Court File No. CV-18-00602537-00CL

*ONTARIO*
**SUPERIOR COURT OF JUSTICE**
**COMMERCIAL LIST**

B E T W E E N:

BANK OF MONTREAL

Applicant

-and-

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC., 1651033 ONTARIO INC., 1496765 ONTARIO INC. and SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3, s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

# APPLICATION RECORD

(Returnable August 24, 2018)

VOLUME I OF II

July 31, 2018

**TORKIN MANES LLP**
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Applicant, Bank of Montreal

TO: **THE SERVICE LIST**

**SERVICE LIST**
**Updated as July 30, 2018**

TO: **2495087 ONTARIO INC.**
1 Grove Park St.
Richmond Hill, ON L4E 2R5

AND TO: **2496800 ONTARIO INC.**
c/o Mian Abdul Wadood
13 Belmont Drive
Brampton, ON L6T 2K4

AND TO: **1527020 ONTARIO INC.**
c/o Rauf Khan
633 Main Street W.
Port Colborne, ON L3K 5V4

**1527020 ONTARIO INC.**
c/o Aisha Ashad
1615 Bloor Street, Suite 701
Mississauga, ON L4X 1S2

AND TO: **1651033 ONTARIO INC.**
5462 Dundas St. W., Suite # 1701
Toronto, ON M9B 1B4

AND TO: **1496765 ONTARIO INC.**
5462 Dundas St W., Suite # 1701
Toronto, ON M9B 1B4

AND TO: **SUNSHINE PROPANE INC.**
5462 Dundas St W., Suite # 1701
Toronto, ON M9B 1B4

AND TO: **AISHA ASHAD**
1615 Bloor Street, Suite 701
Mississauga, ON L4X 1S2

AND TO: **MEHAK ARSHAD & RAUF KHAN**
1750 Bloor St., Suite 915
Mississauga, ON L4X 1S9

AND TO: **ROYNAT INC.**
4710 Kingsway St., Suite 1500
Burnaby, BC V5H 4M2

AND TO: **MERCHANT ADVANCE CAPITAL**
1500 West Georgia St., 20th Fl.
Vancouver, BC V6G 2Z6

AND TO: **THINKING CAPITAL**
4200 boul Dorchester, Suite 300
Montréal, QC H3Z 1V4

AND TO: **RSM CANADA LIMITED**
11 King St. W., Suite 700
Toronto, ON M5H 4C7

Daniel Weisz
Tel.: 416.646.8778
Fax: 416.480.2646
E-mail: daniel.weisz@rsmcanada.com

Proposed Receiver

AND TO: **DEPARTMENT OF JUSTICE**
Ontario Regional Office
120 Adelaide St. W., Suite 400
Toronto, ON M5H 1T1

Diane Winters - diane.winters@justice.gc.ca
Tel: 416-973-0942
Fax: 416 952 0298

Lawyers for the Canada Revenue Agency

AND TO: **HER MAJESTY THE QUEEN IN THE RIGHT OF ONTARIO AS REPRESENTED BY MINISTRY OF FINANCE**
3 – 1400 Blair Place
Ottawa, ON K1J 9B8

AND TO: **HER MAJESTY THE QUEEN IN THE RIGHT OF ONTARIO AS REPRESENTED BY MINISTRY OF FINANCE**
Legal Services Branch
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9

Kevin J. O'Hara
Tel: 905.433.6934
Fax: 905.436.4510
e-mail: kevin.ohara@fin.gov.on.ca

# TABLE OF CONTENTS

## TABLE OF CONTENTS


| Tab | Description | Page No. |
|---|---|---|
| 1 | Notice of Application issued July 31, 2018 | 1 – 16 |
| 2 | Affidavit of Jason Locke sworn July 30, 2018 | 17 – 45 |
| A | Exhibit "A" - Corporation Profile Report for 2495087 Port Elgin Gas | 46 – 51 |
| B | Exhibit "B" - Parcel Registers for the Port Elgin Gas Property | 52 – 58 |
| C | Exhibit "C" - 2495087 (Port Elgin Gas) loan documents | 59 – 80 |
| D | Exhibit "D" - 2495087 (Port Elgin Gas) guarantees and related security | 81 – 114 |
| E | Exhibit "E" - 2495087 Port Elgin Gas GSA | 115 – 121 |
| F | Exhibit "F" - Mortgage registered as Instrument No. BR117857 on title to the Port Elgin Gas Property | 122 – 125 |
| G | Exhibit "G" - PPSA registry search respecting 2495087 Port Elgin Gas with a currency date of July 24, 2018 | 126 – 129 |
| H | Exhibit "H" - Corporation Profile Report for 2496800 (Goderich Gas) | 130 – 135 |
| I | Exhibit "I" - 2496800 (Goderich Gas) loan documents | 136 – 157 |
| J | Exhibit "J" - Guarantees granted in respect of the 2496800 (Goderich Gas) indebtedness | 158 – 180 |
| K | Exhibit "K" - Demand Promissory Note dated December 16, 2016, given by 2496800 (Goderich Gas) | 181 – 182 |
| L | Exhibit "L" - Demand Promissory Note dated March 20, 2018, given by 2496800 (Goderich Gas) | 183 – 184 |
| M | Exhibit "M" - General Security Agreement given by 2496800 (Goderich Gas), dated November 26, 2016 | 185 – 191 |
| N | Exhibit "N" - Mortgage registered as Instrument No. HC120626 on title to Goderich Gas Property | 192 – 195 |
| O | Exhibit "O" - Parcel Register for the Goderich Gas Property | 196 – 200 |
| P | Exhibit "P" - PPSA registry search in respect of 2496800 (Goderich Gas) with a currency date of July 24, 2018 | 201 – 204 |
| Q | Exhibit "Q" - Corporation Profile Report for 1527020 (Port Colborne Wash) | 205 – 210 |
| R | Exhibit "R" - 1527020 (Port Colborne Wash) loan documents | 211 – 223 |
| S | Exhibit "S" - 1527020 (Port Colborne Wash) guarantees and related security | 224 – 236 |

| Tab | Description | Page No. |
|---|---|---|
| T | Exhibit "T" - Demand Promissory Note dated November 2, 2016 given by 1527020 (Port Colborne Wash) | 237 – 238 |
| U | Exhibit "U" - Demand Promissory Note dated March 20, 2018, given by 1527020 (Port Colborne Wash) | 239 – 240 |
| V | Exhibit "V" - General Security Agreement given by 1527020 (Port Colborne Wash), dated October 14, 2016 | 241 – 247 |
| W | Exhibit "W" - Mortgage registered as Instrument No. SN486746 on title to the Port Colborne Wash Property | 248 – 251 |
| X | Exhibit "X" - Parcel Register for the Port Colbourne Wash Property | 252 – 254 |
| Y | Exhibit "Y" - PPSA registry search respecting 1527020 (Port Colborne Wash) with a currency date of July 24, 2018 | 255 – 259 |
| Z | Exhibit "Z" - Corporate Profile Report for 1651033 (Burlington Wash) | 260 – 264 |
| AA | Exhibit "AA" - 1651033 (Burlington Wash) loan documents | 265 – 273 |
| BB | Exhibit "BB" Mortgage registered as Instrument No. AT3551060 on title to the property municipally known as 5462 Dundas Street W, Toronto | 274 – 278 |
| CC | Exhibit "CC" - 1651033 (Burlington Wash) guarantees and related security | 279 – 291 |
| DD | Exhibit "DD" - General Security Agreement given by 1651033 (Burlington Wash), dated March 24, 2014 | 292 – 298 |
| EE | Exhibit "EE" - Mortgage registered as Instrument No. HR1172775 on title to the Burlington Wash Property | 299 – 303 |
| FF | Exhibit "FF"- Parcel Register for the Burlington Wash Property | 304 – 306 |
| GG | Exhibit "GG" - PPSA registry search is respect of 1651033 (Burlington Wash) with a currency date of July 24, 2018 | 307 – 312 |
| HH | Exhibit "HH" - Corporation Profile Report for 1496765 (Etobicoke Wash) | 313 – 318 |
| II | Exhibit "II" - 1496765 (Etobicoke Wash) loan documents | 319 – 330 |
| JJ | Exhibit "JJ" - Corporation Profile report for Sunshine Propane | 331 – 335 |
| KK | Exhibit "KK" is a true copy of a PPSA registry search respecting Sunshine Propane with a currency date of July 24, 2018 | 336 – 348 |
| LL | Exhibit "LL" - 1496765 (Etobicoke Wash) guarantees and related security | 349 – 366 |

| Tab | Description | Page No. |
|---|---|---|
| MM | Exhibit "MM" - General Security Agreement given by 1496765 (Etobicoke Wash), dated July 8, 2014 | 367 – 373 |
| NN | Exhibit "NN" - Mortgage registered as Instrument No. AT3633478 on title to the Etobicoke Wash Property | 374 – 377 |
| OO | Exhibit "OO" - Parcel Register for the Etobicoke Wash Property | 378 – 383 |
| PP | Exhibit "PP" - PPSA registry search in respect of Etobicoke Wash with a currency date of July 24, 2018 | 384 – 390 |
| QQ | Exhibit "QQ" - Chart summarizing the cross corporate guarantees by guarantor | 391 – 394 |
| RR | Exhibit "RR" - Tax certificate obtained in respect of the 2495087 Port Elgin Gas Property dated June 28, 2018 | 395 – 397 |
| SS | Exhibit "SS" - Tax certificate obtained in respect of the 2496800 (Goderich Gas) Property dated June 27, 2018 | 398 – 399 |
| TT | Exhibit "TT" - Tax certificate obtained in respect of the 1651033 (Burlington Wash) Property dated June 25, 2018 | 400 – 401 |
| UU | Exhibit "UU" - Tax certificate obtained in respect of the 1496765 (Etobicoke Wash) Property dated June 22, 2018 | 402 – 404 |
| VV | Exhibit "VV" - Parcel Register for Mr. Wadood's personal residence | 405 – 407 |
| WW | Exhibit "WW" - Correspondence from the Bank to the Companies dated June 21, 2018 | 408 – 411 |
| XX | Exhibit "XX" - Demands and NITES delivered to both the company and guarantors of the indebtedness of 2405087 (Port Elgin Gas) | 412 – 436 |
| YY | Exhibit "YY" - Demands and NITES delivered to both the company and guarantors of the indebtedness of 2496800 (Goderich Gas) | 437 – 455 |
| ZZ | Exhibit "ZZ" - Demands and NITES delivered to both the company and guarantors of the indebtedness of 1527020 (Port Colborne Wash) | 456 – 476 |
| AAA | Exhibit "AAA" - Demands and NITES delivered to both the company and guarantors of the indebtedness of 1651033 (Burlington Wash) | 477 – 490 |
| BBB | Exhibit "BBB" - Demands and NITES delivered to both the company and guarantors of the indebtedness of 1496765 (Etobicoke Wash) | 491 – 505 |
| 3 | Consent to Act as Receiver | 506 – 507 |

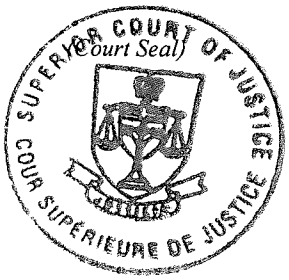
# TAB 1

CV-18-00602537-00CL

Court File No.

*ONTARIO*
**SUPERIOR COURT OF JUSTICE**
**COMMERCIAL LIST**

BETWEEN:




BANK OF MONTREAL

Applicant

-and-

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC., 1651033 ONTARIO INC., 1496765 ONTARIO INC. and SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3, s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

## NOTICE OF APPLICATION

TO THE RESPONDENT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on Friday, August 24, 2018, at 10:00 a.m., before a judge presiding over the Commercial List at 330 University Avenue, 7th Floor, Toronto ON M5G 1R7.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a

lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date July 31st 2018 Issued by Ray Williams
Local Registrar

Ray Williams, Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 7th Floor
Toronto ON M5G 1R7

TO: 2495087 Ontario Inc.
1 Grove Park St.
Richmond Hill, ON L4E 2R5

AND TO: 2496800 Ontario Inc.
1625 Bloor St. E., Suite 613
Mississauga, ON L4X 1S3

AND TO: 1527020 Ontario Inc.
1750 Bloor Street, Suite # 915
Mississauga, ON L4X 1S9

AND TO: 1651033 Ontario Inc.
5462 Dundas St. W., Suite # 1701
Toronto, ON M9B 1B4

AND TO: 1496765 Ontario Inc.
5462 Dundas St W., Suite # 1701
Toronto, ON M9B 1B4

AND TO: Sunshine Propane Inc.
5462 Dundas St W., Suite # 1701
Toronto, ON M9B 1B4

# APPLICATION

1. The Applicant, Bank of Montreal (the "**Bank**") makes application for:

(a) abridging the time for service of the Notice of Application and the Application Record herein and dispensing with further service thereof;

(b) an Order, pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**") and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the "**CJA**"), appointing RSM Canada Limited ("**RSM**") as receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of:

(i) 2495087 Ontario Inc. [hereinafter, "**2405087 (Port Elgin Gas)**"];

(ii) 2496800 Ontario Inc. [hereinafter, "**2496800 (Goderich Gas)**"];

(iii) 1527020 Ontario Inc. [hereinafter "**1527020 (Port Colborne Wash)**"];

(iv) 1651033 Ontario Inc. [hereinafter "**1651033 (Burlington Wash)**"];

(v) 1496765 Ontario Inc. [hereinafter "**1496765 (Etobicoke Wash)**"]; and

(vi) Sunshine Propane Inc. ("**Sunshine Propane**");

(c) judgment against the Respondents in the amount of the indebtedness of each as set out herein;

(d) prejudgment interest in accordance with the terms of the agreements between the parties or, alternatively, in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

(e) postjudgment interest in accordance with the terms of the agreements between the parties or, alternatively, in accordance with in accordance with section 129 of the *Courts of Justice Act*;

(f) the costs of this proceeding, plus all applicable taxes; and

(g) Such further and other Relief as to this Honourable Court may seem just.

2. The grounds for the application are:

**Parties**

(a) In this application, the Bank requests the appointment of a Receiver over the assets and undertaking of six companies, five of which are customers of the Bank (collectively, the "**Companies**") and one of which, Sunshine Propane, has granted the Bank a general security interest in its assets and undertaking as security for its guarantee of the obligations of the Companies;

(b) The Companies are:

(i) 2405087 (Port Elgin Gas): incorporated pursuant to the laws of Ontario on December 8, 2015, and operating as a gas station. 2495087 (Port Elgin Gas) operates from premises located at 591 Goderich Street and 595 Goderich Street, Port Elgin (the "**Port Elgin Gas Property**");

(ii) 2496800 (Goderich Gas): incorporated pursuant to the laws of Ontario on December 17, 2015. 2496800 (Goderich Gas) operates from premises located at 274 Bayfield Road, Goderich (the "**Goderich Gas Property**");

(iii) 1527020 (Port Colborne Wash): incorporated pursuant to the laws of Ontario on August 1, 2002. 1527020 (Port Colborne Wash) operates from premises located at 633 Main Street West, Port Colborne (the "**Port Colbourne Wash Property**");

(iv) 1651033 (Burlington Wash): incorporated pursuant to the laws of Ontario on February 23, 2005 and operates, or formerly operated, from premises located at 5223 Dundas Street, Burlington, Ontario (the "**Burlington Wash Property**")

(v) 1496765 (Etobicoke Wash): incorporated pursuant to the laws of Ontario on October 16, 2001. 1496765 (Etobicoke Wash) operates from premises located at 5462 Dundas St West, Etobicoke (the "**Etobicoke Wash Property**");

(c) The Companies are independent from each other, but connected or otherwise related and owned by members of the same extended family. Various of the Companies have cross guaranteed the indebtedness of others;

(d) Two of the debtor Companies operate as gas stations and three operate as car washes. To the best of the Bank's knowledge, the guarantor respondent, Sunshine

Propane operates from the same business premises as 1496765 (Etobicoke Wash) as a supplier of propane;

**Indebtedness**

(e) Each of the Companies has entered into agreements with the Bank to establish credit facilities pursuant to which they are currently indebted to the Bank;

(f) Pursuant to such credit facilities, the current indebtedness of each of the Companies to the Bank, as of July 27, 2018, is as follows:

(i) 2495087 (Port Elgin Gas): **$,291,385.27**;

(ii) 2496800 (Goderich Gas): **$1,674,920.93**;

(iii) 1527020 (Port Colborne Wash): **$1,411,643.42**;

(iv) 1651033 (Burlington Wash): **$2,531,062.35**;

(v) 1496765 (Etobicoke Wash): **$2,083,285.97**.

**Security**

(g) The Companies have each granted the following as security to the Bank for their indebtedness to the Bank:

(i) **2405087 (Port Elgin Gas)**:

(1) General Security Agreement, March 8, 2017, given by 2495087 (Port Elgin Gas) and perfected by financing statement registered as no. 20170213 1447 1590 7048, file reference no. 724822065;

(2) 2495087 (Port Elgin Gas) granted a demand first mortgage in favour of the Bank in the amount of $2,360,000.00, registered on April 13, 2017 as instrument no. BR117857 on title to the Port Elgin Gas Property;

(ii) **2496800 (Goderich Gas)**:

(1) General Security Agreement given by 2496800 (Goderich Gas), dated November 26, 2016, perfected by financing statement registered as no. 20160930 1335 1590 7908, file reference no. 721130283;

(2) 2496800 (Goderich Gas) granted a first demand mortgage in favour of the Bank in the amount of $1,825,000.00, registered on December 19, 2016 as instrument no. HC120626 on title to Goderich Gas Property;

(iii) **1527020 (Port Colborne Wash)**:

(1) General Security Agreement given by 1527020 (Port Colborne Wash), dated October 14, 2016, perfected by financing statement registered as no. 20160930 1337 1590 7912, file reference no. 721130346;

(2) 1527020 (Port Colborne Wash) granted a first priority Demand Mortgage in favour of the Bank in the amount of $1,550,000.00,

registered on October 18, 2016 as instrument no. SN486746 on title to the Port Colborne Wash Property

(iv) **1651033 (Burlington Wash)**:

(1) General Security Agreement given by 1651033 (Burlington Wash), dated March 24, 2014, perfected by financing statement registered as no. 20140320 1003 1862 7718, file reference no. 694538073;

(2) 1651033 (Burlington Wash) granted a first priority Demand Mortgage in favour of the Bank in the amount of $3,180,000.00, registered on April 2, 2014 as instrument no. HR1172775 on title to the Burlington Wash Property;

(v) **1496765 (Etobicoke Wash)**:

(1) General Security Agreement given by 1496765 (Etobicoke Wash), dated July 8, 2014, perfected by financing statement registered as no. 20140702 1211 1862 5387, file reference no. 697612545;

(2) 1496765 (Etobicoke Wash) granted a first priority Demand Mortgage in favour of the Bank in the amount of $2,450,000.00, registered on July 15, 2014 as instrument no. AT3633478 on title to the Etobicoke Wash Property;

**Guarantees**

(h) As more particularly set out in the Affidavit of Jason Locke filed in support of this Application, the indebtedness of each of the Companies is guaranteed by

others of the Companies. A number of such guarantees are supported by additional grants of security, or real property mortgages over property owned by the Companies;

(i) Of the various cross corporate guarantees, notably:

(i) 1496765 (Etobicoke Wash) has guaranteed the indebtedness of all Companies and has granted a demand second mortgage over the Etobicoke Wash Property to the Bank in the amount of $1,000,000 in support of its guarantee of the indebtedness of 1651033 (Burlington Wash);

(ii) 1651033 (Burlington Wash) has guaranteed the indebtedness of all Companies and has granted a demand second mortgage over the Etobicoke Wash Property to the Bank in the amount of $1,000,000 in support of its guarantee of the indebtedness of 1496765 (Etobicoke Wash);

(iii) Sunshine Propane has guaranteed the indebtedness of 1496765 (Etobicoke Wash) and granted the Bank a General Security Agreement over its assets and undertaking as security for same, perfected by financing statement registered as no. 20140702 1207 1862 5385, file reference no. 697612302;

**Default**

(j) The Bank is not satisfied with the performance of the loans to the Companies. In particular, without limitation:

(i) all of the Companies, but for 1527020 (Port Colborne Wash), are in arrears. June loan installments were not paid when due and remain outstanding;

(ii) unpaid municipal property taxes have been permitted to accumulate on the following real property secured by collateral mortgages in favour of the Bank

(1) the Port Elgin Gas Property;

(2) the Goderich Gas Property;

(3) the Burlington Wash Property;

(4) the Etobicoke Wash Property.

