

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)

NO.:

In the matter of the proposal of:

POLYCHEM PRODUCTS CANADA INC.; a duly constituted company, having its head office at 1501, rue des Futilles, Montréal, Québec, H1N 3P1,

DEBTOR/RESPONDENT

-and-

CANADIAN IMPERIAL BANK OF COMMERCE, a Canadian Chartered Bank, governed by the provisions of the *Bank Act*, having a place of business at 1155, René-Lévesque Blvd. West, Suite 300, Montréal Québec, H3B 4P9,

PETITIONER

MOTION FOR THE APPOINTMENT OF AN INTERIM RECEIVER
(Subsection 47.1 of the *Bankruptcy and Insolvency Act*)

TO ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, COMMERCIAL DIVISION, SITTING IN AND FOR THE DISTRICT OF MONTREAL, OR TO THE REGISTRAR OF THIS COURT, PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:

THE ORDERS SOUGHT BY THE PETITIONER

1. The Petitioner, Canadian Imperial Bank of Commerce (hereinafter referred to as the "**Petitioner**" or the "**Bank**"), is a lender and secured creditor of Respondent (hereinafter referred to as "**Polychem**") holding security *inter alia* over Polychem's immovable and movable property, corporeal and incorporeal, present and future, wherever situate, hereby requests that this Honorable Court issue an Order appointing RSM Richter Inc. as interim receiver of the assets, property and undertaking of Solplast, pursuant to subsection 47.1 of the *Bankruptcy and Insolvency Act* (the "**BIA**");

THE PARTIES

2. Polychem together with Solplast Inc. (hereinafter "**Solplast**"), Polychem and Solplast hereinafter collectively referred to as the "**Borrowers**") are indebted under various credit facilities under an offer of financing dated November 23rd, 2007 (hereafter referred to as the "**Credit Agreement**"), the whole as more fully appears from a copy of the Credit Agreement filed herewith *en liasse* as **Exhibit R-1**;
3. Under a Guarantee Agreement executed on November 28, 2007, Solplast guaranteed all debts of Polychem to the Bank as it appears from said Guarantee Agreement filed herewith as **Exhibit R-2**;
4. As security for the fulfillment of its obligations pursuant to the Credit Agreement, Polychem hypothecated in favour of the Bank the universality of its assets, including under the following Hypothecs:
 - 4.1 Immovable hypothec dated November 23, 2007 on the property located at 725 Gaudette Street, Saint-Jean-sur-Richelieu, Québec and registered at the Land Registry Office for the Registration Division of Saint-Jean on November 26, 2007 under number 14 805 647 and at the Register of Personal and Movable Real Rights ("**RPMRR**") on November 23, 2007 under number 07-0674605-0001;
 - 4.2 Immovable hypothec dated June 8, 1998 on the property located at 725 Gaudette Street, Saint-Jean-sur-Richelieu, Québec and registered at the Land Registry Office for the Registration Division of Saint-Jean on the same day under number 294 566,
 - 4.3 Movable hypothec dated November 23, 2007 and registered at the Register of Personal and Movable Real Rights ("**RPMRR**") on November 23, 2007 under number 07-0674605-0002;

(Hereinafter collectively referred to as the "**Security**")

the whole as more fully appears from a copy of the Security and registrations herewith *en liasse* as **Exhibit R-3**;
5. As appears more fully from the copies of the Security, exhibit R-3, the following assets (hereinafter the "**Assets**") have been hypothecated in favor of the Bank, to wit:

5.1 Description of the immovable

An immovable property known and designated at being lot number three million four hundred twenty-one thousand four hundred eighty-four (3 421 484) of CADASTRE OF QUÉBEC, registration division of Saint-Jean.

An immovable property known and designated at being lot number three million four hundred twenty-one thousand five hundred thirteen (3 421 513) of CADASTRE OF QUÉBEC, registration division of Saint-Jean.

With the building thereon erected, bearing civic number 725 Gaudette Street, Saint-Jean-sur-Richelieu, Québec, circumstances and dependencies.

