **Searches:** I have only reviewed those searches described in the foregoing letter.

5. **Fraudulent Preference:** No opinion is given as to whether any charge or mortgage given under the Collateral Mortgages constitutes a fraudulent preference pursuant to the provisions of the *Bankruptcy and Insolvency Act.*

6. **Security Interests and Registrations:** Except as set out herein, I express no opinion:

(a) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in any the Province of New Brunswick; and

(b) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Collateral Mortgages with respect to any property of any of the Atcon Companies that is not identifiable or traceable or any proceeds of any property of any of the Atcon Companies that is not identifiable or traceable.

APPENDIX “K”

Court File No. N/M/17/10

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF MIRAMICHI

IN THE MATTER OF THE RECEIVERSHIP OF:

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC.

PURSUANT TO Section 33 of The *Judicature Act,* R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank with a registered office in the City of Saint John, Province of New Brunswick

APPLICANT

- and –

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC., all of which are carrying on business in the Province of New Brunswick

RESPONDENTS

CONSENT

The undersigned hereby consent to an order substantially in the form attached hereto as **Schedule "A"**. The undersigned also hereby certify that the order does not affect the rights of any person under disability.

July _____, 2012

THE BANK OF NOVA SCOTIA, by its counsel, **Cox & Palmer**

Per: ______________________________

CATERPILLAR FINANCIAL SERVICES LIMITED, by its counsel, **Lawson Creamer**

Per: ______________________________

GE CANADA EQUIPMENT FINANCING G.P. and its affiliates, by its counsel, **Barry Spalding**

Per: ______________________________

AVIVA INSURANCE COMPANY OF CANADA and its affiliates, by its counsel, **Bingham Law**

Per: ______________________________

THE PROVINCE OF NEW BRUNSWICK, by its counsel, **Legal Services Branch of the Office of the Attorney General**

Per: ______________________________

The undersigned hereby consent to an order substantially in the form attached hereto as **Schedule "A"**. The undersigned also hereby certify that the order does not affect the rights of any person under disability.

July _____, 2012

THE BANK OF NOVA SCOTIA, by its counsel, **Cox & Palmer**

Per: ______________________________

CATERPILLAR FINANCIAL SERVICES LIMITED, ~~by its~~ counsel, **Lawson Creamer**

Per: ______________________________

Jeffrey R. Burgess, Associate

GE CANADA EQUIPMENT FINANCING G.P. and its affiliates, by its counsel, **Barry Spalding**

Per: ______________________________

AVIVA INSURANCE COMPANY OF CANADA and its affiliates, by its counsel, **Bingham Law**

Per: ______________________________

THE PROVINCE OF NEW BRUNSWICK, by its counsel, **Legal Services Branch of the Office of the Attorney General**

Per: ______________________________

The undersigned hereby consent to an order substantially in the form attached hereto as **Schedule "A"**. The undersigned also hereby certify that the order does not affect the rights of any person under disability.

July 24, 2012

THE BANK OF NOVA SCOTIA, by its counsel, **Cox & Palmer**

Per: ______________________________

CATERPILLAR FINANCIAL SERVICES LIMITED, by its counsel, **Lawson Creamer**

Per: ______________________________

GE CANADA EQUIPMENT FINANCING G.P. and its affiliates, by its counsel, **Barry Spalding**

Per: ______________________________

AVIVA INSURANCE COMPANY OF CANADA and its affiliates, by its counsel, **Bingham Law**

Per: ______________________________

THE PROVINCE OF NEW BRUNSWICK, by its counsel, **Legal Services Branch of the Office of the Attorney General**

Per: ______________________________

The undersigned hereby consent to an order substantially in the form attached hereto as **Schedule "A"**. The undersigned also hereby certify that the order does not affect the rights of any person under disability.

July _____, 2012

THE BANK OF NOVA SCOTIA, by its counsel, **Cox & Palmer**

Per: ______________________________

CATERPILLAR FINANCIAL SERVICES LIMITED, by its counsel, **Lawson Creamer**

Per: ______________________________

GE CANADA EQUIPMENT FINANCING G.P. and its affiliates, by its counsel, **Barry Spalding**

Per: ______________________________

AVIVA INSURANCE COMPANY OF CANADA and its affiliates, by its counsel, **Bingham Law**

Per: Jeffrey Delaney

Jeffrey Delaney.
Solicitor for Aviva Ins. Co. of Canada.