(k) A site visit reveals that the 1651033 (Burlington Wash) business is non-operational and that the Burlington Wash Property is under construction, which construction appears to be stalled. The Bank has requested information from 1651033 (Burlington Wash) as to the status of the construction, confirmation that contractors are up to date on payments and the estimated timeline for completion. 1651033 (Burlington Wash) has advised that construction will be completed in August or September of 2018. Given the current state and lack of observed construction activity at the Burlington Wash Property, the Bank has concerns about whether this estimated timeline is realistic. Additional details as to the causes for cessation of work on the project and confirmation that contractors are

being kept up to date have not been forthcoming. It is furthermore not known how the construction project is being financed;

(l) The Fixed Rate Term Loan facility in the amount of $2,275,000 extended to 2485087 (Port Elgin Gas) matured on March 31, 2018, and has an outstanding balance of $2,151,630.02 as of July 27, 2018;

(m) The Fixed Rate Term Loan facility in the amount of $300,000 extended to 2496800 (Goderich Gas) matured on February 28, 2018, and has an outstanding balance of $$279,045.21 as of July 27, 2018;

(n) 1496765 (Etobicoke Wash), granted 10831824 Canada Inc., a company incorporated on June 8, 2018, a third mortgage registered on title to the Etobicoke Gas Property on June 14, 2018 in the amount of $572,000. Following registration of the mortgage, no corresponding deposits were made by 1496765 (Etobicoke Wash) into any of its accounts with the Bank. The Bank's request for information as to the purpose of this mortgage and the application of the mortgage proceeds has not been answered;

(o) The personal residence of Mr. Wadood, a personal guarantor of the obligations of 2496800 (Goderich Gas), was similarly recently encumbered by a mortgage registered on title as instrument number PR3353679 on July 23, 2018 in the amount of $200,000, also in favour of 10831824 Canada Inc.;

(p) On September 13, 2017 a financing statement was registered pursuant to the PPSA by Her Majesty in Right of Ontario represented by the Minister Of Finance in the amount of $136,532 against the assets of Sunshine Propane;

(q) Various requests for information and other demands have not been complied with by the Companies. Satisfactory responses have not been provided to as to the Bank's requests for:

(i) the reasons for the change in directors of 2405087 (Port Elgin Gas);

(ii) the purpose of and particulars relating to the unauthorized third mortgage registered on title to the Etobicoke Wash Property;

(iii) information relating to the apparently stalled construction on the Burlington Wash Property;

(iv) copies of policies of insurance in respect of the Companies showing the Bank as first loss payee;

(v) provision of outstanding financial statements for the Companies and for updated financial information;

(vi) payment of municipal property tax arrears;

(vii) payment of arrears outstanding; and

(viii) cessation of NSF activity in connection with the Companies' loans.

(r) As current financial statements and updated information for each of the Companies are outstanding, and as requests for same have not been complied with, the Bank is concerned about the potential that there may be additional breaches of which it is not aware;

**Demands and NITES**

(s) The Bank demanded information and responses from the Companies in relation to the foregoing concerns on June 20 and 21, 2018, with a deadline for compliance of June 27, 2018. No satisfactory response has been received;

(t) The Bank has determined to terminate the Banking relationship with each of the Companies;

(u) On July 5, 2018 the Bank issued demands for repayment of Companies' indebtedness and Notice of Intention to Enforce Security ("**NITES**") upon each of the Companies and Guarantors;

(v) Demand and NITES have also been delivered to Sunshine Propane, pursuant to its guarantee of the Companies' indebtedness and the general security agreement given by it in support of same;

(w) No payments have been made and no satisfactory alternate arrangements have been proposed;

**Request for Appointment of Receiver**

(x) Demand for repayment has been made and NITES have been delivered to each of the Companies. Demands and NITES have also been delivered to the Guarantor, Sunshine Propane;

(y) Neither repayment, nor any alternative resolution acceptable to the Bank has been arranged;

(z) The Companies, and Sunshine Propane, are accordingly in default. The terms of the Bank's security in respect of each of the Companies and Sunshine Propane expressly permits the appointment of a receiver upon default;

(aa) For the foregoing reasons, the Bank is furthermore of the view that there is reason to believe that the secured collateral granted by the Companies is at risk of erosion;

(bb) Due to the interconnectedness of the Companies and various cross guarantees given in respect of the Companies' indebtedness, the Bank regards it as efficient in the circumstances that the receivership of the Companies and Sunshine Propane be administered as a single proceeding with a common Receiver;

(cc) RSM Canada Limited has consented to act as receiver;

(dd) It is just and convenient that a receiver be appointed; and

(ee) Such further and other grounds as the lawyers may advise.

3. The following documentary evidence will be used at the hearing of the application:

(a) The Affidavit of Jason Locke sworn July 30, 2018;

(b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

July 31, 2018

**TORKIN MANES LLP**
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Applicant, Bank of Montreal

RCP-E 14E (March 31, 2010)

BANK OF MONTREAL
Applicant

-and-

2495087 ONTARIO INC. et al.
Respondents

CV-18-00602537-00CL

Court File No.

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**NOTICE OF APPLICATION**

**TORKIN MANES LLP**
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Applicant, Bank of Montreal

RCP-E 4C (May 1, 2016)

00802.0279/11520773_.1

16

# TAB 2

Court File No.

*ONTARIO*
**SUPERIOR COURT OF JUSTICE**
**COMMERCIAL LIST**

BETWEEN:

BANK OF MONTREAL

Applicant

-and-

2495087 ONTARIO INC., 2496800 ONTARIO INC., 1527020 ONTARIO INC., 1651033 ONTARIO INC., 1496765 ONTARIO INC. and SUNSHINE PROPANE INC.

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c-B-3, s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, and Rules 14.05(2), (3) (d), (g) and (h) of the *Rules of Civil Procedure*

# AFFIDAVIT OF JASON LOCKE

I, Jason Locke, of the City of Whitby, in the Province of Ontario, make oath and say:

1. I am an account manager with the Special Accounts Management Unit at the Bank of Montreal (the "**Bank**") and have carriage of the within accounts. As such, I have knowledge of the matters deposed to herein expect as where I have otherwise indicated and in which case I have indicated the source of my knowledge and belief.

## OVERVIEW

2. In this application, the Bank requests the appointment of a Receiver over the assets and undertaking of six companies, five of which are customers of the Bank (collectively, the "**Companies**") and one of which, Sunshine Propane Inc. ("**Sunshine Propane**") has granted the Bank a general security interest in its assets and undertaking as security for its guarantee of the obligations the Companies.

3. The Companies are:

(a) 2495087 Ontario Inc. [hereinafter, "**2405087 (Port Elgin Gas)**"];

(b) 2496800 Ontario Inc. [hereinafter, "**2496800 (Goderich Gas)**"];

(c) 1527020 Ontario Inc. [hereinafter "**1527020 (Port Colborne Wash)**"];

(d) 1651033 Ontario Inc. [hereinafter "**1651033 (Burlington Wash)**"];

(e) 1496765 Ontario Inc. [hereinafter "**1496765 (Etobicoke Wash)**"].

4. The Companies are independent from each other, but connected or otherwise related and owned by members of the same extended family. Various of the Companies have cross guaranteed the indebtedness of others. Since the transfer of these accounts to SAMU, the Companies have negotiated with the Bank collectively through a common representative/family member who has been authorized by the Companies to speak on behalf of all Companies for the purposes of these discussions.

5. Two of the debtor Companies operate as gas stations and three operate as car washes. To the best of the Bank's knowledge, the guarantor respondent, Sunshine Propane operates from the same business premises as 1496765 (Etobicoke Wash) as a supplier of propane.

6. The Companies' banking relationship with the Bank began in 2014 with 1651033 (Burlington Wash). 1651033 (Burlington Wash) operated as a car wash in the Burlington area. The principal and owner of 1651033 (Burlington Wash) is/was, to the best of the Bank's knowledge, Aisha Ashad.

7. In 2015, the Bank became the primary operating lender to 1496765 (Etobicoke Wash), another car wash business which is also owned, to the best of the Bank's understanding, by Ms. Ashad.

8. In 2016/2017, additional lending relationships were established between the Bank and three additional Companies owned by Ms. Ashad and/or her extended family:

(a) 1527020 (Port Colborne Wash): which the Bank understands is a car wash business owned by Ms. Ashad's nephew, Rauf Khan;

(b) 2405087 (Port Elgin Gas): which is a gas station business which the Bank understood was owned and operated by Mr. Khan;

(c) 2496800 (Goderich Gas): which is a gas station business which the Bank understands is owned by Ms. Ashad's nephew, Mian Wadood.

9. Statements contained herein as to the ownership of the various companies are based on the Bank's understanding only. The precise nature of the ownership interests held by various family members (or others) is not definitively known.

10. The loans are not performing to the Bank's satisfaction. The Bank has alerted the Companies as to various breaches of covenant and defaults which have not been satisfactorily answered. Requests for current financial information have similarly gone unanswered. Through its own diligence, the Bank has determined that municipal property taxes in respect of nearly all of the real property secured in connection with the Companies' indebtedness are in arrears. 1496765 (Etobicoke Wash), a guarantor of each of the Companies' indebtedness, has recently placed an unauthorized third mortgage in favour of a recently-incorporated numbered federal company on title to real property secured by the Bank without prior notice to, or the consent of, the Bank. No corresponding deposits were made into any of 1496765 (Etobicoke Wash)'s accounts with the Bank following registration of the unauthorized second mortgage.

11. The Bank no longer wishes to continue the Banking relationship with any of the Companies. The Bank has made demand for repayment in full and delivered Notice of Intention to Enforce Security upon each of the Companies and guarantors. No payments nor any satisfactory proposal for addressing the indebtedness of the Companies has been received.

## THE COMPANIES: INDEBTEDNESS AND SECURITY

***Company #1: 2495087 (Port Elgin Gas)***

12. 2495087 (Port Elgin Gas) was incorporated pursuant to the laws of Ontario on December 8, 2015, and operates as a gas station. 2495087 (Port Elgin Gas) operates from, and owns, premises located at 591 Goderich Street and 595 Goderich Street, Port Elgin (the "**Port Elgin Property**"), with a registered head office at 1 Grove Park St., Richmond Hill Ontario L4E 2R5.

> **Attached hereto and marked as Exhibit "A" is a true copy of the Corporation Profile report for 2495087 Port Elgin Gas**
>
> **Attached hereto and marked as Exhibit "B", collectively, are true copies of the parcel registers for the Port Elgin Gas Property**

13. The Corporation Profile Report for 2495087 (Port Elgin Gas), until July 25, 2017, showed Rauf Khan as the sole director and officer of 2495087 (Port Elgin Gas) and the Bank understood Mr. Khan to be the owner and operator of this business.

14. Recently updated searches disclose, however, that the directors of 2495087 (Port Elgin Gas) are now:

(a) Ayesha Aqif;

(b) Saneh Bhardwaj;

(c) Sanjiv Jain;

(d) Suhkbir Singh.

15. The Bank was not advised as to any changes to the management of 2495087 (Port Elgin Gas) or the constitution of its board of directors. The Bank has no other information about the current directors of 2495087 (Port Elgin Gas), one of whom appears to reside in Hong Kong, and 2495087 (Port Elgin Gas) has failed to provide the Bank with any such advice.

16. 2495087 (Port Elgin Gas) has established various credit facilities with the Bank pursuant to which it is indebted to the Bank.

**Attached hereto and marked as Exhibit "C", collectively, are true copies of the 2495087 (Port Elgin Gas) loan documents**

17. Particulars of the 2495087 (Port Elgin Gas) indebtedness owing to the Bank, as of July 2, 2018 are as follows:

| PRIME + | RATE | PRINCIPAL | TOTAL INT | TOTAL | PER DIEM |
|---|---|---|---|---|---|
| I Overdraft Lending C/A – 3858-1042-922 | | | | | |
| 2.5000% | 5.9500% | $72,976.17 | $438.22 | $73,414.39 | $11.90 |
| II. Fixed Rate Term Loan – 3858-6993-575 | | | | | |
| 3.0000% | 6.45% | $2,141,179.30 | $12,107.93 | $2,153,287.23 | $378.37 |
| III Letter of Credit – 3858-6993-479 | | | | | |
| Fixed | 0% | $50,000 | $0 | $50,000 | $0 |

| PRIME + | RATE | PRINCIPAL | TOTAL INT | TOTAL | PER DIEM |
|---|---|---|---|---|---|
| IV Fees | | | | | |
| FRTL IRD Penalty | | $0 | | | |
| ODL Fee | | $45.00 | | | |
| Plan/Fees | | $150.00 | | | |
| TOTAL | | $2,264,350.47 | $12,546.15 | $2,276,896.62 | $390.27 |
| **GRAND TOTAL: $2,276,896.62** | | | | | |

18. The following guarantees and related security have been granted in respect of the 2495087 (Port Elgin Gas) indebtedness:

(a) Guarantee given by 1527020 (Port Colborne Wash) dated March 8, 2017 limited to $2,360,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its guarantee, 1527020 (Port Colborne Wash) granted a General Security Agreement dated March 8, 2017 in favour of the Bank, perfected by financing statement registered as no. 20170213 1449 1590 7052, file reference no. 724822119;

(b) Guarantee given by 1651033 (Burlington Wash) dated March 8, 2017, limited to $2,360,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its guarantee 1651033 (Burlington Wash) granted a General Security Agreement dated March 8, 2017 in favour of the Bank perfected by financing statement registered as no. 20170213 1449 1590 7052, file reference no. 724822119

(c) Guarantee given by 1496765 (Etobicoke Wash) dated March 8, 2017, limited to $2,360,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its guarantee 1496765 (Etobicoke Wash) granted a General Security Agreement dated March 8, 2017 in favour of the Bank, perfected by financing statement registered as no. 20170213 1448 1590 7051, file reference no. 724822101.

(d) Guarantee given by Rauf Khan dated March 8, 2017, limited to $2,360,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(e) Guarantee given by Aisha Ashad dated March 8, 2017, limited to $2,360,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(f) Guarantee given by Mehak Arshad (understood to be the wife of Rauf Khan) dated March 13, 2017, limited to $2,360,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand.

**Attached hereto and marked as Exhibit "D", collectively, are true copies of the 2495087 (Port Elgin Gas) guarantees and related security**

19. The Bank holds the following as security for the 2495087 (Port Elgin Gas) indebtedness:

(a) General Security Agreement, March 8, 2017, given by 2495087 (Port Elgin Gas) and perfected by financing statement registered as no. 20170213 1447 1590 7048, file reference no. 724822065;

**Attached hereto and marked as Exhibit "E" is a true copy of the 2495087 Port Elgin Gas GSA**

(b) 2495087 (Port Elgin Gas) granted a demand first mortgage in favour of the Bank in the amount of $2,360,000.00, registered on April 13, 2017 as instrument no. BR117857 on title to the Port Elgin Gas Property.

**Attached hereto and marked as Exhibit "F" is a true copy of the mortgage registered as instrument no. BR117857 on title to the Port Elgin Gas Property**

20. The Bank is the senior ranking general secured creditor of 2495087 Port Elgin Gas.

**Attached hereto and marked as Exhibit "G" is a true copy of a PPSA registry search respecting 2495087 Port Elgin Gas**

***Company #2: 2496800 Ontario Inc. (Goderich Gas)***

21. 2496800 (Goderich Gas) was incorporated pursuant to the laws of Ontario on December 17, 2015. 2496800 (Goderich Gas) operates from premises located at 274 Bayfield

Road, Goderich (the "**Goderich Gas Property**"), with a registered head office at 1625 Bloor Street East, Suite # 613, Mississauga Ontario L4X 1S3.

**Attached hereto and marked as Exhibit "H" is a true copy of the Corporation Profile Report for 2496800 (Goderich Gas)**

22. According to its Corporation Profile Report, the directors of 2496800 (Goderich Gas) are:

(a) Aisha Ashhad;

(b) Mian Abdul Wadood;

23. 2496800 (Goderich Gas) has established various credit facilities with the Bank pursuant to which it is indebted to the Bank.

**Attached hereto and marked as Exhibit "I", collectively, are true copies of the 2496800 (Goderich Gas) loan documents**

24. Particulars of 2496800 (Goderich Gas)' indebtedness owing to the Bank, as of July 2, 2018, are as follows:

| PRIME + | RATE | PRINCIPAL | TOTAL INT | TOTAL | PER DIEM |
|---|---|---|---|---|---|
| I Overdraft Lending C/A – 3858-1043-239 | | | | | |
| 2.5000% | 5.9500% | $73,666.41 | $381.12 | $74,047.53 | $12.01 |
| II. Demand Loan Non-Revolving – 3858-6989-528 | | | | | |
| 1.7500% | 5.2000% | $277,945.61 | $1,273.65 | $279,219.26 | $39.60 |
| III. Demand Loan Non-Revolving – 3858-6994-340 | | | | | |
| 1.7500% | 5.2000% | $1,275,555.92 | $5,845.06 | $1,281,400.98 | $181.72 |

| PRIME + | RATE | PRINCIPAL | TOTAL INT | TOTAL | PER DIEM |
|---|---|---|---|---|---|
| IV Letter of Credit – 3858-6993-161 | | | | | |
| Fixed | 0% | $40,000 | $0 | $40,000 | $0 |
| V Fees | | | | | |
| ODL Fee | | $150.00 | | | |
| Plan/Fees | | $49.60 | | | |
| TOTAL | | $1,667,367.54 | $7,499.83 | $1,674,867.37 | $233.33 |
| **GRAND TOTAL: $1,674,867.37** | | | | | |

25. The following guarantees and related security have been granted in respect of the indebtedness of 2496800 (Goderich Gas):

(a) Guarantee given by 1496765 (Etobicoke Wash) dated November 26, 2016, limited to $1,825,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its guarantee 1496765 Ontario Ltd. (Etobicoke Wash) granted a General Security Agreement dated November 26, 2016 in favour of the Bank, perfected by financing statement registered as no. 20160930 1336 1590 7911, file reference no. 721130337;

(b) Guarantee given by 1651033 (Burlington Wash) dated November 26, 2016 limited to $1,825,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its guarantee 1651033 (Burlington Wash) granted a General Security Agreement dated November 26, 2016 in favour of the Bank, perfected by financing statement registered as no. 20160930 1336 1590 7910, file reference no. 721130319

(c) Guarantee given by Aisha Ashad dated November 26, 2016 guaranteeing the obligations of 2496800 (Goderich Gas), limited to $1,825,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(d) Guarantee given by Mian Abdul Wadood dated November 26, 2016, limited to $1,825,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

**Attached hereto and marked as Exhibit "J", collectively, are true copies of the guarantees granted in respect of the 2496800 (Goderich Gas) indebtedness**

26. The Bank has been granted the following as security for the 2496800 (Goderich Gas) indebtedness:

(a) Demand Promissory Note dated December 16, 2016, given by 2496800 (Goderich Gas) in favour of the Bank in the amount of $1,400,000.00 at a rate of 1.75% per annum above the Bank's posted prime rate;

**Attached hereto and marked as Exhibit "K" is a true copy of the December 16, 2016 Promissory Note given by 2496800 (Goderich Gas)**

(b) Demand Promissory Note dated March 20, 2018, given by 2496800 (Goderich Gas) in favour of the Bank in the amount of $284,724.67 at a rate of 1.75% per annum above the Bank's posted prime rate;

**Attached hereto and marked as Exhibit "L" is a true copy of the March 20, 2018 Promissory Note given by 2496800 (Goderich Gas)**

(c) General Security Agreement given by 2496800 (Goderich Gas), dated November 26, 2016, perfected by financing statement registered as no. 20160930 1335 1590 7908, file reference no. 721130283;

**Attached hereto and marked as Exhibit "M" is a true copy of the 2496800 (Goderich Gas) GSA**

(d) 2496800 (Goderich Gas) granted a first demand mortgage in favour of the Bank in the amount of $1,825,000.00, registered on December 19, 2016 as instrument no. HC120626 on title to Goderich Gas Property;

**Attached hereto and marked as Exhibit "N" is a true copy the mortgage registered as instrument no. HC120626 on title to Goderich Gas Property**

**Attached hereto and marked as Exhibit "O" is a true copy of the parcel register for the Goderich Gas Property**

27. The Bank is the senior ranking general secured creditor of 2496800 (Goderich Gas).

**Attached hereto and marked as Exhibit "P" is a true copy of a PPSA registry search in respect of 2496800 (Goderich Gas)**

***Company #3: 1527020 (Port Colborne Wash)***

28. 1527020 (Port Colborne Wash) was incorporated pursuant to the laws of Ontario on August 1, 2002. 1527020 (Port Colborne Wash) operates from premises located at 633 Main

Street West, Port Colborne (the "**Port Colbourne Wash Property**"), with a head office at 1625 Bloor Street East, Suite # 613, Mississauga Ontario L4X 1S3.