5.2 Description of the movables

All of Polychem's movable property of every nature and description, corporeal and incorporeal, present and future and wherever situate, dated November 23, 2007 and registered at the Register of Personal and Movable Real Rights ("RPMRR") on November 23, 2007 under number 07-0674605-0002,

6. Polychem operates a business of recycling high density resin;
7. As appears from the computerized extracts of the Québec Enterprise Register (maintained by the Inspecteur général des institutions financières), with respect to Solplast and Polychem, filed *en liasse* herewith as **Exhibit R-4**, both Solplast's and Polychem's major shareholder is Renewplast Inc.;
8. On January 6th, 2009, each of the Borrowers filed a Notice of Intention to Make a Proposal under the BIA and appointed RSM Richter Inc. as Trustee under the Notice of Intention, the whole as it appears from the copies of the two respective Notices to creditors of Intention to make a Proposal by each of the Borrowers filed herewith *en liasse* as **Exhibit R-5**;
9. However, prior to the filing of the Notices of Intention, R-5, on or about December 18th, 2008, the Bank served the Borrowers with a demand letter and Notice of intention to enforce security under Section 244 of the BIA. A copy of the demand letter and Notice under Section 244 of the BIA is filed herewith as **Exhibit R-6**;

10. Following the filing of the demand letter and Notice of intention under Section 244 of the BIA, Exhibit R-6, a standstill agreement ("**Standstill Agreement**") was executed between the Borrowers and the Bank in which they requested that the Bank not enforce its security and maintain its support for a period ending January 20th, 2009, in order for the Borrowers and their shareholders to prepare a restructuring business plan. A copy of the Standstill Agreement is filed herewith as **Exhibit R-7**;
11. Under the Standstill Agreement, the Borrowers had to remit to the Bank, no later than January 16th, 2009, their restructuring plan satisfactory to the Bank;
12. A further Standstill Agreement was to be executed between the Borrowers and the Bank conditional upon an appropriate shareholders' capital injection and the approval of the Borrowers' Proposals by its creditors and the Court;
13. However, the Borrowers did not provide their restructuring plan as promised under the Standstill Agreement to the Bank and no plan was given to the Bank by the shareholders to cover the Borrowers' operating losses;
14. On February 5th, 2009, the Borrowers lodged with RSM Richter Inc. the proposals under the BIA in which they informed the creditors that a general meeting of creditors would be held on February 26th, 2009, in order to vote at the meeting on the proposals, either as made, or as altered or modified at said meeting. A copy of the Notice of proposal to creditors together with the proposals are filed *en liasse* herewith as **Exhibit R-8**;
15. Prior to the February 26th, 2009 meeting of creditors to consider the proposals, the Bank was advised by the Borrowers that the shareholders would not infuse fresh capital to fund the Borrowers' Proposals and operations;
16. The first meetings of creditors held were on February 26th, 2009, to consider the proposals filed by the Borrowers, were adjourned to March 31st, 2009, which meetings were also further adjourned to May 15th, 2009. A copy of the Notices of adjournment of meetings of creditors to consider the proposals are filed *en liasse* herewith as **Exhibit R-9**;
17. Given that the proposals did not apply to the Bank as secured creditor, and given the Borrowers' consent to the immediate execution of the Security on or about April 6th, 2009, the Bank served the Borrowers a Prior Notice of Exercise of a Hypothecary Right on the Assets ("**Prior Notice**"). A copy of the Prior Notice and

its registration at the RPMRR and at the Land Registry Office for the Registration Division of Montréal are filed *en liasse* hereby as **Exhibit R-10**;

18. As appears from the Prior Notice, the Borrowers are in default under the Credit Agreement and the Security, in that:
- 18.1 The Borrowers have not complied with the demand letter and Notice of Intention to enforce security. R-6;
- 18.2 The Borrowers are insolvent and have filed a Notice of Intention and subsequently a Proposal under the BIA, R-5 and R-8;
- 18.3 The Standstill Agreement executed with the Borrowers, R-7, had expired on January 20th, 2009 permitting the Bank to exercise all of its hypothecary rights.
19. Furthermore, the shareholders of the Borrowers have not provided any additional plan to new equity capital to the Borrowers in order to fund operations, cover losses and to fund the Proposals;
20. As at May 13, 2009, Polychem is indebted towards the Bank under the various credit facilities in the following amounts:

Operating Credit Facility:	\$1,301,930.24
Demand Instalment Loan:	\$1,566,666.71
Accrued interest:	\$28,893.15
TOTAL:	<u>\$2,897,490.10</u>

Demand Installment Loan of Solplast, subject to the Guarantee, R-2:	\$4,638,888.99
Accrued interest:	\$145,476.85

THE BORROWERS' FINANCIAL SITUATION AND SUBSEQUENT EVENTS:

21. At the first meeting of Creditors held on February 26th, 2009, the Borrowers advised their creditors that they had not obtained from their shareholders the financial support to fund their proposal to their Creditors;
22. At the Trustee's suggestion, the Creditors unanimously accepted to adjourn the vote on the proposals (on both February 26th, 2009, and March 31st, 2009) on the basis that the Trustee would put in place a sale process for and on behalf of the Borrowers, of either the business or the Assets and would attempt to determine whether the sale of the business or assets or other arrangement could benefit the Creditors, the whole as appears from the sale documentation, terms and conditions filed *en liasse* herewith as **Exhibit R-11**;
23. In addition, the adjournments also permitted the shareholders additional time to reconsider whether they would fund the Proposal;
24. The sale process expired on April 30, 2009 and the Trustee received numerous offers that require immediate further negotiations and formal acceptance;
25. At present, the Trustee in its capacity as trustee under the proposals of the Borrowers has no authority to accept any offer, and in the circumstances, the Borrowers are unable to accept and to complete a sale;
26. The Bank believes that at least two offers, one for the real estate property only and the other for the equipment only are serious and that the Interim Receiver should be authorized to finalize its negotiations and, if satisfactory, to accept these offers provided that the sale be subject to the consent of the Bank and of other secured creditors, as the case may be, or further order of this Court. Copy of the offers are filed *en liasse* herewith as **Exhibit R-12**;
27. The Petitioner, the Debtors, and the Other Secured Creditors via their legal counsel have indicated their desire that an Interim Receiver be appointed for the purposes of accepting and concluding the sale;
28. The adjourned meetings are scheduled to be held on May 15, 2009 and Petitioner is informed that the Trustee will likely request another adjournment in order to protect other intangible assets of the Borrowers, mainly fiscal losses and carbon credits rights, all with the possibility of the Borrowers submitting amended proposals to their creditors;
29. As the two offers received will expire on May 15th, 2009, it is urgent that the Interim Receiver be appointed immediately to analysis with those offers before they expire;

30. As a matter of fact, the Petitioner has prepared and intends to present, concurrently herewith, a motion similar to the present Motion for the Appointment of an Interim Receiver with respect to Polychem;

FOR THESE REASONS, THE PETITIONER PRAYS THIS HONORABLE COURT TO :

GRANT the present motion;

APPOINT RSM Richter Inc. as interim receiver pursuant to subsection 47.1 of the *Bankruptcy and Insolvency Act* (hereinafter referred to in such capacity as the “**Interim Receiver**”), without security, of all the fixed assets, property and undertaking of POLYCHEM PRODUCTS CANADA INC., with the exception of the inventory, the carbon credit rights, the book debts and accounts receivable of POLYCHEM PRODUCTS CANADA INC. (the assets, property and undertaking, with the exception of the inventory, the carbon credit rights, the book debts and accounts receivable being hereinafter referred to collectively as the “**Property**”) wherever situated for the sole purpose of concluding the sales contemplated in the two (2) offers, Exhibit R-12 (collectively, the “**Offers**”), one of which Offers is for the real estate property only (the “**Real Estate**”) and the other of the Offers is for the equipment only (the “**Equipment**”, and together with the Real Estate, the “**Sale Assets**”) of the Sales Assets in conformity with the Offers, R-12, including any modifications or addition thereto (provided that no such modifications or amendments to the Offers shall extend to adding any of the other property of SOLPLAST INC. to the Sale Assets to be sold thereunder), and giving the Purchaser(s) title thereto, and to act at once until further order of this Court and having precedence over any notice of intention or filing of a bankruptcy under the *Bankruptcy and Insolvency Act*;