THE PROVINCE OF NEW BRUNSWICK, by its counsel, **Legal Services Branch of the Office of the Attorney General**

Per: ______________________________

The undersigned hereby consent to an order substantially in the form attached hereto as **Schedule "A"**. The undersigned also hereby certify that the order does not affect the rights of any person under disability.

July _____, 2012

THE BANK OF NOVA SCOTIA, by its counsel, **Cox & Palmer**

Per: ______________________________

CATERPILLAR FINANCIAL SERVICES LIMITED, by its counsel, **Lawson Creamer**

Per: ______________________________

GE CANADA EQUIPMENT FINANCING G.P. and its affiliates, by its counsel, **Barry Spalding**

Per: ______________________________

AVIVA INSURANCE COMPANY OF CANADA and its affiliates, by its counsel, **Bingham Law**

Per: ______________________________

THE PROVINCE OF NEW BRUNSWICK, by its counsel, **Legal Services Branch of the Office of the Attorney General**

Per: ______________________________
JOHN B. D. LOGAN

SCHEDULE "A"

Court File No. N/M/17/10

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF MIRAMICHI

IN THE MATTER OF THE RECEIVERSHIP OF:

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC.

PURSUANT TO Section 33 of The *Judicature Act,* R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank with a registered office in the City of Saint John, Province of New Brunswick

APPLICANT

- and –

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC., all of which are carrying on business in the Province of New Brunswick

RESPONDENTS

<u>ORDER</u>
(Approval of Proposed Distributions to Secured Creditors and Activities of the Receiver)

THIS MOTION, made by Ernst & Young Inc. in its capacity as Court-appointed receiver and receiver manager of the property, assets and undertakings of the Respondents (the "**Receiver**") for an order, *inter alia*:

(a) authorizing, empowering and directing the Receiver to distribute certain amounts to the Secured Creditors (as defined below), which have been agreed to and accepted by the Secured Creditors; and

(b) approving the conduct, actions and activities of the Receiver in administering this receivership proceeding to date, including the conduct, actions and activities of the Receiver set out in this Twenty-Second Report and all other reports previously filed by the Receiver in this receivership proceeding to date,

was heard this day at 673 King George Highway, Miramichi, New Brunswick.

ON READING the Receiver's Notice of Motion dated July •, 2012, the Twenty-Second Report of the Receiver dated July •, 2012 and the appendices attached thereto (the "**Twenty-Second Report**"), and on hearing the submissions of counsel for the Receiver, The Bank of Nova Scotia (the "**Bank**"), the Province of New Brunswick (the "**Province**"), Caterpillar Financial Services Limited ("**Caterpillar**"), GE Canada Equipment Financing G.P. and affiliated entities (collectively, "**G.E.**"), and Aviva Insurance Company of Canada and its affiliated entities (collectively, "**Aviva**" and the "**Secured Creditors**" respectively), no other party on the service list appearing although duly served as appears from the affidavit of service of Marie Pacheco sworn July ••, 2012, and on reading the consent of the Secured Creditors to this Order,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion, the Twenty-Second Report and the Record on Motion shall be and is hereby abridged and validated so that the motion is properly returnable today, and that any further service thereof is hereby dispensed with.

APPROVAL OF ACTIVITIES OF THE RECEIVER

2. **THIS COURT ORDERS** that the conduct, actions and activities of the Receiver in administering this receivership proceeding to date, including the conduct, actions and activities of the Receiver set out in the Twenty-Second Report and all other reports previously filed by the Receiver in this receivership proceeding to date, be and are hereby approved.

DISTRIBUTIONS

3. **THIS COURT ORDERS** that the Receiver is hereby authorized, empowered and directed to:

(a) distribute the sum of $808,629.63, to Caterpillar on account of its security in the Caterpillar Collateral (as defined in the Twenty-Second Report);

(b) distribute the sum of $416,074.87 to G.E. on account of its security in the G.E. Collateral (as defined in the Twenty-Second Report);

(c) distribute the sum of $174,076.42 to Aviva on account of its security in the Aviva Collateral (as defined in the Twenty-Second Report);

(d) distribute the sum of $340,879.90 to the Province on account of its security in the Province Collateral (as defined in the Twenty-Second Report); and

(e) distribute the sum of $7,314,321.14 to the Bank on account of its security in the Bank Collateral (as defined in the Twenty-Second Report).

Dated at Miramichi, New Brunswick, this 24th day of July, 2012.

Thomas W. Riordon
Judge of the Court of Queen's Bench of
New Brunswick

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