**Attached hereto and marked as Exhibit "Q" is a true copy of the Corporation Profile Report for 1527020 (Port Colborne Wash)**

29. As per the Corporate Profile Report for 1527020 (Port Colborne Wash), the directors of 1527020 (Port Colborne Wash) are:

(a) Rauf Khan – President;

(b) Aisha Ashad – Secretary (officer).

30. 1527020 (Port Colborne Wash) has established various credit facilities with the Bank pursuant to which it is indebted to the Bank.

**Attached hereto and marked as Exhibit "R" collectively are true copies of the 1527020 (Port Colborne Wash) loan documents**

31. Particulars of the 1527020 (Port Colborne Wash) indebtedness owing to the Bank, as of July 2, 2018 are as follows:

| PRIME + | RATE | PRINCIPAL | TOTAL INT | TOTAL | PER DIEM |
|---|---|---|---|---|---|
| I. Overdraft Lending C/A – 2335-1997-385 | | | | | |
| 2.5000% | 5.9500% | $17,644.58 | $97.09 | $17,741.67 | $2.88 |
| II. Demand Loan Non-Revolving – 2335-6999-654 | | | | | |
| 3.2500% | 6.7000% | $1,379,113.12 | $8,143.33 | $1,387,256.45 | $253.15 |

| PRIME + | RATE | PRINCIPAL | TOTAL INT | TOTAL | PER DIEM |
|---|---|---|---|---|---|
| III. Fees | | | | | |
| ODL Fee | | $50.00 | | | |
| TOTAL | | $1,396,807.70 | $8,240.42 | $1,405,048.12 | $256.03 |
| **GRAND TOTAL** | | | **$1,405,048.12** | | |

32. The following guarantees and related security have been granted in respect of the indebtedness of 1527020 (Port Colborne Wash):

(a) Guarantee given joint and severally by Rauf Khan and Mehak Arshad dated October 14, 2016, limited to $1,550,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(b) Guarantee given by Aisha Ashad dated October 14, 2016, limited to $1,550,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(c) Guarantee given by 1651033 (Burlington Wash) dated October 14, 2016, limited to $1,550,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its Guarantee, 1651033 (Burlington Wash) executed and delivered to the Bank an Acknowledgement dated October 14, 2016 acknowledging that the General Security Agreement previously delivered

by 1651033 (Burlington Wash) also supports the Guarantee delivered in connection with these credit facilities;

(d) Guarantee given by 1496765 (Etobicoke Wash) dated October 14, 2016, limited to $1,550,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its Guarantee, 1496765 (Etobicoke Wash) executed and delivered to the Bank an Acknowledgement dated October 14, 2016 acknowledging that the General Security Agreement previously delivered by 1496765 Ontario Ltd. also supports the Guarantee delivered in connection with these credit facilities;

**Attached hereto and marked as Exhibit "S", collectively, are true copies of the 1527020 (Port Colborne Wash) guarantees and related security**

(e) The Bank holds the following additional security for repayment of the 1527020 (Port Colborne Wash) indebtedness:

(i) Demand Promissory Note dated November 2, 2016 given by 1527020 (Port Colborne Wash) in favour of the Bank in the amount of $1,525,000.00 at a rate of 1.75% per annum above the Bank's posted prime rate;

**Attached hereto and marked as Exhibit "T" is a true copy of the Promissory Note dated November 2, 2016 given by 1527020 (Port Colborne Wash)**

(ii) Demand Promissory Note dated March 20, 2018, given by 1527020 (Port Colborne Wash) in favour of the Bank in the amount of $1,404,811.23 at a rate of 3.25% per annum above the Bank's posted prime rate;

**Attached hereto and marked as Exhibit "U" is a true copy of the Promissory Note dated March 20, 2018, given by 1527020 (Port Colborne Wash)**

(iii) General Security Agreement given by 1527020 (Port Colborne Wash), dated October 14, 2016, perfected by financing statement registered as no. 20160930 1337 1590 7912, file reference no. 721130346;

**Attached hereto and marked as Exhibit "V" is a true copy of 1527020 (Port Colborne Wash) GSA**

(iv) 1527020 (Port Colborne Wash) granted a first priority Demand Mortgage in favour of the Bank in the amount of $1,550,000.00, registered on October 18, 2016 as instrument no. SN486746 on title to the Port Colborne Wash Property;

**Attached hereto and marked as Exhibit "W" is a true copy of the mortgage registered as instrument no. SN486746 on title to the Port Colborne Wash Property**

**Attached hereto and marked as Exhibit "X" is a true copy of the Parcel register for the Port Colbourne Wash Property**

33. The Bank is the senior ranking general secured creditor of 1527020 (Port Colborne Wash).

**Attached hereto and marked as Exhibit "Y" is a true copy of a PPSA registry search respecting 1527020 (Port Colborne Wash)**

***Company #4: 1651033 (Burlington Wash)***

34. 1651033 (Burlington Wash) was incorporated pursuant to the laws of Ontario on February 23, 2005 and is located at 5223 Dundas Street Burlington Ontario (the "**Burlington Wash Property**"), with a head office at 5462 Dundas St W, Suite # 1701, Etobicoke Ontario M9B 1B4:

**Attached hereto and marked as Exhibit "Z" is a true copy of the Corporate Profile report for 1651033 (Burlington Wash)**

35. According to the Corporation Profile Report for 1651033 (Burlington Wash), the directors of 1651033 (Burlington Wash) are:

(i) Aisha Ashad.

36. 1651033 (Burlington Wash) has established various credit facilities with the Bank pursuant to which it is indebted to the Bank.

**Attached hereto and marked as Exhibit "AA", collectively, are true copies of the 1651033 (Burlington Wash) loan documents**

37. Particulars of the 1651033 (Burlington Wash) indebtedness owing to the Bank, as of July 2, 2018 are as follows:

| PRIME + | RATE | PRINCIPAL | TOTAL INT | TOTAL | PER DIEM |
|---|---|---|---|---|---|
| Fixed Rate Term Loan – 3858-6997-541 | | | | | |
| Fixed | 3.89% | $2,489,699.39 | $8,558.08 | $2,498,257.47 | $265.34 |

| PRIME + | RATE | PRINCIPAL | TOTAL INT | TOTAL | PER DIEM |
|---|---|---|---|---|---|
| FRTL IRD Penalty | | $26,148.26 | | | |
| **TOTAL:** | **$2,524,405.73** | | | | |

38. The following guarantees and related security have been granted in respect of the indebtedness of 1651033 (Burlington Wash):

(a) Guarantee given by 1496765 (Etobicoke Wash) dated March 24, 2014, limited to $3,180,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its guarantee 1496765 (Etobicoke Wash) granted a second place demand mortgage in favour of the Bank in the amount of $1,000,000.00, registered on April 2, 2014 as instrument no. AT3551060 on title to the property municipally known as 5462 Dundas Street W, Toronto;

**Attached hereto and marked as Exhibit "BB" is a true copy of the mortgage registered as instrument no. AT3551060 on title to the property municipally known as 5462 Dundas Street W, Toronto**

(b) Guarantee given by Sunshine Propane Inc. dated March 24, 2014, limited to $3,180,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(c) Guarantee given by Aisha Ashad dated March 24, 2014, limited to $3,180,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

**Attached hereto and marked as Exhibit "CC", collectively, are true copies of the 1651033 (Burlington Wash) guarantees and related security**

39. The Bank holds the following security for repayment of the 1651033 (Burlington Wash) indebtedness:

(a) General Security Agreement given by 1651033 (Burlington Wash), dated March 24, 2014, perfected by financing statement registered as no. 20140320 1003 1862 7718, file reference no. 694538073;

**Attached hereto and marked as Exhibit "DD" is a true copy of the 1651033 (Burlington Wash) GSA**

(b) 1651033 (Burlington Wash) granted a first priority Demand Mortgage in favour of the Bank in the amount of $3,180,000.00, registered on April 2, 2014 as instrument no. HR1172775 on title to the Burlington Wash Property;

**Attached hereto and marked as Exhibit "EE" is a true copy of the mortgage registered as instrument no. HR1172775 on title to the Burlington Wash Property**

**Attached hereto and marked as Exhibit "FF" is a true copy of the parcel register for the Burlington Wash Property**

40. The Bank is the senior ranking general secured creditor of 1651033 (Burlington Wash).

**Attached hereto and marked as Exhibit "GG" is a true copy of a PPSA registry search is respect of 1651033 (Burlington Wash)**

*Company #5: 1496765 (Etobicoke Wash)*

41. 1496765 (Etobicoke Wash) was incorporated pursuant to the laws of Ontario on October 16, 2001. 1496765 (Etobicoke Wash) operates from premises located at 5462 Dundas St W, Suite # 1701, Etobicoke Ontario M9B 1B4 with a registered head office at the same location.

**Attached hereto and marked as Exhibit "HH" is a true copy of the Corporation Profile Report for 1496765 (Etobicoke Wash)**

42. According to the Corporation Profile Report the directors of 1496765 (Etobicoke Wash) are:

(a) Aisha Ashad.

43. 1496765 (Etobicoke Wash) has established various credit facilities with the Bank pursuant to which it is indebted to the Bank.

**Attached hereto and marked as Exhibit "II", collectively, are true copies of the 1496765 (Etobicoke Wash) loan documents**

44. Particulars of the 1496765 (Etobicoke Wash) indebtedness owing to the Bank, as of July 2, 2018 are as follows:

| **PRIME +** | **RATE** | **PRINCIPAL** | **TOTAL INT** | **TOTAL** | **PER DIEM** |
|---|---|---|---|---|---|
| Loan – Fixed Account 3858-6996-960 | | | | | |
| | 3.60% | $2,060,493.48 | $6,508.22 | $2.067,001.70 | $203.23 |
| FRTL IRD Penalty | | $27,994.55 | | | |
| **TOTAL** | | | **$2,094,996.25** | | |

45. The following guarantees and related security have been granted in respect of the indebtedness of 1496765 (Etobicoke Wash):

(a) Guarantee given by 1651033 (Burlington Wash) dated July 8, 2014, limited to $2,450,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand;

(i) As support for its guarantee 1651033 Ontario Ltd. granted a second priority Demand Mortgage in favour of the Bank in the amount of $1,000,000.00, registered on July 15, 2014 as instrument no. HR1196588 on title to the Burlington Wash Property;

(b) Guarantee given by Sunshine Propane dated July 8, 2014, limited to $2,450,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand:

(i) As support for its guarantee Sunshine Propane granted a General Security Agreement dated July 8, 2014 in favour of the Bank, perfected by financing statement registered as no. 20140702 1207 1862 5385, file reference no. 697612302;

**Attached hereto and marked as Exhibit "JJ" is a true copy of the Corporation Profile report for Sunshine Propane**

**Attached hereto and marked as Exhibit "KK" is a true copy of a PPSA registry search respecting Sunshine Propane**

(c) Guarantee given by Aisha Ashad dated July 8, 2014, limited to $2,450,000.00 plus interest accruing at 5% per annum above the Bank's posted prime rate from the date of demand.

**Attached hereto and marked as Exhibit "LL", collectively, are true copes of the 1496765 (Etobicoke Wash) guarantees and related security**

46. The Bank holds the following security for the 1496765 (Etobicoke Wash) indebtedness:

(a) General Security Agreement given by 1496765 (Etobicoke Wash), dated July 8, 2014, perfected by financing statement registered as no. 20140702 1211 1862 5387, file reference no. 697612545;

**Attached hereto and marked as Exhibit "MM" is a true copy of the 1496765 (Etobicoke Wash) GSA**

(b) 1496765 (Etobicoke Wash) granted a first priority Demand Mortgage in favour of the Bank in the amount of $2,450,000.00, registered on July 15, 2014 as instrument no. AT3633478 on title to the Etobicoke Wash Property.

**Attached hereto and marked as Exhibit "NN" is a true copy of mortgage registered as instrument no. AT3633478 on title to the Etobicoke Wash Property**

**Attached hereto and marked as Exhibit "OO" is a true copy of the Parcel Register for the Etobicoke Wash Property**

47. The Bank is the senior ranking general secured creditor of 1496765 (Etobicoke Wash).

**Attached hereto and marked as Exhibit "PP" is a true copy of a PPSA registry search in respect of Etobicoke Wash**

**CROSS CORPORATE GUARANTEES**

48. For ease of reference, a chart of the cross-corporate guarantees, organized by guarantor as opposed to guaranteed obligation, is attached.

**Attached hereto and marked as Exhibit "QQ" is a true copy of a chart summarizing the cross corporate guarantees by guarantor**

**DEFAULT**

49. The Bank is not satisfied with the performance of the loans to the Companies. In particular, without limitation:

(a) all of the Companies, but for 1527020 (Port Colborne Wash), are in arrears. June loan installments were not paid when due and, as of the date of this Affidavit, remain outstanding;

(b) unpaid municipal property taxes have been permitted to accumulate on the following real property secured by collateral mortgage in favour of the Bank

(i) the Port Elgin Gas Property;

**Attached hereto and marked as Exhibit "RR" of the tax certificate obtained in respect of the 2495087 Port Elgin Gas Property**

(ii) the Goderich Gas Property;

**Attached hereto and marked as Exhibit "SS" of the tax certificate obtained in respect of the 2496800 (Goderich Gas) Property**

(iii) the Burlington Wash Property;

**Attached hereto and marked as Exhibit "TT" of the tax certificate obtained in respect of the 1651033 (Burlington Wash) Property**

(iv) the Etobicoke Wash Property.

**Attached hereto and marked as Exhibit "UU" of the tax certificate obtained in respect of the 1496765 (Etobicoke Wash) Property**

(c) A site visit to 1651033 (Burlington Wash) reveals that the business is non-operational and that the Burlington Wash Property is under construction, which construction appears to be stalled. The Bank has requested information from 1651033 (Burlington Wash) as to the status of the construction, confirmation that contractors are up to date on payments and the estimated timeline for completion. 1651033 (Burlington Wash) has advised that construction will be completed in August or September of 2018. Given the current state and lack of observed construction activity at the Burlington Wash Property, the Bank has concerns about whether this timeline is realistic. Additional details as to the causes for cessation of work on the project and confirmation that contractors are being kept up to date have not been forthcoming. It is furthermore not known how the construction project is being financed;

(d) The Fixed Rate Term Loan facility in the amount of $2,275,000 extended to 2485087 (Port Elgin Gas) matured on March 31, 2018 and has an outstanding balance of $2,151,630.02 as of July 27, 2018;

(e) The Fixed Rate Term Loan facility in the amount of $300,000 extended to 2496800 (Goderich Gas) matured on February 28, 2018 and has an outstanding balance of $279,045.21 as of July 27, 2018;

(f) 1496765 (Etobicoke Wash), which company has guaranteed the indebtedness of *all* of the Companies, granted 10831824 Canada Inc., a company incorporated on June 8, 2018, a third mortgage registered on title to the Etobicoke Gas Property on

June 14, 2018 as instrument number AT4886114 in the amount of $572,000. Following registration of the mortgage, no corresponding deposits were made by 1496765 (Etobicoke Wash) into any of its accounts with the Bank. The Bank's request for information as to the purpose of this mortgage and the application of the mortgage proceeds has received no response;

(g) The personal residence of Mr. Wadood, guarantor of the obligations of 2496800 (Goderich Gas), was similarly recently encumbered by a mortgage registered on title as instrument number PR3353679 on July 23, 2018 in the amount of $200,000;

**Attached hereto and marked as Exhibit "VV" is a true copy of the parcel register for Mr. Wadood's personal residence**

(h) On September 13, 2017 a financing statement was registered pursuant to the PPSA by Her Majesty in Right of Ontario represented by the Minister Of Finance in the amount of $136,532 against the assets of Sunshine Propane, guarantor of the obligations of 1496765 (Etobicoke Wash), and thereby of all obligations of all Companies (by virtue of the guarantees granted by 1496765 (Etobicoke Wash));

(i) Various requests for information and other demands have not been complied with by the Companies. Satisfactory responses have not been provided to as to the Bank's requests for:

(i) the reasons for the change in directors of 2405087 (Port Elgin Gas);

(ii) the purpose of and particulars relating to the unauthorized third mortgage registered on title to the Etobicoke Wash Property;

(iii) information relating to the apparently stalled construction on the Burlington Wash Property;

(iv) copies of policies of insurance in respect of the Companies showing the Bank as first loss payee;

(v) provision of outstanding financial statements for the Companies and for updated financial information;

(vi) payment of municipal property tax arrears;

(vii) payment of arrears outstanding;

(viii) cessation of NSF activity in connection with the Companies' loans.

50. As current financial statements and updated information for each of the Companies are outstanding, and as requests for same have not been complied with, the Bank is concerned about the potential that there may be additional breaches of which it is not aware.

**DEMANDS AND NITES**

51. The Bank demanded that the Companies provide various information and comply with other requests relating to the foregoing concerns on June 20 and 21, 2018, with a deadline for compliance of June 27, 2018. No response was received and none of the Bank's demands were complied with.

**Attached hereto and marked as Exhibit "WW" is a true copy of correspondence from the Bank to the Companies dated June 21, 2018**

52. The Bank has determined to terminate the Banking relationship with the each of Companies.

53. On July 5, 2018 the Bank issued demands for repayment of all Companies' indebtedness and Notice of Intention to enforce security upon each of the Companies and Guarantors.

> **Attached hereto and marked as Exhibit "XX" , collectively, are true copies of the Demands and NITES delivered to both the company and guarantors of the indebtedness of 2405087 (Port Elgin Gas)**
>
> **Attached hereto and marked as Exhibit "YY" , collectively, are true copies of the Demands and NITES delivered to both the company and guarantors of the indebtedness of 2496800 (Goderich Gas)**
>
> **Attached hereto and marked as Exhibit "ZZ" , collectively, are true copies of the Demands and NITES delivered to both the company and guarantors of the indebtedness of 1527020 (Port Colborne Wash)**
>
> **Attached hereto and marked as Exhibit "AAA" , collectively, are true copies of the Demands and NITES delivered to both the company and guarantors of the indebtedness of 1651033 (Burlington Wash)**
>
> **Attached hereto and marked as Exhibit "BBB" , collectively, are true copies of the Demands and NITES delivered to both the company and guarantors of the indebtedness of 1496765 (Etobicoke Wash)**

54. The indebtedness of the Companies has not been repaid and no satisfactory alternate arrangements have been proposed.

**PROPOSED SALE OF SHARES**

55. The Bank has been advised by the Companies that Mian Wadood and Aisha Ashad intend to sell their shares in 2496800 (Goderich Gas) and had negotiated a purchase agreement with a purchaser to sell such shares for the amount of $2,900,000. The Bank was initially advised that the intended closing date of the share transaction was to be in May, 2018, which date was subsequently revised to July 16, 2018.

56. The share sale transaction has not been completed. By correspondence to the Bank dated July 23, 2018, the Bank was advised that the proposed dated of the share purchase transaction

had again been revised to September 21, 2018. No explanation as to the reasons for the change in date were provided to the Bank.

57. The Bank has made requests for confirmation that the conditions to the proposed share purchase transaction have been waived or met and that firm financing is in an amount sufficient to complete the proposed share purchase transaction is in place. The Bank's requests in this regard have not been answered.