ORDER that POLYCHEM PRODUCTS CANADA INC. and its respective principals, officers, directors, employees, agent, servants and all other persons having notice of this Order shall give up possession of the Property, to allow the Interim Receiver immediate, continuous and unrestricted access to the Property to allow to the Interim Receiver to immediately conclude the sale of the Sale Assets and **FURTHER ORDER** that all such persons are hereby restrained and enjoined from dealing with the Property or interfering with the Interim Receiver and the exercise of its powers and performance of its duties;

DECLARE that the Interim Receiver shall be vested with the authority to convey the Sale Assets referred to in the Offers subject to modifications to the eventual Purchaser(s);

DECLARE that each of the sales to be made pursuant to the Offers be considered as a sale made by a person charged with the administration of the

Property of others acting under judicial authority, and the sale made pursuant to the Offers grant to the Purchasers all the rights, title and interest in the Sale Assets free and clear, and it constitutes a judicial sale, subject to the rights of all creditors benefiting from real rights, charging the Sale Assets to receive payment of their claims in the manner of a sale under judicial authority;

ORDER that, without limiting the powers hereinabove set forth, the Interim Receiver is authorized and empowered to do all or any of the following acts or things if, in its opinion, it is necessary or desirable:

- a) to do all necessary acts in the name of POLYCHEM PRODUCTS CANADA INC. to negotiate and accept the Offers for the purchase of the Sale Assets in whole and/or in part;
- b) to collect its fees and disbursements from the Sale Assets actually sold;
- c) to open bank accounts and to place funds collected in the exercise of the sale of the Sale Assets on deposit in such accounts and/or to invest such funds in term deposits or other instruments, with the power to draw funds by way of checks, wire transfers or other mode of payment from the said bank accounts;
- d) to apply, from time to time, to this honorable Court for advice and direction in the discharge of its powers and duties hereunder;
- e) to take such other steps as the Interim Receiver deems necessary or desirable to maintain, protect, preserve or secure the Property;

ORDER that the Interim Receiver shall be entitled to be indemnified out of the Property from and against all liabilities arising from the due and proper performance of its duties as Interim Receiver and that the Interim Receiver shall have no personal or corporate liability as a result of its appointment or as a result of the performance of its duties, save and except for liability arising as a result of the gross negligence or willful misconduct of the Interim Receiver;

ORDER that Interim Receiver's fees and disbursements duly taxed will constitute a first charge without the necessity of registration taking rank in priority to any other secured creditor of Respondent;

ORDER that nothing in the order to be rendered hereunder shall vest in the Interim Receiver the ownership of any or all of the Property;

ORDER AND DECLARE that the Interim Receiver is not the successor employer of the employees of POLYCHEM PRODUCTS CANADA INC. and that the Interim Receiver shall not be liable to any of the employees for any obligation of POLYCHEM PRODUCTS CANADA INC. of any nature whatsoever;

ORDER that liberty be reserved to any interested persons to apply for such further or other order as may be advised upon 7-day notice to the Interim Receiver and to Canadian Imperial Bank of Commerce or such other notice as may be ordered by this Court;

ORDER AND DECLARE that all receipts and net proceed from any sale or disposition of the Sale Assets or any part thereof encumbered by the security in favor of Canadian Imperial Bank of Commerce may be remitted, from time to time, to Canadian Imperial Bank of Commerce to be applied in reduction of the latter's secured claim or, if there is any surplus to the other secured creditor(s) in accordance with their respective rank;

AUTHORIZE the presentation of the present motion on an *ex parte* basis, without service or prior notification;

ORDER the provisional execution notwithstanding appeal;

THE WHOLE with costs against the mass.

MONTREAL, May 14, 2009

(s) GOWLING LAFLEUR HENDERSON LLP

GOWLING LAFLEUR HENDERSON, LLP
Attorneys for Canadian Imperial Bank of
Commerce

TRUE COPY

Gowling Lafleur Henderson LLP

AFFIDAVIT

I, the undersigned, BENITA McCOURT, representative duly authorized for Canadian Imperial Bank Of Commerce, exercising my profession at 199 Bay Street, Commerce Court West, 6th Floor, Toronto, Ontario, M5L 1A2, solemnly declare as follows:

1. I am one of the duly authorized representatives for Canadian Imperial Bank Of Commerce (the "Bank");
2. The Petitioner, Canadian Imperial Bank of Commerce (hereinafter referred to as the "Petitioner" or the "Bank"), is a lender and secured creditor of Respondent (hereinafter referred to as "Polychem") holding security *inter alia* over Polychem's immovable and movable property, corporeal and incorporeal, present and future, wherever situate, hereby requests that this Honorable Court issue an Order appointing RSM Richter Inc. as interim receiver of the assets, property and undertaking of Solplast, pursuant to subsection 47.1 of the *Bankruptcy and Insolvency Act* (the "BIA");

THE PARTIES

3. Polychem together with Solplast Inc. (hereinafter "Solplast", Polychem and Solplast hereinafter collectively referred to as the "Borrowers") are indebted under various credit facilities under an offer of financing dated November 23rd, 2007 (hereafter referred to as the "Credit Agreement"), the whole as more fully appears from a copy of the Credit Agreement filed herewith *en liasse* as Exhibit R-1;
4. Under a Guarantee Agreement executed on November 28, 2007, Solplast guaranteed all debts of Polychem to the Bank as it appears from said Guarantee Agreement filed herewith as Exhibit R-2;
5. As security for the fulfillment of its obligations pursuant to the Credit Agreement, Polychem hypothecated in favour of the Bank the universality of its assets, including under the following Hypothecs:
 - 5.1 Immovable hypothec dated November 23, 2007 on the property located at 725 Gaudette Street, Saint-Jean-sur-Richelieu, Québec and registered at the Land Registry Office for the Registration Division of Saint-Jean on November 26, 2007 under number 14 805 647 and at the Register of

Personal and Movable Real Rights ("RPMRR") on November 23, 2007 under number 07-0674605-0001;

- 5.2 Immovable hypothec dated June 8, 1998 on the property located at 726 Gaudette Street, Saint-Jean-sur-Richelieu, Québec and registered at the Land Registry Office for the Registration Division of Saint-Jean on the same day under number 294 566,
- 5.3 Movable hypothec dated November 23, 2007 and registered at the Register of Personal and Movable Real Rights ("RPMRR") on November 23, 2007 under number 07-0674605-0002,;

(Hereinafter collectively referred to as the "Security")

the whole as more fully appears from a copy of the Security and registrations herewith *en liasse* as Exhibit R-3;

6. As appears more fully from the copies of the Security, exhibit R-3, the following assets (hereinafter the "Assets") have been hypothecated in favor of the Bank, to wit:

6.1 Description of the immovable

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An immovable property known and designated as being lot number three million four hundred twenty-one thousand five hundred thirteen (3 421 513) of CADASTRE OF QUÉBEC, registration division of Saint-Jean.

With the building thereon erected, bearing civic number 725 Gaudette Street, Saint-Jean-sur-Richelieu, Québec, circumstances and dependencies.