58. The Bank is not prepared to delay enforcement on the above basis.

**CURRENT INDEBTEDNESS**

59. The indebtedness of each of the Companies to the Bank, as of July 27, 2018, is as follows:

(a) 2495087 (Port Elgin Gas): $,291,385.27;

(b) 2496800 (Goderich Gas): $1,674,920.93;

(c) 1527020 (Port Colborne Wash): $1,411,643.42;

(d) 1651033 (Burlington Wash): $2,531,062.35;

(e) 1496765 (Etobicoke Wash): $2,083,285.97.

**REQUEST FOR THE APPOINTMENT OF A RECEIVER**

60. Demand for repayment and NITES have been delivered to each of the Companies and guarantors.

61. Demands and NITES have also been delivered to the Guarantor, Sunshine Propane pursuant to its guarantee of the indebtedness of the 1496765 (Etobicoke Wash) and the general security agreement given in support of same.

62. Neither repayment, nor any alternative resolution acceptable to the Bank has been arranged.

63. The Companies, and Sunshine Propane, are accordingly in default. The terms of the Bank's security in respect of each of the Companies and Sunshine Propane expressly permits the appointment of a receiver upon default.

64. For the foregoing reasons, the Bank is furthermore of the view that there is reason to believe that the secured collateral granted by the Companies is at risk of erosion.

65. Due to the interconnectedness of the Companies and various cross guarantees given in respect of the Companies' indebtedness, the Bank regards it as efficient in the circumstances that the receivership of the Companies and Sunshine Propane be administered as a single proceeding with a common Receiver.

66. RSM Canada Limited has consented to act as receiver.

67. It is just and convenient that a receiver be appointed.

**SWORN BEFORE ME** at the City of Toronto, in the Province of Ontario on July 30, 2018

Commissioner for Taking Affidavits
*(or as may be)*

**JASON LOCKE**

# TAB A

This is Exhibit "A" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

Request ID: 021927084
Transaction ID: 68805453
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/07/25
Time Report Produced: 08:17:38
Page: 1

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name | Incorporation Date |
|---|---|---|
| 2495087 | 2495087 ONTARIO INC. | 2015/12/08 |

**Jurisdiction**

ONTARIO

| Corporation Type | Corporation Status | Former Jurisdiction |
|---|---|---|
| ONTARIO BUSINESS CORP. | ACTIVE | NOT APPLICABLE |

**Registered Office Address**

SANEH BHARDWAJ
1 GROVE PARK ST

RICHMOND HILL
ONTARIO
CANADA L4E 2R5

**Mailing Address**

SANEH BHARDWAJ
1 GROVE PARK ST

RICHMOND HILL
ONTARIO
CANADA L4E 2R5

| Date Amalgamated | Amalgamation Ind. |
|---|---|
| NOT APPLICABLE | NOT APPLICABLE |
| **New Amal. Number** | **Notice Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| | **Letter Date** |
| | NOT APPLICABLE |
| **Revival Date** | **Continuation Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| **Transferred Out Date** | **Cancel/Inactive Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| **EP Licence Eff.Date** | **EP Licence Term.Date** |
| NOT APPLICABLE | NOT APPLICABLE |

| Number of Directors Minimum | Number of Directors Maximum | Date Commenced in Ontario | Date Ceased in Ontario |
|---|---|---|---|
| 00001 | 00010 | NOT APPLICABLE | NOT APPLICABLE |

**Activity Classification**

NOT AVAILABLE

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 2495087 | 2495087 ONTARIO INC. |

| Corporate Name History | Effective Date |
|---|---|
| 2495087 ONTARIO INC. | 2015/12/08 |

| | |
|---|---|
| **Current Business Name(s) Exist:** | NO |
| **Expired Business Name(s) Exist:** | NO |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| AYESHA<br>AQIF | 78 BAYRIDGE DR<br><br>BRAMPTON<br>ONTARIO<br>CANADA L6P 2N7 |

| Date Began | First Director | |
|---|---|---|
| 2017/07/25 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| DIRECTOR | | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 2495087 | 2495087 ONTARIO INC. |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| SANEH BHARDWAJ | 1 GROVE PARK ST<br>RICHMOND HILL<br>ONTARIO<br>CANADA L4E 2R5 |

| Date Began | First Director | |
|---|---|---|
| 2017/07/25 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| DIRECTOR | | Y |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| SANJIV JAIN | HONG KWONG MANSION<br>**Suite #** 6-F-FLAT D<br>KOWLOON TST<br>HONG KONG |

| Date Began | First Director | |
|---|---|---|
| 2017/07/25 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| DIRECTOR | | N |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 2495087 | 2495087 ONTARIO INC. |

| Administrator: Name (Individual / Corporation) | Address |
|---|---|
| SUHKBIR SINGH | 3165 TRAIL SIDE DR<br>OAKVILLE<br>ONTARIO<br>CANADA L6M 0P3 |

| Date Began | First Director | |
|---|---|---|
| 2017/07/25 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| DIRECTOR | | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 2495087 | 2495087 ONTARIO INC. |

**Last Document Recorded**

| Act/Code | Description | Form | Date |
|---|---|---|---|
| CIA | CHANGE NOTICE | 1 | 2017/07/26 (ELECTRONIC FILING) |

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

# TAB B

This is Exhibit "B" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #3

33246-0422 (LT)


PREPARED FOR Shalan01
ON 2018/06/20 AT 09:35:40

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIDNS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 2 BLK 9 PL 11 PT 2, 3R5963; TOWN OF SAUGEEN SHORES

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN R297750.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2006/08/21

OWNERS' NAMES
2495087 ONTARIO INC.

CAPACITY SHARE

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/08/18 ** | | | | | | |
| **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: | | | | | | |
| ** | SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * | | | | | |
| ** | AND ESCHEATS OR FORFEITURE TO THE CROWN. | | | | | |
| ** | THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF | | | | | |
| ** | IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY | | | | | |
| ** | CONVENTION. | | | | | |
| ** | ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. | | | | | |
| **DATE OF CONVERSION TO LAND TITLES: 2006/08/21 ** | | | | | | |
| R75489 | 1970/03/19 | BYLAW | | | | C |
| 3R5963 | 1993/08/17 | PLAN REFERENCE | | | | C |
| R297853 | 1993/09/10 | AGREEMENT | | | TOWN OF PORT ELGIN | C |
| R299540 | 1993/11/22 | LEASE | | *** DELETED AGAINST THIS PROPERTY *** | THE TDL GROUP LTD. | |
| R303986 | 1994/06/02 | NOTICE | | *** DELETED AGAINST THIS PROPERTY *** | | |
| R303988 | 1994/06/02 | TRANSFER | | *** COMPLETELY DELETED *** | HALL, BRIAN EMORY | |
| BR6450 | 2007/08/31 | TRANSFER | | *** COMPLETELY DELETED *** HALL, BRIAN EMORY | POTOFSKY, PERRY AARON ROCHA, ANNA | |
| | REMARKS: PLANNING ACT STATEMENTS | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| BR6451 | 2007/08/31 | CHARGE | | *** COMPLETELY DELETED ***<br>POTOFSKY, PERRY AARON<br>ROCHA, ANNA | HALL, BRIAN EMORY | |
| BR18438 | 2008/08/25 | TRANSFER | | *** COMPLETELY DELETED ***<br>ROCHA, ANNA | POTOFSKY, PERRY AARON | |
| BR74251 | 2013/03/08 | NOTICE | | *** COMPLETELY DELETED ***<br>POTOFSKY, PERRY AARON<br>POTOFSKY, PERRY AARON | HALL, BRIAN EMORY | |
| | *REMARKS: BR6451* | | | | | |
| 3R9665 | 2015/01/22 | PLAN REFERENCE | | | | C |
| BR93875 | 2015/02/24 | APL (GENERAL) | | *** COMPLETELY DELETED ***<br>POTOFSKY, PERRY AARON | | |
| | *REMARKS: DELETE R299540 & R303986* | | | | | |
| BR94010 | 2015/02/27 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>HALL, BRIAN EMORY | | |
| | *REMARKS: BR6451.* | | | | | |
| BR94011 | 2015/02/27 | TRANSFER | | *** COMPLETELY DELETED ***<br>POTOFSKY, PERRY AARON<br>POTOFSKY, PERRY AARON | 2414660 ONTARIO LIMITED | |
| | *REMARKS: PLANNING ACT STATEMENTS.* | | | | | |
| BR99914 | 2015/09/09 | CHARGE | | *** COMPLETELY DELETED ***<br>2414660 ONTARIO LIMITED | 2472840 ONTARIO INC. | |
| BR103028 | 2015/12/09 | TRANSFER | | *** COMPLETELY DELETED ***<br>2414660 ONTARIO LIMITED | 2472840 ONTARIO INC. | |
| BR103029 | 2015/12/09 | CHARGE | | *** COMPLETELY DELETED ***<br>2472840 ONTARIO INC. | BANK OF MONTREAL | |
| BR103030 | 2015/12/09 | NO ASSGN RENT GEN | | *** COMPLETELY DELETED ***<br>2472840 ONTARIO INC. | BANK OF MONTREAL | |
| | *REMARKS: BR103029.* | | | | | |
| BR103375 | 2015/12/21 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>2472840 ONTARIO INC. | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| | *REMARKS: BR99914.* | | | | | |
| BR117856 | 2017/04/13 | TRANSFER | $1,250,000 | 2472840 ONTARIO INC. | 2495087 ONTARIO INC. | C |
| | *REMARKS: PLANNING ACT STATEMENTS.* | | | | | |
| BR117857 | 2017/04/13 | CHARGE | $2,360,000 | 2495087 ONTARIO INC. | BANK OF MONTREAL | C |
| BR117858 | 2017/04/13 | NO ASSGN RENT GEN | | 2495087 ONTARIO INC. | BANK OF MONTREAL | C |
| | *REMARKS: BR117857* | | | | | |
| BR120467 | 2017/06/22 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** BANK OF MONTREAL | | |
| | *REMARKS: BR103029.* | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: LT 3, 1 BLK 9 PL 11; PT LT 2 BLK 9 PL 11 PT 1 & 3, 3R5963; TOWN OF SAUGEEN SHORES

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN R297751.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2006/08/21

OWNERS' NAMES
2495087 ONTARIO INC.

CAPACITY SHARE

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/08/18 ** | | | | | | |
| **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: | | | | | | |
| ** | SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * | | | | | |
| ** | AND ESCHEATS OR FORFEITURE TO THE CROWN. | | | | | |
| ** | THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF | | | | | |
| ** | IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY | | | | | |
| ** | CONVENTION. | | | | | |
| ** | ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. | | | | | |
| **DATE OF CONVERSION TO LAND TITLES: 2006/08/21 ** | | | | | | |
| R75489 | 1970/03/19 | BYLAW | | | | C |
| R248038 | 1988/08/31 | TRANSFER | | *** COMPLETELY DELETED *** | C. E. MACTAVISH LIMITED | |
| R292071 | 1992/12/22 | NOTICE | | *** COMPLETELY DELETED *** | | |
| 3R5963 | 1993/08/17 | PLAN REFERENCE | | | | C |
| R297751 | 1993/09/03 | TRANSFER | | *** COMPLETELY DELETED *** | C. E. MACTAVISH LIMITED | |
| R297853 | 1993/09/10 | AGREEMENT | | | TOWN OF PORT ELGIN | C |
| R299540 | 1993/11/22 | LEASE | | | THE TDL GROUP LTD. | C |
| R303986 | 1994/06/02 | NOTICE | | | | C |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| R322135 | 1996/10/25 | CHARGE | | *** COMPLETELY DELETED *** | BANK OF MONTREAL | |
| R379283 | 2003/10/17 | CHARGE | | *** COMPLETELY DELETED *** | BANK OF MONTREAL | |
| R386787 | 2004/07/28 | NOTICE | | *** COMPLETELY DELETED *** | SHELL CANADA PRODUCTS LTD. | |
| LT61951 | 2006/10/12 | CHARGE | | *** COMPLETELY DELETED ***<br>C. E. MACTAVISH LIMITED | BANK OF MONTREAL | |
| LT62515 | 2006/11/07 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL | | |
| | *REMARKS: RE: R322135* | | | | | |
| LT62516 | 2006/11/07 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL | | |
| | *REMARKS: RE: R379283* | | | | | |
| BR89646 | 2014/09/18 | APL (GENERAL) | | C.E. MACTAVISH LIMITED | THE TDL GROUP CO.<br>THE TDL GROUP CORP.<br>THE TDL GROUP | C |
| | *REMARKS: LEASE EXTENSION & AMENDING AGREEMENT R299540* | | | | | |
| 3R9665 | 2015/01/22 | PLAN REFERENCE | | | | C |
| BR93921 | 2015/02/25 | APL (GENERAL) | | *** COMPLETELY DELETED ***<br>C. E. MACTAVISH LIMITED | | |
| | *REMARKS: DELETE R386787* | | | | | |
| BR93922 | 2015/02/25 | APL (GENERAL) | | *** COMPLETELY DELETED ***<br>C. E. MACTAVISH LIMITED | | |
| | *REMARKS: DELETE R292071* | | | | | |
| BR94012 | 2015/02/27 | TRANSFER | | *** COMPLETELY DELETED ***<br>C. E. MACTAVISH LIMITED | 2414660 ONTARIO LIMITED | |
| | *REMARKS: PLANNING ACT STATEMENTS.* | | | | | |
| BR95707 | 2015/05/07 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL | | |
| | *REMARKS: LT61951.* | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

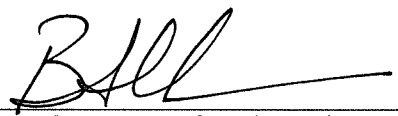
* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| BR98005 | 2015/07/14 | NOTICE | $1 | THE CORPORATION OF THE TOWN OF SAUGEEN SHORES | 2414660 ONTARIO LIMITED | C |
| BR99916 | 2015/09/09 | CHARGE | | *** COMPLETELY DELETED ***<br>2414660 ONTARIO LIMITED | 2472840 ONTARIO INC. | |
| BR103028 | 2015/12/09 | TRANSFER | | *** COMPLETELY DELETED ***<br>2414660 ONTARIO LIMITED | 2472840 ONTARIO INC. | |
| BR103029 | 2015/12/09 | CHARGE | | *** COMPLETELY DELETED ***<br>2472840 ONTARIO INC. | BANK OF MONTREAL | |
| BR103030 | 2015/12/09 | NO ASSGN RENT GEN | | *** COMPLETELY DELETED ***<br>2472840 ONTARIO INC. | BANK OF MONTREAL | |
| | *REMARKS: BR103029.* | | | | | |
| BR103031 | 2015/12/09 | POSTPONEMENT | | *** COMPLETELY DELETED ***<br>THE TDL GROUP LTD. | BANK OF MONTREAL | |
| | *REMARKS: R299540 TO BR103029* | | | | | |
| BR103376 | 2015/12/21 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>2472840 ONTARIO INC. | | |
| | *REMARKS: BR99916.* | | | | | |
| BR103386 | 2015/12/21 | NOTICE OF LEASE | | 2472840 ONTARIO INC. | CST CANADA CO. | C |
| BR117856 | 2017/04/13 | TRANSFER | $1,250,000 | 2472840 ONTARIO INC. | 2495087 ONTARIO INC. | C |
| | *REMARKS: PLANNING ACT STATEMENTS.* | | | | | |
| BR117857 | 2017/04/13 | CHARGE | $2,360,000 | 2495087 ONTARIO INC. | BANK OF MONTREAL | C |
| BR117858 | 2017/04/13 | NO ASSGN RENT GEN | | 2495087 ONTARIO INC. | BANK OF MONTREAL | C |
| | *REMARKS: BR117857* | | | | | |
| BR120467 | 2017/06/22 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>BANK OF MONTREAL | | |
| | *REMARKS: BR103029.* | | | | | |
| BR125522 | 2017/11/02 | APL CH NAME INST | | CST CANADA CO. | COUCHE-TARD INC. | C |
| | *REMARKS: BR103386.* | | | | | |
| BR125712 | 2017/11/08 | NO ASSG LESSEE INT | | COUCHE-TARD INC. | PARKLAND FUEL CORPORATION | C |
| | *REMARKS: BR103386.* | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# TAB C

This is Exhibit "C" referred to in the Affidavit of Jason Locke sworn July 30, 2018



*Commissioner for Taking Affidavits (or as may be)*

BMO Bank of Montreal

Greater Toronto Area
Commercial Banking District
475 Queen Street South
Bolton Ontario
Tel. (905) 857-5412
Fax (905) 857-8139
email: Charlie.DiPasquale@bmo.com

February 7, 2017

2495087 Ontario Inc.
o/a Ultramar Gas Bar
591-595 Godreich Street
Port Elgin, Ontario

Attention: Mr. Rauf Khan

Dear Mr. Khan

I am pleased to advise that the following credit facilities for 2495087 Ontario Inc. has been authorized by Bank of Montreal (the Bank) as outlined in the attachment.

In accepting this commitment you acknowledge that, if in the opinion of the Bank, a material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation to advance some or all of the above facilities may be withdrawn or cancelled.

On this understanding, acceptance by an authorized signing officer of the company is requested by signing and returning this letter by February 21st, 2017. At that point, solicitors will be engaged and security documentation will be prepared.

I wish to thank you for your interest in using Bank of Montreal for your company's requirements and look forward to an ongoing mutually beneficial relationship.