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7. Polychem operates a business of recycling high density resin;
8. As appears from the computerized extracts of the Québec Enterprise Register (maintained by the inspecteur général des institutions financières), with respect to Solplast and Polychem, filed *en liasse* herewith as Exhibit R-4, both Solplast's and Polychem's major shareholder is Renewplast Inc.;
9. On January 6th, 2009, each of the Borrowers filed a Notice of Intention to Make a Proposal under the BIA and appointed RSM Richter Inc. as Trustee under the Notice of Intention, the whole as it appears from the copies of the two respective Notices to creditors of Intention to make a Proposal by each of the Borrowers filed herewith *en liasse* as Exhibit R-5;
10. However, prior to the filing of the Notices of Intention, R-5, on or about December 18th, 2008, the Bank served the Borrowers with a demand letter and Notice of Intention to enforce security under Section 244 of the BIA. A copy of the demand letter and Notice under Section 244 of the BIA is filed herewith as Exhibit R-6;
11. Following the filing of the demand letter and Notice of Intention under Section 244 of the BIA, Exhibit R-6, a standstill agreement ("Standstill Agreement") was executed between the Borrowers and the Bank in which they requested that the Bank not enforce its security and maintain its support for a period ending January 20th, 2009, in order for the Borrowers and their shareholders to prepare a restructuring business plan. A copy of the Standstill Agreement is filed herewith as Exhibit R-7;
12. Under the Standstill Agreement, the Borrowers had to remit to the Bank, no later than January 16th, 2009, their restructuring plan satisfactory to the Bank;
13. A further Standstill Agreement was to be executed between the Borrowers and the Bank conditional upon an appropriate shareholders' capital injection and the approval of the Borrowers' Proposals by its creditors and the Court;
14. However, the Borrowers did not provide their restructuring plan as promised under the Standstill Agreement to the Bank and no plan was given to the Bank by the shareholders to cover the Borrowers' operating losses;

15. On February 5th, 2009, the Borrowers lodged with RSM Richter Inc. the proposals under the BIA in which they informed the creditors that a general meeting of creditors would be held on February 26th, 2009, in order to vote at the meeting on the proposals, either as made, or as altered or modified at said meeting. A copy of the Notice of proposal to creditors together with the proposals are filed *en liasse* herewith as Exhibit R-8;
16. Prior to the February 26th, 2009 meeting of creditors to consider the proposals, the Bank was advised by the Borrowers that the shareholders would not infuse fresh capital to fund the Borrowers' Proposals and operations;
17. The first meetings of creditors held were on February 26th, 2009, to consider the proposals filed by the Borrowers, were adjourned to March 31st, 2009, which meetings were also further adjourned to May 15th, 2009. A copy of the Notices of adjournment of meetings of creditors to consider the proposals are filed *en liasse* herewith as Exhibit R-9;
18. Given that the proposals did not apply to the Bank as secured creditor, and given the Borrowers' consent to the immediate execution of the Security on or about April 6th, 2009, the Bank served the Borrowers a Prior Notice of Exercise of a Hypothecary Right on the Assets ("Prior Notice"). A copy of the Prior Notice and its registration at the RPMRR and at the Land Registry Office for the Registration Division of Montréal are filed *en liasse* hereby as Exhibit R-10;
19. As appears from the Prior Notice, the Borrowers are in default under the Credit Agreement and the Security, in that:
 - 19.1 The Borrowers have not complied with the demand letter and Notice of Intention to enforce security. R-6;
 - 19.2 The Borrowers are insolvent and have filed a Notice of Intention and subsequently a Proposal under the BIA, R-5 and R-8;
 - 19.3 The Standstill Agreement executed with the Borrowers, R-7, had expired on January 20th, 2009 permitting the Bank to exercise all of its hypothecary rights.
20. Furthermore, the shareholders of the Borrowers have not provided any additional plan to new equity capital to the Borrowers in order to fund operations, cover losses and to fund the Proposals;

21. As at May 13, 2009, Polychem is indebted towards the Bank under the various credit facilities in the following amounts:

Operating Credit Facility:	\$1,301,930.24
Demand Instalment Loan:	\$1,566,666.71
Accrued interest:	\$28,893.15
TOTAL:	\$2,897,490.10

Demand Installment Loan of Solplast, subject to the Guarantee, R-2:	\$4,638,888.99
Accrued interest:	\$145,476.85

THE BORROWERS' FINANCIAL SITUATION AND SUBSEQUENT EVENTS:

22. At the first meeting of Creditors held on February 26th, 2009, the Borrowers advised their creditors that they had not obtained from their shareholders the financial support to fund their proposal to their Creditors;
23. At the Trustee's suggestion, the Creditors unanimously accepted to adjourn the vote on the proposals (on both February 26th, 2009, and March 31st, 2009) on the basis that the Trustee would put in place a sale process for and on behalf of the Borrowers, of either the business or the Assets and would attempt to determine whether the sale of the business or assets or other arrangement could benefit the Creditors, the whole as appears from the sale documentation, terms and conditions filed *en liasse* herewith as Exhibit R-11;
24. In addition, the adjournments also permitted the shareholders additional time to reconsider whether they would fund the Proposal;
25. The sale process expired on April 30, 2009 and the Trustee received numerous offers that require immediate further negotiations and formal acceptance;
26. At present, the Trustee in its capacity as trustee under the proposals of the Borrowers has no authority to accept any offer, and in the circumstances, the Borrowers are unable to accept and to complete a sale;

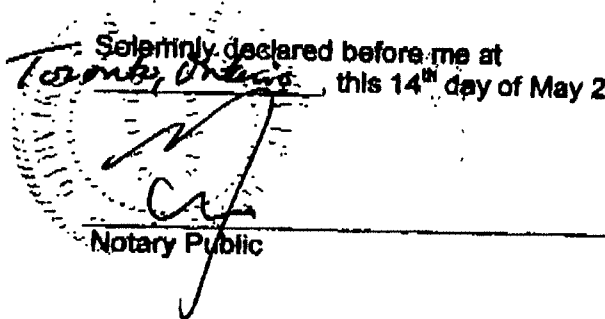
- 27. The Bank believes that at least two offers, one for the real estate property only and the other for the equipment only are serious and that the Interim Receiver should be authorized to finalize its negotiations and, if satisfactory, to accept these offers provided that the sale be subject to the consent of the Bank and of other secured creditors, as the case may be, or further order of this Court. Copy of the offers are filed *en masse* herewith as Exhibit R-12;
- 28. The Petitioner, the Debtors, and the Other Secured Creditors via their legal counsel have indicated their desire that an Interim Receiver be appointed for the purposes of accepting and concluding the sale;
- 29. The adjourned meetings are scheduled to be held on May 15, 2009 and Petitioner is informed that the Trustee will likely request another adjournment in order to protect other intangible assets of the Borrowers, mainly fiscal losses and carbon credits rights, all with the possibility of the Borrowers submitting amended proposals to their creditors;
- 30. As the two offers received will expire on May 15th, 2009, it is urgent that the Interim Receiver be appointed immediately to analysis with those offers before they expire;
- 31. As a matter of fact, the Petitioner has prepared and intends to present, concurrently herewith, a motion similar to the present Motion for the Appointment of an Interim Receiver with respect to Polychem;
- 32. All the facts alleged therein are true.

AND I HAVE SIGNED:

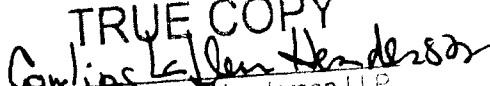


 BENITA MCCOURT

Solemnly declared before me at
 Toronto, Ontario, this 14th day of May 2009



 Notary Public

TRUE COPY

 Gowling Lafleur Henderson LLP

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)

NO.:

In the matter of the proposal of:

POLYCHEM INC., a duly constituted company,
having its head office at 1501, rue des Futailles,
Montréal, Québec, H1N 3P1,

DEBTOR/RESPONDENT

-and-

CANADIAN IMPERIAL BANK OF COMMERCE, a
Canadian Chartered Bank, governed by the
provisions of the *Bank Act*, having a place of
business at 1155, René-Lévesque Blvd. West, Suite
300, Montréal Québec, H3B 4P9,