Yours truly,

Charlie DiPasquale
Commercial Account Manager

## Commitment Letter

This letter is for discussion and negotiation purposes only and is not a statement of intent or commitment on the part of the Bank or the Borrower.

| | |
|---|---|
| **BORROWER:** | **2495087 Ontario Inc** |
| **FACILITY #1** | |
| **AMOUNT:** | $2,275,000 |
| **LOAN TYPE:** | Demand Loan, Non Revolving &/or Fixed Rate Term Loan |
| **LOAN PURPOSE:** | To assist with the purchase of the property located at 591-595 Goderich Street Port Elgin, Ontario. |
| **REPAYMENT:** | Loan amortized over 15 years with monthly principal payments plus interest monthly in arrears. Subject to the Bank's right of review at any time and in any event no less frequently than annually. The amortization period should not exceed the duration of the monthly member assessments to be initiated to fund the project costs.<br>a) Demand loan, non-revolving – Equal monthly payments of principal plus interest (blended payments are an option).<br>b) Fixed Rate Term Loan - Monthly blended payments of principal and interest required. |
| **RATE OF INTEREST:** | a) Demand loan, non-revolving<br>Prime Rate plus 1.75%, payable monthly in arrears. Prime Rate means the floating annual rate of interest established from time to time by the Bank of Montreal as the reference rate it will use to determine rates of interest on Canadian dollar loans to customers in Canada.<br>b) Fixed Rate Term Loan<br>Cost of Funds plus 2.50%, to be determined based on applicable rates at time of draw. |
| **TERM:** | Available terms are from 1 to 5 years (if Fixed rate option is chosen). |
| **AMORTIZATION:** | Loan amortized up to 15 years. |
| **RATE RESERVATION:** | At the option of the Borrower, the interest rate may be reserved for up to 45 days, subject to payment of a 1% reservation fee, which is refundable upon draw down of the mortgage at the booked rate. In the event the Borrower elects not to draw down the mortgage, the fee is deemed earned by the Bank. In the event the Bank does not approve the loan, the entire fee will be refunded to the Borrower. |
| **PREPAYMENT PRIVLEGE:** | a) Demand loan, non-revolving<br>Open for pre-payment at anytime with such payments applied in reverse order of maturity.<br>b) Fixed Rate Term Loan<br>The Loan is not open for prepayment prior to maturity of the term selected. Breakage costs of fixed rate advances incurred as a result of any pre-payment, howsoever arising, shall be for the account of the Borrower. |
| **PROPERTY TAXES:** | To be paid by the Borrower when due, with proof of payment to be provided to the Bank as receipts are obtained from the Municipality, but no less frequently than annually. All taxes, penalties, levies or assessments shall be paid in full prior to funding of the loan. |

**FACILITY #2**

| | |
|---|---|
| **AMOUNT:** | $75,000 |
| **LOAN TYPE:** | Overdraft Operating Agreement |
| **LOAN PURPOSE:** | Operating requirements. |
| **REPAYMENT:** | The Overdraft Lending facility shall revolve, and may terminated in whole or in part and amounts outstanding thereunder shall be payable in whole or in part upon demand by the Bank, notwithstanding the payment or nonpayment of principal, interest or fees by the Borrower or compliance or noncompliance with any undertaking or covenant given to the Bank herein or elsewhere. |
| **RATE OF INTEREST:** | Prime Rate plus 2.5%, payable monthly in arrears. Prime Rate means the floating annual rate of interest established from time to time by the Bank of Montreal as the reference rate it will use to determine rates of interest on Canadian dollar loans to customers in Canada. |
| **MARGIN:** | Operating advances available without monthly margin information. |
| **LOAN FEES:** | Account fee of $150 payable monthly excludes all standard banking activity including all chequing, transfers, deposits, chargebacks, cheque certification, audit certification, bank statements, interest confirmation for income tax purposes. The fee also excludes monthly monitoring and the annual review of credit facilities. Loan fees are subject to annual review. |

## FACILITY #3

| | |
|---|---|
| **AMOUNT:** | $50,000 |
| **LOAN TYPE:** | Commercial Letter of Credit |
| **LOAN PURPOSE:** | Required by supplier |
| **REPAYMENT:** | n/a |
| **RATE OF INTEREST:** | Standard Charges |
| **MARGIN:** | n/a |
| **LOAN FEES:** | Standard |

**FACILITY # 4**

| | |
|---|---|
| **AMOUNT:** | $10,000 |
| **LOAN TYPE:** | MasterCard Corporate Card Program. |
| **LOAN PURPOSE:** | To assist with daily expenses. |
| **TERM** | Payable on demand and subject to annual review. |
| **FEES:** | Standard. |

## GENERAL TERMS AND CONDITIONS

**CONDITIONS PRECEDENT:** Those customarily found in loan agreements for credit facilities of this nature, including without limitation, prior to advancing funds, the following:

1. Completion and registration of all Security documentation and all loan and account documentation satisfactory to the Bank and its counsel.
2. Satisfactory legal opinions relating to all matters considered relevant by the Bank, including the due authorization, execution, delivery and enforceability of the loan and Security documentation by the Borrower and all relevant parties.
3. Insurance on a "Fire and Extended Coverage" or "All Risks" basis must be arranged (with satisfactory evidence thereof delivered to the Bank's solicitor before advances are made) satisfactory to the Bank for the full insurable or replacement value of the subject property with loss payable to the Bank of Montreal. The policy is to contain the Standard Mortgage Clause.
4. The Bank is to be provided with a municipal tax certificate showing all real estate taxes are paid up-to-date.

**GENERAL CONDITIONS**

1. All costs and expenses incurred by the Bank in establishing or operating this credit facility (including but not limited to legal, appraisal and consulting costs) are for the account of the Borrower(s) and the Guarantor(s) and the Borrower(s) and the Guarantor(s) agree to pay the same in full whether or not this transaction is completed as contemplated herein.
2. Property taxes to be paid by the Borrower when due, with proof of payment to be provided to the Bank as receipts are obtained from the Municipality, but no less frequently than annually. All taxes, penalties, levies or assessments shall be paid in full prior to funding the loan.
3. The Banking Facilities are extended on a demand basis and the Bank will retain the right to review the account at any time and at least annually with the Borrower providing current accountant-prepared financial statements.
4. The Borrower will open a current account at a convenient branch of Bank of Montreal and, during the course of Bank financing for this project, this account is to be utilized for all deposits and withdrawals related to the project.
5. Notwithstanding compliance with the terms and conditions of these facilities, the Bank, acting reasonably and with reasonable notice, may at any time demand repayment of any and all amounts under these facilities and the Borrower agrees to pay such amounts to the Bank upon such demand being made.
6. All third party out-of-pocket costs and expenses incurred by the Bank in establishing or operating these facilities (including but not limited to legal and consulting costs) are for the account of the Borrower.
7. The Borrower is to provide the Bank with any other information that may be reasonably requested from time to time.
8. The Bank will retain the right to review the account(s) at any time and at least annually.
9. The mortgage document will provide that in the event the Borrower sells, conveys, transfers or enters into an agreement for sale or transfer of title of the mortgaged property (or there is a change in corporate or beneficial ownership of the Borrower not approved in writing by the Bank) to a

purchaser or transferee not approved in writing by the Bank (which approval will not be unreasonably withheld), the principal amount of the Loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Bank, become immediately due and payable.

**EVIDENCE OF INDEBTEDNESS:**

The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Banking Facilities, and interest, fees, and other amounts due in connection with the Banking Facilities, in an account of the Borrower maintained by the Bank, shall constitute *prima facie* evidence of the Borrower's indebtedness and liability from time to time under the Banking Facilities; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with the terms and conditions of the Banking Facilities set out in the Offer Letter shall not be affected by the failure of the Bank to make such recording. The Borrower also hereby acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, and all accrued and unpaid interest in respect thereto, which principal and interest the Borrower hereby undertakes to pay to the Bank in accordance with the terms and conditions applicable to the Banking Facilities as set out in the Offer Letter.

**COVENANTS:**

Standard legal covenants included in security documentation as prescribed by the Bank's lawyers.

1. Borrowers will not change ownership without the prior consent of the Bank.
2. The Bank reserves the right to demand payment in full in the event of a sale or transfer of the property pledged as security.
3. No secondary financing over the commercial property pledged as security without prior approval from the Bank of Montreal.

**FINANCIAL COVENANTS:**

The following financial covenants will be tested annually based upon the Accountant prepared combined financial statements of the Borrower(s)

1. **Debt Service Coverage.** Funds available to service debt divided by the aggregate of all principal payments and interest expense due in one year to be maintained at no less than 1.25:1. Funds available include net income after taxes plus interest, depreciation and amortization less extraordinary items and capital expenditures not specifically funded. Payments include all principal payments on loans, capital leases and other scheduled instalments. To be tested annually based on Review engagement yearend financial statements.

**REPORTING:**

The Bank relies on the financial reporting requirements outlined below to monitor and access the operations of the Borrower on an ongoing basis. Therefore, delays in receiving this information may result in fees being accessed for late receipt of information. The Borrower shall deliver to the Bank the following:

1. Municipal tax certificates showing all real estate taxes are paid up-to-date are to be provided annually.
2. Accountant-prepared Review Engagement financial statements of the Borrower are to be provided to the Bank within 120 days of respective fiscal year-end.
3. Combined year-end financial statements for 1527020 Ontario and 2495087 Ontario Inc.
4. Personal Net worth Statements of the guarantors to be provided as semi-annually or as requested by the Bank.

**OTHER FEES:**

The borrower will be responsible for payment of the following fees:

1. All legal fees and other out of pocket costs, fees and expenses of the Bank respecting the establishment, negotiation and enforcement of the credit facility and for the preparation, registration and maintenance of all loan and security documents.
2. Appraisal and consulting fees for the valuation or description of assets as specified under Availability Conditions.
3. Application fee of $4,000 to offset the Bank's cost for further evaluating the financing requirements of the borrower. A $1000 portion of the application fee is refundable in the event the Bank does not provide a financing commitment. The application fee is non-refundable if the borrower declines the financing commitment.
4. A Commitment fee of $9,000 due and payable on acceptance of the Banks financing commitment.
5. The Bank will be entitled to receive its standard charges for additional services which may be provided to the Borrower from time to time and maybe entitled to additional compensation in those instances when the Borrower is operating outside the terms and conditions contemplated herein.

**ANNUAL REVIEW:**

The Bank conducts an annual review of all authorized credit facilities. The review will take place 120 days following fiscal year end. The Bank is entitled to separate compensation of the annual review of the credit facilities.

**SECURITY:**

The following security must be provided in a form and substance satisfactory to the Bank and its solicitors.

In support of all Facilities:

1. The Bank or its counsel shall have received fully executed copies of:
   a) All agreements, permits and documents which are the subject of any security;
   b) Articles of Incorporation of Borrower;
   c) Boundary and Foundation Survey or title insurance;
   d) Appropriate Borrowing and Enabling Resolutions of the Borrower.
2. Demand Collateral First Charge Mortgage on the Bank's standard form in the amount of $2,360,000 over the subject property located at 591-595 Goderich Street Port Elgin, Ontario & registered under Land Title / Registry. Receiver / Manager clause and acceleration clause in the event of sale to be included (representative of 69% of appraised value of subject property).
3. Personal guarantee signed by the principal shareholder(s) in the amount of $2,360,000.
4. Personal Guarantee signed by Aisha Ashad in the amount of $2,360,000.
5. Independent Legal Advice to be obtained for Aisha Ashad with respect to her personal guarantee being provided to the borrower.
6. Confirmation of liquid assets via Bank statements, this is to include money in transit, prior to draw (min. $1,245,000).
7. Postponement agreement (floating) signed by the principals in the amount of $1,245,000.
8. Corporate Guarantee of 1651033 Ontario Ltd.in the amount of $2,360,000 to be accompanied by enabling resolution.

9. General Security Agreement signed by 1651033 Ontario Ltd.

10. Corporate Guarantee of 1496765 Ontario Ltd. in the amount of $2,360,000 to be accompanied by enabling resolution.

11. General Security Agreement signed by 1496765 Ontario Ltd.

12. Corporate Guarantee signed by 1527020 Ontario Inc. to be accompanied by enabling resolution.

13. General Security Agreement signed by 1527020 Ontario Inc.

14. General Security Agreement signed by the borrower providing a first fixed charge over chattels and a floating charge over the project to be registered under the Personal Property Security Act.

15. Assignment of Proceeds signed by the borrower in the amount of $50,000 (to secure Letter of Credit). This can also be achieved by placing a hold on the funds within the current account.

16. Deficiency Agreement executed by the Borrower, the Guarantor(s).

17. Letter of Undertaking to provide volume sales for 2nd annual review of the facilities (after first full year of operation). If projected volumes not obtained, new appraisal to be provided. If property value decreased due to volume sales and/or revenue basis, Principal is to inject funds sufficient to cover difference in value.

18. Up to date AACI appraisal confirming commercial property to be pledged is still valued at min. $3,425,000 after renovation is complete.

19. Transmittal letter from appraiser allowing BMO to utilize the appraisal.

20. An up to date clean Environmental Phase II Assessment of the Properties pledged as collateral prepared by an Environmental Consultant approved by the Bank. (in-hand and in previous application for the seller 2472840 Ontario)

21. Letter of transmittal from ESA company allowing BMO to utilize the report.

22. Assignment of Insurance showing the Bank's interest as loss payee on the property as the interest may appear and including the Standard Mortgage Clause (business insurance to include blanket COVERAGE OF $2,000,000 to also include environmental coverage of min. $1,000,000 per occurrence).

23. Copy of Share Purchase agreement to be vetted by BMO solicitor.

24. BMO solicitor to confirm share purchase is free of any liens or prior obligations.

25. A Solicitor's favourable Letter of Opinion confirming the validity and enforceability of all of the Bank's security.

26. Copy of Head Lease and Dealer Sublease, to be reviewed by solicitor.

27. Copy of the cross lease/supply agreement between the borrower and Ultramar Corp if different from Dealer sublease.

28. Current Account Authorities to be in good order.

29. Executed copy of the Commitment Letter.

30. BMO Bank of Montreal Commercial Loan Life Insurance to be offered.

31. Fixed rate term loan agreement when and if option is selected.

32. Any other legal documentation reasonably considered necessary by the Bank

**CONFIDENTIALITY:** The Company agrees, that without the prior written consent of Bank, it shall not provide this Discussion Paper to parties other than its employees and professional advisors, nor shall the Company discuss the terms and structure of this offering with any other party that has been invited to propose an investment in the Company.

**ACCEPTANCE**

Proposed terms accepted this 11 day of FEBRUARY 2017.

**2495087 Ontario Inc.**

Per: _____

Per: _____

**Corporate Guarantors;**

**1527020 Ontario Inc.**

**Per:** _____

**Per:** _____

**1651033 Ontario Ltd.**

**Per;** _____

**Per;** _____

**1496765 Ontario Ltd.**

**Per;** _____

**Per;** _____

**Personal Guarantors;**

_____

Mr. Rauf Khan

Mehak Arshad

Mrs. Mehak Arshad

Ms. Aisha Ashad

This **LOAN AGREEMENT** is made as of the 13th day of APRIL, 2017, between BANK OF MONTREAL (the "Bank")

AND 2495087 ONTARIO INC. (the "Borrower")

For good and valuable consideration, the receipt and adequacy of which are acknowledged, the Bank establishes in favour of the Borrower a Fixed Rate Term Loan allowing the Borrower to borrow from the Bank the principal amount of $2,275,000.00, upon the following terms and conditions:

1. In this Agreement:

   (a) "Agreement" means this loan agreement, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time;

   (b) "Business Day" means any day that is not a Saturday, Sunday or other day on which the Bank is authorized or required by applicable law in the jurisdiction listed in Section 15 of this Agreement to remain closed;

   (c) "Change in Control" means the occurrence of one or more sales, transfers or other dispositions of the beneficial ownership of the Borrower existing on the date of this Agreement in the aggregate of:

      (i) shares, other securities or other equity interests issued by the Borrower which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Borrower; or

      (ii) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity;

   (d) "Controlling Entity" means any corporation or other entity which on the date of this Agreement beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Borrower which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Borrower;

   (e) "Fixed Rate" has the meaning set out in clause 3 of this Agreement;

   (f) "Loan" means the total principal amount advanced and outstanding at any time under this Agreement, together with accrued and unpaid interest thereon, if any;

   (g) "Maturity Date" means the 31st day of MARCH, 2018; and

   (h) "Prime Rate" means, on any day, the annual rate of interest established by the Bank and in effect on such day as the reference rate it will use to determine the rate of interest charged on Canadian dollar loans to customers in Canada, and designated by the Bank as its "Prime Rate".

Delete 2. if (i) the Borrower is an individual, (ii) the loan is not secured by a real property mortgage and (iii) the loan amount is for $100,000 or less. Borrower to initial change.

2. Prepayment of the Loan in whole or in part is not permitted prior to the Maturity Date.

3. The Loan shall bear interest, from and including the date of this Agreement, at the rate of 3.84 % per annum, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance of the Loan (the "Fixed Rate").

Check either (a) or (b), as appropriate.

4.

☐ (a) **Principal Payment Plus Interest:**

(i) The Loan principal shall be repaid by installments as follows:
$ on the day of _____, 20 and thereafter $ on the _____ of each and every _____ period until the Maturity

Date, on which date the balance of the Loan then outstanding and all accrued and unpaid interest shall become due and payable.

(ii) Interest shall be paid at the Fixed Rate on the last day of each and every month from the date of this Agreement on the balance of the Loan from time to time remaining unpaid up to and after the Maturity Date.

☒ (b) **Blended Payments:** The Loan shall be repaid by installments comprising principal and interest at the Fixed Rate as follows:
$16,646.67 on the last day of APRIL, 2017 and thereafter $16,646.67 on the last day of each and every month until the Maturity Date, on which date the balance of the Loan then outstanding and all accrued and unpaid interest shall become due and payable.

(c) Any installments to be paid on a non-Business Day may, at the Bank's discretion, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon.

(d) Notwithstanding the foregoing and unless otherwise prohibited by law, if the Loan is not paid in full with interest on the Maturity Date, the Loan shall bear interest at a rate per annum equal to the sum of 3% plus the Bank's Prime Rate, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance, from the Maturity Date and both before and after demand and both before and after judgment until actual payment in full.

5. Fees:

(a) The Borrower agrees to pay on the day of _____, 20 , a booking fee of % of the principal amount of the Loan.

(b) The Borrower agrees to pay on the day of _____, 20 , an application fee in the amount of $ .

(c) At the request of the Borrower, the Fixed Rate may be fixed up to 45 days before the first advance. If requested, the Borrower shall pay on the day of _____, 20 , a refundable rate reservation fee of 1% of the principal amount of the Loan, which fee will be refunded to the Borrower on the day the Loan is advanced. In the event that the Loan is cancelled by the Borrower, such fee will not be refunded to the Borrower.

6. The Bank shall be under no obligation to make any advance until the Bank shall be satisfied that it has received:

(a) a duly executed copy of this Agreement;
(b) security for the amount of the Loan, duly registered and in form and substance satisfactory to the Bank and duly executed by the Borrower;
(c) payment in full of all fees and other amounts due and payable on or prior thereto; and
(d) any additional documents which the Bank may reasonably require.

7. The Borrower represents and warrants that:

(a) it has been duly incorporated, organized and is properly constituted, exists in good standing and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets or, if the Borrower is an individual, the Borrower has the requisite legal capacity to enter into and perform its obligations under this Agreement;

(b) the entering into of this Agreement and the incurring of liability and indebtedness by the

Borrower hereunder do not and will not contravene or breach,

(i) any law, regulation or judicial order applicable to the Borrower or (if applicable) the charter, by-laws or other organizational documents of the Borrower; or

(ii) any provision contained in any other loan or credit agreement, debenture, trust deed or other borrowing instrument or contract to which the Borrower is party;

(c) this Agreement, when duly executed and delivered by the Borrower to the Bank, will constitute a valid and binding obligation of the Borrower, enforceable in accordance with its terms;

(d) the Borrower's assets are legally and beneficially owned by the Borrower and, except as previously disclosed to the Bank in writing, all of the Borrower's assets pledged to secure the Loan are free and clear of all hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of third parties, whether perfected or otherwise, which are not in favour of the Bank; and

(e) all necessary authorizations, approvals, consents or other orders from any authority, governmental or otherwise, have been obtained with respect to the obtaining of the Loan and the execution and delivery of this Agreement.

8. The Borrower covenants that it:

(a) will deliver to the Bank:

(i) as soon as available and in any event within 90 days of the end of each fiscal year, copies of its financial statements (audited, where available) and, if applicable, the report of its auditor thereon; and

(ii) at any time and from time to time such other information as the Bank may reasonably request;

(b) unconditionally promises to pay to the Bank on the Maturity Date the then unpaid principal amount of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder;

(c) will insure against all risks relevant to its business operations for amounts commensurate thereto, and assign the policies to the Bank and assign, hypothecate or otherwise ensure all amounts payable thereunder are payable to the Bank, all as required by and satisfactory to the Bank;

(d) will furnish the Bank with additional security from time to time as the Bank may request;

(e) will limit capital expenditures to a maximum of $ in any fiscal year;

(f) authorizes the Bank to record, file or register, at the Borrower's expense, any registrations or filings, including without limitation any financing statements, that are necessary or desirable to protect, perfect and maintain the protection and perfection of any hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of the Bank, and to obtain evidence satisfactory to the Bank of the rank and priority of such hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights;

(g) will notify the Bank in writing immediately (i) upon receipt or notice of any law suits, claims, demands, governmental investigation or requirements to pay addressed to the Borrower or in which the Borrower is named as a party, and (ii) if any guarantor of all or any part of the Loan dies or terminates its guarantee;

(h) will use the proceeds of the Loan solely for the purpose of:

To assist with the purchase of the property located at 591-595 Goderich Street, Port Elgin, Ontario;

(i) will, to the extent not in conflict or inconsistent with the provisions of this Agreement, comply with all of the provisions, covenants and agreements contained in any term sheet,

commitment letter or similar document, as such document may be amended, supplemented, restated, replaced or otherwise modified from time to time, given by the Borrower to the Bank which relates to the Loan hereunder, and such provisions, covenants and agreements are incorporated herein as if restated in their entirety; and

(j) will not, without the prior written consent of the Bank:

(i) materially change the nature of its business from that now carried on;
(ii) create, incur, assume or permit to exist any hypothec, mortgage, claim, security interest, lien, charge or other encumbrance or right, whether perfected or otherwise, in favour of a third party ranking ahead of or equally with any security given to or agreed to be given to the Bank;
(iii) create, incur, assume or permit to exist any additional debt other than in the ordinary course of business;
(iv) sell, lease, license, transfer, assign or otherwise dispose of any assets except in the ordinary course of business; or
(v) change the ownership of the business.

9. If one or more of the following events shall occur:

(a) If:

(i) the Borrower fails to pay any amount owing to the Bank pursuant to this Agreement or any other document given to the Bank, including without limitation the Loan, on the date same becomes due;
(ii) the Borrower leases, licenses, transfers, assigns or otherwise disposes of any or all of the assets which the Bank holds as security for the Loan, other than in the ordinary course of business;
(iii) the Borrower shall be in default in respect of any obligation to pay money whether or not it is in respect of the Loan;
(iv) the Borrower shall fail to observe and comply with any term, condition or provision of this Agreement or in any other document given to the Bank, other than a default in the payment of money, and such default cannot be cured;
(v) the Borrower shall fail to observe and comply with any term, condition or provision of this Agreement or in any other document given to the Bank, other than a default in the payment of money, and such default can be cured and the Borrower shall fail to do so within 30 days after the earlier of the Borrower acquiring knowledge of such default or receiving written notice thereof from the Bank;
(vi) any of the Borrower's representations and warranties in this Agreement or in any other document given to the Bank shall prove to have been incorrect when made or deemed to be made;
(vii) the holder (including the Bank) of any claim, hypothec, mortgage, security interest, lien, charge or other encumbrance or right on any of the Borrower's assets and undertaking does anything to enforce or realize on such claim, hypothec, mortgage, security interest, lien, charge or other encumbrance or right;
(viii) the Bank determines that there has been a materially adverse change in the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower;
(ix) a guarantor of all or any part of the Loan dies or if a guarantee for the Loan terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of a guarantor;
(x) the Borrower is not an individual and a Change in Control occurs without the prior written consent of the Bank;
(xi) the Borrower is not an individual and the Borrower merges, consolidates or amalgamates with any other person or business; or

(b) If an application for a bankruptcy order, notice of intention to make a proposal or proposal is filed, application made or other proceeding instituted against or in respect of the Borrower, or assignment of all the property of the Borrower is made under the terms of the *Bankruptcy and Insolvency Act,* the *Companies' Creditors Arrangement Act,* the *Winding-Up and Restructuring Act,* any applicable corporations legislation or any other bankruptcy, insolvency or analogous laws, or if a receiver, receiver manager, custodian, trustee, liquidator, sequestrator or other similar official is appointed to take possession over any substantial portion of the assets of the Borrower, or if the Borrower permits any of its assets to be seized (including by way of execution, attachment, garnishment, levy or distraint) or if the Borrower makes an assignment for the benefit of its creditors or is adjudicated insolvent or bankrupt or applies to any tribunal for any receiver, receiver manager, custodian, trustee, liquidator, sequestrator or other similar official of or for the Borrower or the Borrower's assets, or any other proceeding is commenced in relation to any of the foregoing in respect of the Borrower,

then the Borrower shall be in default hereunder and the Bank may, at its option upon written notice to the Borrower, declare that the entire balance of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall immediately become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

10. (a) Any request, notice, or demand made or given in connection with this Agreement may be made or given by mail by prepaid post or by delivery to the party for which it is intended and addressed as follows:

BORROWER:
633 Main Street West, Port Colborne, Ontario L3K 5X7

BANK OF MONTREAL:
PM Group, B1 Level, 100 King St. W., Toronto ON M5X 1A1

provided however that any party may change its address for purposes of receipt of such communication by giving 10 calendar days prior written notice of such change to the other party in the manner prescribed herein.

(b) Any such request, notice, or demand shall be conclusively deemed to have been received by the party to which it is addressed on the third Business Day following the day of such mailing, if mailed, or on the day of delivery, if delivered.

11. All out-of-pocket expenses incurred by the Bank, including reasonable legal costs and all applicable taxes, in the preparation, administration or enforcement of this Agreement or any security or other documentation required hereunder or in connection herewith shall be for the account of the Borrower.

12. The Borrower acknowledges that the actual recording of the amount of any advance or repayment under the Loan and interest, fees and other amounts due in connection with the Loan in the accounts of the Borrower maintained by the Bank, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under this Agreement; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with this Agreement shall not be affected by the failure of the Bank to make such recording.

13. The Bank may from time to time and at any time waive in whole or in part:

(a) the rights accruing to it by reason of any of the provisions of any clause of this Agreement; or

(b) any default under any clause in this Agreement which is to its benefit;

but any such waiver by the Bank of any such right or of any such default on any occasion shall be deemed not to be a waiver of the provisions of any such clause thereafter or of any other clause or of any subsequent default, as the case may be.

14. If the Borrower comprises more than one person, all covenants and liabilities entered into, by or imposed upon the Borrower shall be joint and several (solidary in the Province of Quebec). Each Borrower, if more than one, is responsible both individually and together with the other Borrower(s) for all obligations of the Borrower to the Bank pursuant to this Agreement.

15. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

16. This Agreement shall be binding upon and enure to the benefit of the parties hereto, their successors, heirs, liquidators, administrators and assigns, except that the Borrower may not assign any of its rights or obligations hereunder without the Bank's prior written consent.

17. Any clause or part thereof which may be null or unenforceable shall not invalidate, affect or impair the remaining provisions of this Agreement.

18. Any schedules attached to this Agreement are incorporated herein in their entirety and form an integral part of this Agreement.

This clause applies only in the Province of Quebec

19. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English.
*Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

IN WITNESS WHEREOF this Agreement has been executed by the Borrower and the Bank as of the date set forth above.

**BANK OF MONTREAL**

By: _____
Name:
Title: AFSHIN KYANI
Commercial Community Funder

2495087 ONTARIO INC.

Per: _____
Rauf Khan, President
I have authority to bind the Corporation

## SCHEDULE A

## ADDITIONAL TERMS AND CONDITIONS

INITIAL R.K.

Check 1. if Debt Service covenant is required. Borrower to initial.

☒ 1. The Borrower covenants that it will at all times maintain a debt service coverage ratio of not less than 1.25:1, and it will upon request by the Bank from time to time deliver to the Bank all such financial statements and records as are required by the Bank to determine the debt service coverage ratio; for the purpose of this Agreement, the term "debt service coverage ratio" at any date means the ratio of:

(i) the amount of the net revenue of the Borrower for the period from the commencement of the then current fiscal year to such date, plus the amounts of depreciation and amortization expense of the Borrower for such period, all as determined by the Bank from financial statements and records provided by the Borrower, to

(ii) the aggregate amount of all payments required to be made by the Borrower during such period on account of (i) principal and interest on any indebtedness of the Borrower for borrowed money (from the Bank or otherwise) and (ii) rents or other amounts payable on leases treated by the Borrower as capital leases for accounting purposes.

Check 2. if the Borrower is a municipality. Borrower to initial.

☐ 2. In the event that the Borrower is a municipality, the provisions of Section 8 of the Agreement shall be deleted in its entirety and replaced with the following:

"8. The Borrower covenants that it:

(a) will deliver to the Bank:
(i) as soon as available and in any event within 90 days of the end of each fiscal year, copies of its financial statements (audited, where available) and, if applicable, the report of its auditor thereon; and
(ii) at any time and from time to time such other information as the Bank may reasonably request;

(b) unconditionally promises to pay to the Bank on the Maturity Date the then unpaid principal amount of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder

(c) will insure against all risks relevant to its operations for amounts commensurate thereto and satisfactory to the Bank;

(d) will furnish the Bank with additional security from time to time as the Bank may deem fit at the request of the Bank;

(e) authorizes the Bank to record, file or register, at the Borrower's expense, any registrations or filings, including without limitation any financing statements, that are necessary or desirable to protect, perfect and maintain the protection and perfection of any hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of the Bank, and to obtain evidence satisfactory to the Bank of the rank and priority of such hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights;

(f) will use the proceeds of the Loan for the purpose of:

_____

_____

_____; and

(g) will, to the extent not in conflict or inconsistent with the provisions of this Agreement,

comply with all of the provisions, covenants and agreements contained in any term sheet, commitment letter or similar document, as such document may be amended, supplemented, restated, replaced or otherwise modified from time to time, given by the Borrower to the Bank which relates to the Loan hereunder, and such provisions, covenants and agreements are incorporated herein as if restated in their entirety."

BMO Financial Group

# Operating Loan Agreement with Availment in Canadian Dollars

To: Bank of Montreal

Date: March 8 , 2017

The undersigned hereby requests Bank of Montreal (the "Bank") to provide a credit facility to the undersigned, subject to the following terms and conditions:

## 1. DEFINED TERMS

In this Agreement:

1.01 "Account" shall mean the Canadian Dollar Account No. 3858-1042-922 at the Bank.

1.02 "Facility Fee" shall mean a fixed monthly fee of $ 150.00.

1.03 "Loan" shall mean the credit facility (if any) provided pursuant to this Agreement and the amount of the Loan shall mean at any time the aggregate of all amounts debited to the Account (including without limitation cheques, transfers, withdrawals, interest, costs, charges and fees) less the aggregate of all amounts credited to the Account for which the Bank has given value.

1.04 "Loan Limit" shall mean SEVENTY FIVE THOUSAND---XX/100 Dollars ($ 75,000.00 ) or such lesser amount as may be determined by the Bank from time to time including, without limitation, pursuant to a calculation under the Lending Margin Calculation, if any, set out in the Addendum hereto.

1.05 "Loan Rate" shall mean a rate equal to the Bank's Prime Rate plus TWO AND ONE HALF per cent ( 2.50%) per annum.

1.06 "Prime Rate" shall mean the floating annual rate of interest established from time to time by the Bank as the reference rate it will use to determine the rate of interest payable to the Bank by borrowers from the Bank in Canadian dollars in Canada and designated by the Bank as its Prime Rate. The Prime Rate on the date hereof is TWO AND SEVENTY TENTHS per cent (2.70%) per annum.

1.07 "Overdraft Rate" shall mean the annual rate of interest established from time to time by the Bank as the interest rate it will use to calculate the interest payable on overdrawn accounts and designated by the Bank as the "Overdraft Rate". The Overdraft Rate on the date hereof is Twenty one per cent (21.00%) per annum.

## 2. ACCOUNT

2.01 Cheques drawn and debits of other kinds made on the Account (including, without limitation, transfers and withdrawals) shall be drawn in Canadian dollars.

2.02 The undersigned shall not at any time permit the Loan to exceed the Loan Limit and shall use the Account for business purposes only.

2.03 The Bank is authorized to debit the Account for all fees and interest required hereunder and for all costs, charges and expenses referred to in paragraph 6.01 and in any other agreement(s) the undersigned has entered into with the Bank.

## 3. FEES AND INTEREST

3.01 The undersigned shall pay the Facility Fee to the Bank, on the last day of each month in addition to all other fees applicable to the Account. Notwithstanding paragraph 1.02, the amount of the Facility Fee may be revised by the Bank from time to time and the revised fee will be effective once the Bank advises the undersigned by notice as herein provided. The Facility Fee shall be payable for the credit facility provided hereunder and for other standard reporting services provided by the Bank in connection with the Account.

3.02 The undersigned shall, both before and after demand or judgment, pay interest at the Loan Rate on the daily closing balance of the Loan up to the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

3.03 The undersigned shall, both before and after demand or judgment, pay interest at the Overdraft Rate on the amount of any daily closing balance of the Loan in excess of the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

3.04 Nothing herein shall oblige the Bank to permit the Loan to exceed the Loan Limit. In the event the Loan exceeds the Loan Limit, (i) the Bank may at any time terminate the Loan hereunder and immediately demand payment of the Loan by notice as herein provided and (ii) for each occurrence the undersigned will be charged a fee of 1% per annum calculated on the amount of excess over the Loan Limit or $100, whichever is greater, and a $5 overdraft handling charge per item that creates or increases the excess.

## 4. DEMAND AND TERMINATION

4.01 The undersigned shall pay the Loan to the Bank ON DEMAND, regardless of any covenants, conditions, obligations or events of default set out herein including, without limitation, any provisions set out in the Addendum hereto. The Bank may at any time terminate the Loan provided hereunder and demand payment of the Loan by notice as herein provided.

4.02 THE BANK MAY REFUSE TO HONOUR ANY CHEQUE OR PERMIT ANY TRANSFER OR WITHDRAWAL FROM THE ACCOUNT UPON (A) ANY DEFAULT BY THE UNDERSIGNED IN THE PERFORMANCE OF ANY OBLIGATION OF THE UNDERSIGNED TO THE BANK WHETHER CONTAINED HEREIN OR IN ANY OTHER AGREEMENT BETWEEN THE UNDERSIGNED AND THE BANK, (B) THE DEATH OF ANY GUARANTOR OF ANY INDEBTEDNESS OF THE UNDERSIGNED OR RECEIPT BY THE BANK OF NOTICE OF TERMINATION OF ANY GUARANTEE OF ANY INDEBTEDNESS OF THE UNDERSIGNED, (C) THE LOAN EXCEEDING THE LOAN LIMIT, OR (D) ANY DEMAND BEING MADE FOR PAYMENT OF THE LOAN, WHETHER OR NOT ANY TIME PERIOD HAS LAPSED AFTER THE TIME OF THE DEMAND.

## 5. DOCUMENTATION

5.01 The undersigned shall deliver to the Bank from time to time, promptly on request, in form and substance satisfactory to the Bank:

(a) any security required by the Bank; and

(b) all other documents and information required by the Bank.

5.02 Any security document delivered hereunder shall be held as additional security for the indebtedness of the undersigned for the Loan, and not in substitution or in satisfaction thereof.

## 6. COSTS

6.01 The undersigned shall pay all reasonable costs, charges and expenses incurred by the Bank in the preparation or enforcement of this Agreement or any security required in connection with the Loan.

## 7. NOTICES

7.01 The Bank shall not be required to notify the undersigned of changes to the Prime Rate or the Overdraft Rate or in the Bank's calculations of the Lending Margin Calculation, if any.

7.02 Any request for any document or information, notice of termination, demand for payment or other notice to be sent in connection with this Agreement or either of the Accounts may be delivered, or mailed by prepaid ordinary mail or transmitted by facsimile if to the undersigned (or any one of them, if more than one) at the last known address or facsimile number for the undersigned (or any one of them, if more than one) in the Bank's records or if to the Bank at the Branch where the Account is maintained. The undersigned or the Bank, as applicable, shall be deemed to have received such request or notice on the date of delivery, if delivered, on the first business day following the date of transmission if transmitted by facsimile, and four (4) days after mailing, if mailed.

## 8. AMENDED AND RESTATED AGREEMENT

INITIAL R.K 79

☒ ~~8.01 This Agreement hereby amends and restates the _____ (Insert name of agreement) Agreement dated the _____ day of _____, _____, as heretofore amended and supplemented from time to time (the "Existing Agreement"), between the undersigned and the Bank with effect as and from the date hereof (the "Effective Date"), the whole without any novation whatsoever.~~

☒ ~~8.02 The parties hereby expressly agree that as and from the Effective Date all of the undersigned's obligations, indebtedness and liabilities to the Bank under or pursuant to the Existing Agreement including, without limitation, the outstanding principal amount of the loan thereunder, all interest accrued thereon, all interest on overdue interest and all other amounts owing by the undersigned to the Bank under or pursuant to the Existing Agreement shall be governed by the terms hereof.~~

☒ ~~8.03 The undersigned hereby ratifies, confirms, acknowledges and agrees that it is and continues to be bound by all of the obligations, indebtedness and liabilities of and grants of security made by it under each of the security documents under, pursuant to or in connection with the Existing Agreement, including without limitation any agreement or instrument creating or granting a hypothec, security under the *Bank Act* (Canada), mortgage, pledge, fixed or floating charge, assignment by way of security or any other security interest securing payment or performance of an obligation under or pursuant to the Existing Agreement (herein, collectively, the "Security Documents") and each certificate or other document delivered pursuant to or in connection with the Existing Agreement or the Security Document (the Security Documents and such certificates or other documents are herein, collectively, the "Loan Documents"), and the undersigned acknowledges that the Bank is relying expressly upon the Loan Documents and such ratifications, confirmations, acknowledgements and agreements by the undersigned herein in entering into this Agreement and providing any accommodations hereunder, notwithstanding the amendment and restatement set forth herein.~~

☒ ~~8.04 As and from the Effective Date, all references to the Existing Agreement in any of the Loan Documents shall be construed as being a reference to the Existing Agreement as amended and restated by this Agreement.~~

☒ ~~8.05 This Article 8 is made under express reserve of all the terms and conditions of this Agreement and the Loan Documents and all rights in favour of the Bank hereunder and thereunder and without novation of any kind or derogation from the rank and priority of the Security Documents. Without derogating from or restricting in any way the Security Documents, all obligations under or pursuant to the Existing Agreement and hereunder shall continue to be secured by the Security Documents. All of the provisions of this Article 8 are without novation.~~

## 9. GENERAL

9.01 The provisions of the Addendum, if any, shall be incorporated into this Agreement and form part hereof.

9.02 The Bank's statements of the Account at any time shall constitute prima facie evidence of the Loan.

9.03 The undersigned will immediately notify the Bank if any guarantor of the indebtedness of the undersigned to the Bank dies.

9.04 This Agreement shall be binding upon the undersigned and the respective executors, administrators, successors and assigns of the undersigned, but the undersigned shall not assign any of the rights or obligations of the undersigned hereunder without the prior written consent of the Bank.

9.05 The failure of either the undersigned or the Bank to require performance by the other of any provision hereof shall in no way affect the right thereafter to enforce such provision; nor shall the waiver by either party of any breach of any covenant, condition or proviso of this Agreement or any other agreement between the Bank and the undersigned be taken or held to be a waiver of any further breach of the same covenant, condition or proviso.

9.06 Subject to Article 8 above (if applicable) this Agreement shall be in addition to and not in substitution for any other agreement between the undersigned and the Bank.

9.07 The undersigned agrees that the balance shown in any statement of the Account provided to the undersigned shall be deemed to be a correct and accurate statement of the Loan as at the date of the statement.

9.08 All payments relating to the Loan made by the undersigned pursuant to this Agreement shall be paid in Canadian dollars.

Any obligation of the undersigned under this Agreement to make payments in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into Canadian dollars except to the extent that such tender or recovery shall result in the effective receipt by the

Bank of the full equivalent amount of U.S. dollars so payable hereunder. Accordingly, the obligation of the undersigned shall be enforceable as an alternative or additional cause of action for the purpose of recovery in Canadian dollars of the amount (if any) by which such payment of a U.S. dollar obligation hereunder in a currency other than U.S. dollars shall fall short of the full amount of U.S. dollars so payable hereunder and shall not be affected by any judgment being obtained for any other sums due hereunder.

9.09 If any other provision of this Agreement would oblige the undersigned to pay or entitle the Bank to receive any amount that is prohibited by law, then, notwithstanding such provision, such amount shall be deemed to have been adjusted with retroactive effect to the maximum permitted amount by law. Notwithstanding the foregoing, if the Bank receives an amount in excess of the maximum permitted, then the undersigned shall be entitled, on providing written notice to the Bank, to obtain reimbursement of such excess. Pending reimbursement, such excess shall be deemed to be payable by the Bank. The Bank and the undersigned disavow any intent to receive or pay any amount in excess of that is permitted by law.

9.10 Time shall be of the essence of this Agreement.

9.11 If more than one party signs this Agreement, the obligations of the undersigned are joint and several.

9.12 It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

By executing this Agreement below the undersigned hereby agrees to the foregoing terms and conditions.

DATED as of the date set forth above.

2495087 ONTARIO INC.

Per: _____
Rauf Khan, President
I have authority to bind the Corporation

**ADDENDUM TO**
**OPERATING LOAN AGREEMENT**

Lending Margin Calculation and/or Additional Provisions

The Bank may in its discretion reduce the Loan Limit by the amount of any other indebtedness or liability of the undersigned (or any one of them, if more than one) to the Bank including, without limitation, the amount of any bankers acceptances or letters of credit.

Without limiting the foregoing, the following Lending Margin Calculation is applicable to the attached Loan Agreement. The calculation and the amount of the Lending Margin Calculation is in the sole and complete discretion of the Bank, and in cases of dispute, the Lending Margin Calculation calculated by the Bank shall prevail.