PETITIONER

ATTESTATION D'AUTHENTICITÉ
Selon l'art. 82.1 du *C.p.c.*

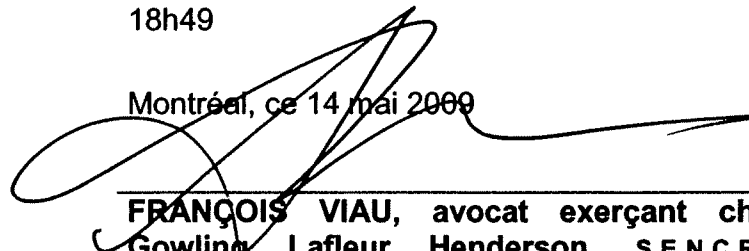
Je, soussigné, François Viau, avocat, exerçant ma profession
au sein du cabinet Gowling Lafleur Henderson, S.E.N.C.R.L., au 1, Place Ville-Marie,
37^e étage, en les ville et district de Montréal, atteste ce qui suit :

Nature du document :	Affidavit de Benita McCourt
Numéro de Cour :	A venir
Nom de l'expéditeur :	Benita McCourt
Numéro du télécopieur émetteur :	416-214-8749
Lieu de la transmission :	Toronto, Ontario

Date de la transmission : 14 mai 2009

Heure de transmission : 18h49

Montréal, ce 14 mai 2009



**FRANÇOIS VIAU, avocat exerçant chez
Gowling Lafleur Henderson, S.E.N.C.R.L.
Procureurs de la demanderesse.**

TRUE COPY

Gowling Lafleur Henderson LLP

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL**

**SUPERIOR COURT
(Commercial Division)**

NO.:

**In the matter of the proposal of an appointment
of an Interim Receiver to the assets of:**

POLYCHEM PRODUCTS CANADA INC.

DEBTOR/RESPONDENT

-and-

CANADIAN IMPERIAL BANK OF COMMERCE,

PETITIONER

LIST OF EXHIBITS

- | | |
|--------------|--|
| EXHIBIT R-1 | Credit Agreement; |
| EXHIBIT R-2 | Guarantee Agreement; |
| EXHIBIT R-3 | <i>En liasse</i> , Security and registrations; |
| EXHIBIT R-4 | <i>En liasse</i> , computerized printout at the Inspecteur general des institutions financières for Solplast and Polychem; |
| EXHIBIT R-5 | <i>En liasse</i> , notices to creditors of intention to make a proposal by Borrowers; |
| EXHIBIT R-6 | <i>En liasse</i> , demand letter and Notice under Section 244 of the BIA |
| EXHIBIT R-7 | Standstill Letter; |
| EXHIBIT R-8 | Notice of proposal to creditors with the proposal; |
| EXHIBIT R-9: | Notice of adjournment of meeting of creditors to consider the proposal; |

- EXHIBIT R-10: Prior Notice and its registration at the RPMRR of the registration division of Montréal;
- EXHIBIT R-11 Sale documentation, terms and conditions;
- EXHIBIT R-12 Offers.

MONTREAL, May 14, 2009

(s) GOWLING LAFLEUR HENDERSON LLP

GOWLING LAFLEUR HENDERSON, LLP
Attorneys for Canadian Imperial Bank of
Commerce

TRUE COPY
Gowling Lafleur Henderson
Gowling Lafleur Henderson LLP

N°

SUPERIOR COURT
DISTRICT OF MONTRÉAL

POLYCHEM PRODUCTS CANADA INC.;
a duly constituted company, having its
head office at 1501, rue des Futailles,
Montréal, Québec, H1N 3P1,

DEBTOR/RESPONDENT

VS.

**CANADIAN IMPERIAL BANK OF
COMMERCE,** a Canadian Chartered
Bank, governed by the provisions of the
Bank Act, having a place of business at
1155, René-Lévesque Blvd. West, Suite
300, Montréal Québec, H3B 4P9,
PETITIONER

BL0052

**MOTION FOR THE APPOINTMENT OF
AN INTERIM RECEIVER**
(Subsection 47.1 of the *Bankruptcy and
Insolvency Act*)

COURT COPY

Me François Viau

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