The Lending Margin Calculation (if applicable) shall be an amount equal to: N/A

# TAB D

This is Exhibit "D" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2495087 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **TWO MILLION THREE HUNDRED SIXTY THOUSAND---XX/100** Dollars **($2,360,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of 08 03, 2017.

1527020 ONTARIO INC.

Per: _____

Rauf Khan, President

I have authority to bind the Corporation

® Registered trade-marks of Bank of Montreal

# ENABLING RESOLUTION

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF 1527020 ONTARIO INC. HELD AT THE HEAD OFFICE OF THE CORPORATION ON MARCH 8, 2017

---

On motion duly made and seconded, it was unanimously resolved:

THAT the Company does hereby guarantee payment to the Bank of Montreal of all present and future debts and liabilities now or at any time and from time to time due or owing to said Bank by 2495087 Ontario Inc. up to the principal amount of $2,360,000.00 at any one time, the whole in the terms set out in Form No. LF 44 of the Bank of Montreal submitted to this meeting, and any director or officer of the Corporation is authorized and directed to sign and execute such form and deliver the same to Bank of Montreal.

I CERTIFY that the foregoing is a true copy of a Resolution passed at a Meeting of the Board of Directors of the said Company held as aforesaid.

AS WITNESS the Corporate Seal of the said Company, on 08 03 2017.

Rauf Khan, President

T:\ANGIE\DATA\bano 249\enabling.doc

## SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
591 Goderich Street, Port Elgin, Ontario N0H 2H0
595 Goderich Street, Port Elgin, Ontario N0H 2C1

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 08 day of 03, 2017.(year)

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

1527020 ONTARIO INC.

Per: _____
Rauf Khan, President
I have authority to bind the Corporation

## CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

# CERTIFICATE

To be completed by Secretary or other authorized officer; insert

I am the President of 1527020 Ontario Inc. and I hereby certify that:

Insert appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 08 day of 03, 2017;(year)
2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act.*

To be signed by Secretary or other authorized officer; affix corporate seal

seal

President
Rauf Khan

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2495087 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **TWO MILLION THREE HUNDRED SIXTY THOUSAND---XX/100** Dollars **($2,360,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of 8. 03, 2017.

1651033 ONTARIO LTD.

Per:
Aisha Ashad, President
I have authority to bind the Corporation

® Registered trade-marks of Bank of Montreal

# ENABLING RESOLUTION

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF 1651033 ONTARIO LTD. HELD AT THE HEAD OFFICE OF THE CORPORATION ON MARCH 8, 2017

---

On motion duly made and seconded, it was unanimously resolved:

THAT the Company does hereby guarantee payment to the Bank of Montreal of all present and future debts and liabilities now or at any time and from time to time due or owing to said Bank by 2495087 Ontario Inc. up to the principal amount of $2,360,000.00 at any one time, the whole in the terms set out in Form No. LF 44 of the Bank of Montreal submitted to this meeting, and any director or officer of the Corporation is authorized and directed to sign and execute such form and deliver the same to Bank of Montreal.

I CERTIFY that the foregoing is a true copy of a Resolution passed at a Meeting of the Board of Directors of the said Company held as aforesaid.

AS WITNESS the Corporate Seal of the said Company, on 8 · 03 · 2017.

Aisha Ashad, Secretary

T:\ANGIE\DATA\bano 249\enabling 165.doc

Bank of Montreal

**Ontario Personal Property Security Act Security Agreement**

## SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
591 Goderich Street, Port Elgin, Ontario N0H 2H0
595 Goderich Street, Port Elgin, Ontario N0H 2C1

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 08 day of 03, 2017.(year)

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

1651033 ONTARIO LTD.

Per:_____
Aisha Ashad, President
I have authority to bind the Corporation

## CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

# CERTIFICATE

To be completed by Secretary or other authorized officer; insert

Insert appropriate date

I am the Secretary of 1651033 Ontario Ltd. and I hereby certify that:

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 08 day of 03, 2017;(year)
2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.

To be signed by Secretary or other authorized officer; affix corporate seal

seal

Secretary
Aisha Ashad

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2495087 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **TWO MILLION THREE HUNDRED SIXTY THOUSAND---XX/100** Dollars **($2,360,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of 8 · 03 , 2017.

1496765 ONTARIO LTD.

Per:
Aisha Ashad, President
I have authority to bind the Corporation

® Registered trade-marks of Bank of Montreal

# ENABLING RESOLUTION

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF 1496765 ONTARIO LTD. HELD AT THE HEAD OFFICE OF THE CORPORATION ON MARCH 8, 2017

---

On motion duly made and seconded, it was unanimously resolved:

THAT the Company does hereby guarantee payment to the Bank of Montreal of all present and future debts and liabilities now or at any time and from time to time due or owing to said Bank by 2495087 Ontario Inc. up to the principal amount of $2,360,000.00 at any one time, the whole in the terms set out in Form No. LF 44 of the Bank of Montreal submitted to this meeting, and any director or officer of the Corporation is authorized and directed to sign and execute such form and deliver the same to Bank of Montreal.

I CERTIFY that the foregoing is a true copy of a Resolution passed at a Meeting of the Board of Directors of the said Company held as aforesaid.

AS WITNESS the Corporate Seal of the said Company, on 08 · 03 · 2017.

Aisha Ashad, Secretary

T:\ANGIE\DATA\bano 249\enabling 149.doc

Bank of Montreal

**Ontario Personal Property Security Act Security Agreement**

## SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
591 Goderich Street, Port Elgin, Ontario N0H 2H0
595 Goderich Street, Port Elgin, Ontario N0H 2C1

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 8 day of 03, 2017.(year)

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

1496765 ONTARIO LTD.

Per: _____
Aisha Ashad, President
I have authority to bind the Corporation

## CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

# CERTIFICATE

To be completed by Secretary or other authorized officer; insert

Insert appropriate date

I am the Secretary of 1496765 Ontario Ltd. and I hereby certify that:

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 8 day of March, 2017;(year)
2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act.*

To be signed by Secretary or other authorized officer; affix corporate seal

seal

Secretary
Aisha Ashad

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2495087 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **TWO MILLION THREE HUNDRED SIXTY THOUSAND---XX/100** Dollars **($2,360,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of 08 03, 2017.

Witness _____

Name UMESH AHUJA

_____

Name: RAUF KHAN

® Registered trade-marks of Bank of Montreal

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2495087 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **TWO MILLION THREE HUNDRED SIXTY THOUSAND---XX/100** Dollars **($2,360,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this



AA

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of March 8th, 2017.

Witness
Name

Name: AISHA ASHAD

® Registered trade-marks of Bank of Montreal

Aman Sharma
Barrister, Solicitor & Notary Public
211 - 4515 Ebenezer Rd
Brampton, Ontario L6P 2K7
Tel - 905-913-2355

BMO Bank of Montreal

**Guarantee for Indebtedness of an Incorporated Company**

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2495087 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **TWO MILLION THREE HUNDRED SIXTY THOUSAND—XX/100** Dollars **($2,360,000.00)** plus interest thereon at a rate of **FIVE—(5.00%)—** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this



Mehak Arshad

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of 13th MARCH, 2017.

Witness Prabhjot Kaur

Name PRABHJOT KAUR
Barrister, Solicitor & Notary Public
214 - 4515 Ebenezer Road
Brampton, Ontario L6P 2K7
Tel: 905-794-8333 Fax: 289-948-0131

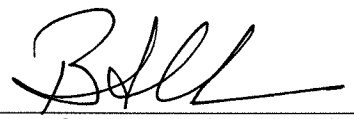
Mehak Arshad

Name: MEHAK ARSHAD

® Registered trademark of Bank of Montreal

# TAB E

This is Exhibit "E" referred to in the Affidavit of Jason Locke sworn July 30, 2018



*Commissioner for Taking Affidavits (or as may be)*

Bank of Montreal

**Ontario Personal Property Security Act Security Agreement**

## SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
591 Goderich Street, Port Elgin, Ontario N0H 2H0
595 Goderich Street, Port Elgin, Ontario N0H 2C1

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 08 day of 03, 2017.(year)

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

2495087 ONTARIO INC.

Per: _____
Rauf Khan, President
I have authority to bind the Corporation

## CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

# CERTIFICATE

To be completed by Secretary or other authorized officer; insert

I am the Secretary of 2495087 Ontario Inc. and I hereby certify that:

Insert appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 08 day of 03, 2017;(year)
2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.

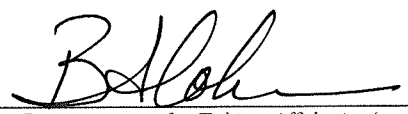
To be signed by Secretary or other authorized officer; affix corporate seal

seal

Secretary
Rauf Khan

# TAB F

This is Exhibit "F" referred to in the Affidavit of Jason Locke sworn July 30, 2018



*Commissioner for Taking Affidavits (or as may be)*

## Properties

| | | | |
|---|---|---|---|
| *PIN* | 33246 - 0422 LT | *Interest/Estate* | Fee Simple |
| *Description* | PT LT 2 BLK 9 PL 11 PT 2, 3R5963; TOWN OF SAUGEEN SHORES | | |
| *Address* | 591 GODERICH STREET<br>PORT ELGIN | | |
| *PIN* | 33246 - 0421 LT | *Interest/Estate* | Fee Simple |
| *Description* | LT 3, 1 BLK 9 PL 11; PT LT 2 BLK 9 PL 11 PT 1 & 3, 3R5963; TOWN OF SAUGEEN SHORES | | |
| *Address* | 595 GODERICH ST<br>PORT ELGIN | | |

## Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

| | |
|---|---|
| *Name* | 2495087 ONTARIO INC. |
| *Address for Service* | 633 Main St. West, Port Colborne,<br>Ontario L3K 5X7 |

I, Rauf Khan, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

## Chargee(s) *Capacity* *Share*

| | |
|---|---|
| *Name* | BANK OF MONTREAL |
| *Address for Service* | 100 King Street West, Toronto M5X 1A1 |

## Statements

Schedule: See Schedules

## Provisions

| | | | |
|---|---|---|---|
| *Principal* | $2,360,000.00 | *Currency* | CDN |
| *Calculation Period* | Monthly, not in advance | | |
| *Balance Due Date* | On demand | | |
| *Interest Rate* | Mortgagee's Prime Rate +5% per annum | | |
| *Payments* | | | |
| *Interest Adjustment Date* | | | |
| *Payment Date* | On demand | | |
| *First Payment Date* | | | |
| *Last Payment Date* | | | |
| *Standard Charge Terms* | 201607 | | |
| *Insurance Amount* | full insurable value | | |
| *Guarantor* | | | |

## Signed By

| | | | | |
|---|---|---|---|---|
| Andrea Margaret Remnant | 201 County Court Blvd. Ste. 200<br>Brampton<br>L6W 4L2 | acting for<br>Chargor(s) | Signed | 2017 04 13 |

Tel 905-457-1660
Fax 905-457-5641
I have the authority to sign and register the document on behalf of the Chargor(s).

## Submitted By

| | | |
|---|---|---|
| SIMMONS, DA SILVA LLP | 201 County Court Blvd. Ste. 200<br>Brampton<br>L6W 4L2 | 2017 04 13 |

## *Submitted By*

Tel 905-457-1660

Fax 905-457-5641

## *Fees/Taxes/Payment*

| | |
|---|---|
| *Statutory Registration Fee* | $63.35 |
| *Total Paid* | $63.35 |

## *File Number*

*Chargee Client File Number :* BANO966

**Restriction of Secondary Financing Clause:**
Notwithstanding any other provision hereof, the Chargor shall not obtain or register any secondary mortgage financing against the Lands described herein without the Chargee's written consent and in default thereof the Chargee may at its option immediately declare the balance of all principal and interest to become immediately due and payable and all remedies of the Chargee shall immediately become fully enforceable.

**Acceleration Clause/Debt Service Coverage :**
In the event the Chargor does not maintain a Debt Service Coverage ratio of not less than 1.25:1 the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

**Provision of Financial Information Clause:**
The Chargor shall provide to the Chargee financial information, including financial statements, on an annual basis or as reasonably requested by the Chargee in accordance with the commitment letter/paper.

In the event the Chargor does not comply with this Financial Information Clause, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

**Receiver /Manager Clause:**
In the event the real property produces rental income and such rental income is paid to the Chargor or paid to any other party pursuant to the direction of the Chargor, the Chargor hereby as further security, assigns and pledges all such rental income to the Chargee, such pledge to become operative upon any default being made by the Chargor under any term of the within Charge and to remain in full force and effect as long as such default continues. The Chargor further authorizes the Chargee after default to enter upon the mortgaged premises and to collect in the name of the Chargor or in its own name as assignee, the rents accrued but unpaid and in arrears as of the date of default, as well as all rents accruing and becoming payable thereafter, until such default is remedied. The Chargor agrees to execute written notice to each tenant directing the tenant to pay rent to the Chargee and the Chargor further agrees to pay 10% of the gross amount of all rentals due or accruing, to the Chargee as a collection fee for such period of time when the Chargee is collecting rents or is entitled to collect rents. The Chargor further authorizes the Chargee during default, at its option and at the expense and risk of the Chargor, to enter into the full management of the property with the right to manage the property in the same manner as an owner of the property, and the Chargor hereby releases all claims against the Chargee arising out of such management, except the liability of the Chargee to account for all funds received. It is not the intention of the parties that if the Chargee manages the property as aforesaid, the Chargee shall be a "mortgagee in possession", except if the Chargee so elects in writing. In addition to the collection fee for the collection of rentals as aforesaid, the Chargee shall also be entitled to all other out-of-pocket costs and compensation for its own time of any employees expended for the management of the property in the event the Chargee enters into the management of the property

**Acceleration Clause/Due on Sale Clause or Change in Ownership :**
In the event the Chargor sells, conveys, transfers or enters into an agreement for sale or transfer of the title of the mortgaged property to a purchaser or transferee or there is a change in corporate or beneficial ownership of the Chargor not approved in writing by the Bank, which approval will not be unreasonably withheld, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

INITIAL

# TAB G

This is Exhibit "G" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 7/25/2018
File Currency Date: 07/24/2018
Family(ies): 2
Page(s): 2

SEARCH : Business Debtor : 2495087 ONTARIO INC.

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

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 7/25/2018
File Currency Date: 07/24/2018
Family(ies): 2
Page(s): 2

SEARCH : Business Debtor : 2495087 ONTARIO INC.

```
FAMILY :   1 OF   2                                    ENQUIRY PAGE :   1 OF   2
SEARCH  : BD  : 2495087 ONTARIO INC.

00 FILE NUMBER : 724822065   EXPIRY DATE : 13FEB 2022 STATUS :
01 CAUTION FILING :          PAGE : 001 OF 1          MV SCHEDULE ATTACHED :
   REG NUM : 20170213 1447 1590 7048 REG TYP: P  PPSA    REG PERIOD: 5
02 IND DOB :            IND NAME:
03 BUS NAME: 2495087 ONTARIO INC.
                                                                  OCN :
04 ADDRESS : 591 GODERICH STREET
   CITY    : PORT ELGIN              PROV: ON    POSTAL CODE: N0H 2C0
05 IND DOB :            IND NAME:
06 BUS NAME: 2495087 ONTARIO INC.
                                                                  OCN :
07 ADDRESS : 595 GODERICH STREET
   CITY    : PORT ELGIN              PROV: ON    POSTAL CODE: N0H 2C1


08 SECURED PARTY/LIEN CLAIMANT :
        BANK OF MONTREAL
09 ADDRESS : 100 KING STREET WEST, B-1 LEVEL
   CITY    : TORONTO                 PROV: ON    POSTAL CODE: M5X 1A1
  CONS.                               MV                    DATE OF  OR NO FIXED
  GOODS INVTRY. EQUIP  ACCTS  OTHER  INCL     AMOUNT        MATURITY    MAT DATE
10        X      X      X      X      X
   YEAR MAKE                      MODEL                V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SIMMONS DA SILVA LLP
17 ADDRESS : 200-201 COUNTY COURT BLVD.
   CITY    : BRAMPTON                PROV: ON     POSTAL CODE: L6W 4L2
```

FAMILY : 2 OF 2 ENQUIRY PAGE : 2 OF 2
SEARCH : BD : 2495087 ONTARIO INC.

00 FILE NUMBER : 724822083 EXPIRY DATE : 13FEB 2022 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20170213 1447 1590 7049 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 2495087 ONTARIO INC.
OCN :
04 ADDRESS : 591 GODERICH STREET
CITY : PORT ELGIN PROV: ON POSTAL CODE: N0H 2C0
05 IND DOB : IND NAME:
06 BUS NAME: 2495087 ONTARIO INC.
OCN :
07 ADDRESS : 595 GODERICH STREET
CITY : PORT ELGIN PROV: ON POSTAL CODE: N0H 2C1

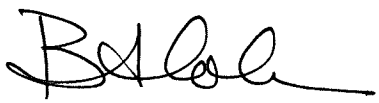
08 SECURED PARTY/LIEN CLAIMANT :
BANK OF MONTREAL
09 ADDRESS : 100 KING STREET WEST, B-1 LEVEL
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A1

| | CONS. GOODS | INVTRY. | EQUIP | ACCTS | OTHER | MV INCL | AMOUNT | DATE OF MATURITY | OR NO FIXED MAT DATE |
|---|---|---|---|---|---|---|---|---|---|
| 10 | | | | X | X | | | | |

YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SIMMONS DA SILVA LLP
17 ADDRESS : 200-201 COUNTY COURT BLVD.
CITY : BRAMPTON PROV: ON POSTAL CODE: L6W 4L2

# TAB H

This is Exhibit "H" referred to in the Affidavit of Jason Locke sworn July 30, 2018



*Commissioner for Taking Affidavits (or as may be)*

Request ID: 021927087
Transaction ID: 68805460
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/07/25
Time Report Produced: 08:18:09
Page: 1

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name | Incorporation Date |
|---|---|---|
| 2496800 | 2496800 ONTARIO INC. | 2015/12/17 |

**Jurisdiction**

ONTARIO

| Corporation Type | Corporation Status | Former Jurisdiction |
|---|---|---|
| ONTARIO BUSINESS CORP. | ACTIVE | NOT APPLICABLE |

**Registered Office Address**

MIAN ABDUL WADOOD
1625 BLOOR STREET EAST

**Suite #** 613
MISSISSAUGA
ONTARIO
CANADA L4X 1S3

**Mailing Address**

1625 BLOOR STREET EAST

**Suite #** 613
MISSISSAUGA
ONTARIO
CANADA L4X 1S3

| Date Amalgamated | Amalgamation Ind. |
|---|---|
| NOT APPLICABLE | NOT APPLICABLE |
| **New Amal. Number** | **Notice Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| | **Letter Date** |
| | NOT APPLICABLE |
| **Revival Date** | **Continuation Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| **Transferred Out Date** | **Cancel/Inactive Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| **EP Licence Eff.Date** | **EP Licence Term.Date** |
| NOT APPLICABLE | NOT APPLICABLE |

| Number of Directors Minimum | Number of Directors Maximum | Date Commenced in Ontario | Date Ceased in Ontario |
|---|---|---|---|
| 00001 | 00010 | NOT APPLICABLE | NOT APPLICABLE |

**Activity Classification**

NOT AVAILABLE

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 2496800 | 2496800 ONTARIO INC. |

| Corporate Name History | Effective Date |
|---|---|
| 2496800 ONTARIO INC. | 2015/12/17 |

| | |
|---|---|
| **Current Business Name(s) Exist:** | YES |
| **Expired Business Name(s) Exist:** | NO |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| AISHA<br>ASHHAD | 1615 BLOOR STREET<br>**Suite #** 701<br>MISSISSAUGA<br>ONTARIO<br>CANADA L4X 1S2 |

| Date Began | First Director | |
|---|---|---|
| 2017/05/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| DIRECTOR | | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 2496800 | 2496800 ONTARIO INC. |

**Administrator:**
**Name (Individual / Corporation)**

MIAN
ABDUL
WADOOD

**Address**

1625 BLOOR ST EAST

**Suite #** 613
MISSISSAUGA
ONTARIO
CANADA L4X 1S3

| Date Began | First Director | |
|---|---|---|
| 2015/12/17 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| DIRECTOR | | Y |

**Administrator:**
**Name (Individual / Corporation)**

MIAN
ABDUL
WADOOD

**Address**

1625 BLOOR ST EAST

**Suite #** 613
MISSISSAUGA
ONTARIO
CANADA L4X 1S3

| Date Began | First Director | |
|---|---|---|
| 2016/03/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| OFFICER | PRESIDENT | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 2496800 | 2496800 ONTARIO INC. |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| MIAN<br>ABDUL<br>WADOOD | 1625 BLOOR ST EAST<br>**Suite #** 613<br>MISSISSAUGA<br>ONTARIO<br>CANADA L4X 1S3 |

| Date Began | First Director | |
|---|---|---|
| 2016/03/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| OFFICER | SECRETARY | Y |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| MIAN<br>ABDUL<br>WADOOD | 1625 BLOOR ST EAST<br>**Suite #** 613<br>MISSISSAUGA<br>ONTARIO<br>CANADA L4X 1S3 |

| Date Began | First Director | |
|---|---|---|
| 2016/03/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| OFFICER | TREASURER | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 2496800 | 2496800 ONTARIO INC. |

**Last Document Recorded**

| Act/Code | Description | Form | Date |
|---|---|---|---|
| CIA | CHANGE NOTICE | 1 | 2017/05/29 (ELECTRONIC FILING) |

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

# TAB I

This is Exhibit "I" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

BMO Bank of Montreal

Greater Toronto Area
Commercial Banking District
475 Queen Street South
Bolton Ontario
Tel. (905) 857-5412
Fax (905) 857-8139
email: Charlie.DiPasquale@bmo.com

2496800 Ontario Inc.
o/a Ultramar Gas Bar
274 Bayfield Street
Goderich, Ontario

April 25, 2016

Attention: Mr. Mian Abdul Wadood

Dear Mr. Wadood

Thank you for the opportunity to review your banking requirements. We have prepared the attached Discussion Paper based on the information you provided. The objective is to confirm our understanding of your requirements and assist you in identifying any aspects requiring further negotiation.

Please note that this paper is presented for discussion purposes only and does not represent a statement of intent or commitment, implied or otherwise, on the part of yourself, your companies or the Bank.

We look forward to developing a mutually satisfactory application for financing and will call you shortly to arrange a convenient time to discuss this in more detail.

Yours truly,

Charlie DiPasquale
Commercial Account Manager

A.W A.A.

# DISCUSSION PAPER

This letter is for discussion and negotiation purposes only and is not a statement of intent or commitment on the part of the Bank or the Borrower.

**BORROWER:** **2496800 Ontario Inc**
**FACILITY #1**

**AMOUNT:** $1,700,000

**LOAN TYPE:** Demand Loan, Non Revolving &/or Fixed Rate Term Loan

**LOAN PURPOSE:** To assist with the purchase of the property located at 274 Bayfield Street Goderich, Ontario.

**REPAYMENT:** Loan amortized over 15 years with monthly principal payments plus interest monthly in arrears. Subject to the Bank's right of review at any time and in any event no less frequently than annually. The amortization period should not exceed the duration of the monthly member assessments to be initiated to fund the project costs.

**NOTE: $1,400,000 to be released at the time of closing and the remaining $300,000 to be released upon confirmation that the site renovations are completed. 2nd draw reliant on appraiser's opinion that the site is ready to open for business.**

**At the time of 1st annual review, a new appraisal can be obtained to determine value of the subject property at that time based on operations. BMO is receptive to assisting with payout of Vendor Take Back loan of $100,000 and any unexpected costs encountered in the first year of operation to the maximum of 65% of the "Going Concern" value at that time. It is to be noted that this is not a commitment on the part of the Bank. The Bank reserves the right to evaluate any further requests at its own discretion.**

**Furthermore, an updated Phase II environmental is required prior to any draws to confirm tank replacement is in order and no further issues with contamination.**

a) Demand loan, non-revolving – Equal monthly payments of principal plus interest (blended payments are an option).

b) Fixed Rate Term Loan - Monthly blended payments of principal and interest required.

**RATE OF INTEREST:**

a) Demand loan, non-revolving

Prime Rate plus 1.75%, payable monthly in arrears. Prime Rate means the floating annual rate of interest established from time to time by the Bank of Montreal as the reference rate it will use to determine rates of interest on Canadian dollar loans to customers in Canada.

b) Fixed Rate Term Loan

Cost of Funds plus 2.50%, to be determined based on applicable rates at time of draw.

**TERM:** Available terms are from 1 to 5 years (if Fixed rate option is chosen).

**AMORTIZATION:** Loan amortized up to 15 years.

**RATE RESERVATION:** At the option of the Borrower, the interest rate may be reserved for up to 45 days,



A-W A-A.

subject to payment of a 1% reservation fee, which is refundable upon draw down of the mortgage at the booked rate. In the event the Borrower elects not to draw down the mortgage, the fee is deemed earned by the Bank. In the event the Bank does not approve the loan, the entire fee will be refunded to the Borrower.

**PREPAYMENT PRIVLEGE:**

a) Demand loan, non-revolving

Open for pre-payment at anytime with such payments applied in reverse order of maturity.

b) Fixed Rate Term Loan

The Loan is not open for prepayment prior to maturity of the term selected. Breakage costs of fixed rate advances incurred as a result of any pre-payment, howsoever arising, shall be for the account of the Borrower.

**PROPERTY TAXES:** To be paid by the Borrower when due, with proof of payment to be provided to the Bank as receipts are obtained from the Municipality, but no less frequently than annually. All taxes, penalties, levies or assessments shall be paid in full prior to funding of the loan.

**FACILITY #2**

**AMOUNT:** $75,000 (available at the time of purchasing the site and once the Bank's security is in place)

**LOAN TYPE:** Overdraft Operating Agreement

**LOAN PURPOSE:** Operating requirements.

**REPAYMENT:** The Overdraft Lending facility shall revolve, and may terminated in whole or in part and amounts outstanding thereunder shall be payable in whole or in part upon demand by the Bank, notwithstanding the payment or nonpayment of principal, interest or fees by the Borrower or compliance or noncompliance with any undertaking or covenant given to the Bank herein or elsewhere.

**RATE OF INTEREST:** Prime Rate plus 2.5%, payable monthly in arrears. Prime Rate means the floating annual rate of interest established from time to time by the Bank of Montreal as the reference rate it will use to determine rates of interest on Canadian dollar loans to customers in Canada.

**MARGIN:** Operating advances available without monthly margin information.

**LOAN FEES:** Account fee of $150 payable monthly excludes all standard banking activity including all chequing, transfers, deposits, chargebacks, cheque certification, audit certification, bank statements, interest confirmation for income tax purposes. The fee also excludes monthly monitoring and the annual review of credit facilities. Loan fees are subject to annual review.

## FACILITY #3

**AMOUNT:** $40,000

**LOAN TYPE:** Commercial Letter of Credit

**LOAN PURPOSE:** Required by supplier

**REPAYMENT:** n/a

**RATE OF INTEREST:** Standard Charges

**MARGIN:** n/a

**LOAN FEES:** Standard



A.W A.A.

**FACILITY # 4**

| | |
|---|---|
| **AMOUNT:** | $10,000 |
| **LOAN TYPE:** | MasterCard Corporate Card Program. |
| **LOAN PURPOSE:** | To assist with daily expenses. |
| **TERM** | Payable on demand and subject to annual review. |
| **FEES:** | Standard. |

**GENERAL TERMS AND CONDITIONS**

**CONDITIONS PRECEDENT:** Those customarily found in loan agreements for credit facilities of this nature, including without limitation, prior to advancing funds, the following:

1. Completion and registration of all Security documentation and all loan and account documentation satisfactory to the Bank and its counsel.
2. Satisfactory legal opinions relating to all matters considered relevant by the Bank, including the due authorization, execution, delivery and enforceability of the loan and Security documentation by the Borrower and all relevant parties.
3. Insurance on a "Fire and Extended Coverage" or "All Risks" basis must be arranged (with satisfactory evidence thereof delivered to the Bank's solicitor before advances are made) satisfactory to the Bank for the full insurable or replacement value of the subject property with loss payable to the Bank of Montreal. The policy is to contain the Standard Mortgage Clause.
4. The Bank is to be provided with a municipal tax certificate showing all real estate taxes are paid up-to-date.

**GENERAL CONDITIONS**

1. All costs and expenses incurred by the Bank in establishing or operating this credit facility (including but not limited to legal, appraisal and consulting costs) are for the account of the Borrower(s) and the Guarantor(s) and the Borrower(s) and the Guarantor(s) agree to pay the same in full whether or not this transaction is completed as contemplated herein.
2. Property taxes to be paid by the Borrower when due, with proof of payment to be provided to the Bank as receipts are obtained from the Municipality, but no less frequently than annually. All taxes, penalties, levies or assessments shall be paid in full prior to funding the loan.
3. The Banking Facilities are extended on a demand basis and the Bank will retain the right to review the account at any time and at least annually with the Borrower providing current accountant-prepared financial statements.



A.W A.A.

4. The Borrower will open a current account at a convenient branch of Bank of Montreal and, during the course of Bank financing for this project, this account is to be utilized for all deposits and withdrawals related to the project.

5. Notwithstanding compliance with the terms and conditions of these facilities, the Bank, acting reasonably and with reasonable notice, may at any time demand repayment of any and all amounts under these facilities and the Borrower agrees to pay such amounts to the Bank upon such demand being made.

6. All third party out-of-pocket costs and expenses incurred by the Bank in establishing or operating these facilities (including but not limited to legal and consulting costs) are for the account of the Borrower.

7. The Borrower is to provide the Bank with any other information that may be reasonably requested from time to time.

8. The Bank will retain the right to review the account(s) at any time and at least annually.

9. The mortgage document will provide that in the event the Borrower sells, conveys, transfers or enters into an agreement for sale or transfer of title of the mortgaged property (or there is a change in corporate or beneficial ownership of the Borrower not approved in writing by the Bank) to a purchaser or transferee not approved in writing by the Bank (which approval will not be unreasonably withheld), the principal amount of the Loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Bank, become immediately due and payable.

**EVIDENCE OF INDEBTEDNESS:**

The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Banking Facilities, and interest, fees, and other amounts due in connection with the Banking Facilities, in an account of the Borrower maintained by the Bank, shall constitute *prima facie* evidence of the Borrower's indebtedness and liability from time to time under the Banking Facilities; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with the terms and conditions of the Banking Facilities set out in the Offer Letter shall not be affected by the failure of the Bank to make such recording. The Borrower also hereby acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, and all accrued and unpaid interest in respect thereto, which principal and interest the Borrower hereby undertakes to pay to the Bank in accordance with the terms and conditions applicable to the Banking Facilities as set out in the Offer Letter.

**COVENANTS:**

Standard legal covenants included in security documentation as prescribed by the Bank's lawyers.

1. Borrowers will not change ownership without the prior consent of the Bank.

2. The Bank reserves the right to demand payment in full in the event of a sale or transfer of the property pledged as security.

3. No secondary financing over the commercial property pledged as security without prior approval from the Bank of Montreal.

**FINANCIAL COVENANTS:**

The following financial covenants will be tested annually based upon the Accountant prepared combined financial statements of the Borrower(s)

1. **Debt Service Coverage**. Funds available to service debt divided by the aggregate of all principal payments and interest expense due in one year to be maintained at no less than 1.25:1. Funds available include net



A.W A.A.

income after taxes plus interest, depreciation and amortization less extraordinary items and capital expenditures not specifically funded. Payments include all principal payments on loans, capital leases and other scheduled instalments. To be tested annually based on Review engagement yearend financial statements.

**REPORTING:**

The Bank relies on the financial reporting requirements outlined below to monitor and access the operations of the Borrower on an ongoing basis. Therefore, delays in receiving this information may result in fees being accessed for late receipt of information. The Borrower shall deliver to the Bank the following:

1. Municipal tax certificates showing all real estate taxes are paid up-to-date are to be provided annually.
2. Accountant-prepared Review Engagement financial statements of the Borrower are to be provided to the Bank within 120 days of respective fiscal year-end.
3. Personal Net worth Statements of the guarantors to be provided as semi-annually or as requested by the Bank.

**OTHER FEES:**

The borrower will be responsible for payment of the following fees:

1. All legal fees and other out of pocket costs, fees and expenses of the Bank respecting the establishment, negotiation and enforcement of the credit facility and for the preparation, registration and maintenance of all loan and security documents.
2. Appraisal and consulting fees for the valuation or description of assets as specified under Availability Conditions.
3. Application fee of $4,000 to offset the Bank's cost for further evaluating the financing requirements of the borrower. A $1000 portion of the application fee is refundable in the event the Bank does not provide a financing commitment. The application fee is non-refundable if the borrower declines the financing commitment.
4. A Commitment fee of $8,000 due and payable on acceptance of the Banks financing commitment.
5. The Bank will be entitled to receive its standard charges for additional services which may be provided to the Borrower from time to time and maybe entitled to additional compensation in those instances when the Borrower is operating outside the terms and conditions contemplated herein.

**ANNUAL REVIEW:**

The Bank conducts an annual review of all authorized credit facilities. The review will take place 120 days following fiscal year end. The Bank is entitled to separate compensation of the annual review of the credit facilities.

**SECURITY:**

The following security must be provided in a form and substance satisfactory to the Bank and its solicitors.

In support of all Facilities:

1. The Bank or its counsel shall have received fully executed copies of:
   a) All agreements, permits and documents which are the subject of any security;
   b) Articles of Incorporation of Borrower;
   c) Boundary and Foundation Survey or title insurance;
   d) Appropriate Borrowing and Enabling Resolutions of the Borrower.
2. Demand Collateral First Charge Mortgage on the Bank's standard form in the amount of $1,825,000 over the subject property located at 274



A.W A.A.

Bayfield Street Goderich, Ontario & registered under Land Title / Registry. Receiver / Manager clause and acceleration clause in the event of sale to be included (representative of 65% of appraised value of subject property). Updated appraisal expected to confirm min. value of $2,800,000

3. Personal guarantee signed by the principal shareholder(s) in the amount of $1.825,000.

4. Personal Guarantee signed by Aisha Ashad in the amount of 1.825,000.

5. Independent Legal Advice to be obtained for Aisha Ashad with respect to her personal guarantee being provided to the borrower.

6. Confirmation of liquid assets via Bank statements, this is to include money in transit, prior to draw (min. $1,200,000).

7. Corporate Guarantee of 1651033 Ontario Ltd.in the amount of $1.825,000 to be accompanied by enabling resolution.

8. General Security Agreement signed by 1651033 Ontario Ltd.

9. Corporate Guarantee of 1496765 Ontario Ltd. in the amount of $1.825,000 to be accompanied by enabling resolution.

10. General Security Agreement signed by 1496765 Ontario Ltd.

11. General Security Agreement signed by the borrower providing a first fixed charge over chattels and a floating charge over the project to be registered under the Personal Property Security Act.

12. Deficiency Agreement executed by the Borrower, the Guarantor(s).

13. Letter of Undertaking to provide volume sales for 2nd annual review of the facilities. If projected volumes not obtained, new appraisal to be provided. If property value decreased due to volume sales and/or revenue basis, Principal is to inject funds sufficient to cover difference in value.

14. Up to date AACI appraisal (from BMO approved appraiser) confirming commercial property to be pledged is valued at min. $2,800,000. To be provided prior to any advances.

15. Updated Appraisal report to be provided at the time of request for second draw of facility #1 confirming the site is ready to be opened for business.

16. Transmittal letter from appraiser allowing BMO to utilize the appraisal.

17. An up to date clean Environmental Phase II Assessment of the Properties pledged as collateral prepared by an Environmental Consultant approved by the Bank. (in-hand)

**18.** An updated Environmental Phase II to be provided prior to any draws to confirm no further issues (post-tank removal). **To be addressed to the Borrower.**

19. Letter of transmittal from ESA company regarding updated, post tank removal report.

20. Evidence that 2066864 Ontario Inc. or Mr. Sanjiv Gupta has sufficient funds to complete the construction. This can be done via HOLC statement or investment statements.



A.W A.B

21. Assignment of Insurance showing the Bank's interest as loss payee on the property as the interest may appear and including the Standard Mortgage Clause (business insurance to include environmental coverage of min. $1,000,000 per occurrence).

22. A Solicitor's favourable Letter of Opinion confirming the validity and enforceability of all of the Bank's security.

23. Copy of Head Lease and Dealer Sublease, to be reviewed by solicitor.

24. Copy of the cross lease/supply agreement between the borrower and Ultramar Corp if different from Dealer sublease.

25. Current Account Authorities to be in good order.

26. Executed copy of the Commitment Letter.

27. BMO Bank of Montreal Commercial Loan Life Insurance to be offered.

28. Fixed rate term loan agreement when and if option is selected.

29. BMO Creditor Life insurance to be offered to the principal in an amount of no less than $1,000,000. If declined, waiver to be provided.

30. Assignment of Keyman Life Insurance in the amount of $1,000,000 In the event that the principal declines the Bank's creditor life insurance.

31. Any other legal documentation reasonably considered necessary by the Bank

**CONFIDENTIALITY:** The Company agrees, that without the prior written consent of Bank, it shall not provide this Discussion Paper to parties other than its employees and professional advisors, nor shall the Company discuss the terms and structure of this offering with any other party that has been invited to propose an investment in the Company.

**ACCEPTANCE**

Proposed terms accepted this 13 day of June 2016.

**2496800 Ontario Inc.**

Per: _____

Per: _____



A.W A.A.

**Personal Guarantors;**

Mr. Mian Abdul Wadood

Ms. Aisha Ashad

BMO Financial Group

# Operating Loan Agreement with Availment in Canadian Dollars

To: Bank of Montreal

INITIAL

Date: ~~October~~ November 26 , 2016

The undersigned hereby requests Bank of Montreal (the "Bank") to provide a credit facility to the undersigned, subject to the following terms and conditions:

## 1. DEFINED TERMS

In this Agreement:

1.01 "Account" shall mean the Canadian Dollar Account No. 3858 1043 239 at the Bank.

1.02 "Facility Fee" shall mean a fixed monthly fee of $ 150.00.

1.03 "Loan" shall mean the credit facility (if any) provided pursuant to this Agreement and the amount of the Loan shall mean at any time the aggregate of all amounts debited to the Account (including without limitation cheques, transfers, withdrawals, interest, costs, charges and fees) less the aggregate of all amounts credited to the Account for which the Bank has given value.

1.04 "Loan Limit" shall mean SEVENTY FIVE THOUSAND---XX/100 Dollars ($ 75,000.00 ) or such lesser amount as may be determined by the Bank from time to time including, without limitation, pursuant to a calculation under the Lending Margin Calculation, if any, set out in the Addendum hereto.

1.05 "Loan Rate" shall mean a rate equal to the Bank's Prime Rate plus TWO AND ONE HALF per cent ( 2.50%) per annum.

1.06 "Prime Rate" shall mean the floating annual rate of interest established from time to time by the Bank as the reference rate it will use to determine the rate of interest payable to the Bank by borrowers from the Bank in Canadian dollars in Canada and designated by the Bank as its Prime Rate. The Prime Rate on the date hereof is Two point seven per cent (2.70%) per annum.

1.07 "Overdraft Rate" shall mean the annual rate of interest established from time to time by the Bank as the interest rate it will use to calculate the interest payable on overdrawn accounts and designated by the Bank as the "Overdraft Rate". The Overdraft Rate on the date hereof is Twenty one per cent (21.00%) per annum.

## 2. ACCOUNT

2.01 Cheques drawn and debits of other kinds made on the Account (including, without limitation, transfers and withdrawals) shall be drawn in Canadian dollars.

2.02 The undersigned shall not at any time permit the Loan to exceed the Loan Limit and shall use the Account for business purposes only.

2.03 The Bank is authorized to debit the Account for all fees and interest required hereunder and for all costs, charges and expenses referred to in paragraph 6.01 and in any other agreement(s) the undersigned has entered into with the Bank.

## 3. FEES AND INTEREST

3.01 The undersigned shall pay the Facility Fee to the Bank, on the last day of each month in addition to all other fees applicable to the Account. Notwithstanding paragraph 1.02, the amount of the Facility Fee may be revised by the Bank from time to time and the revised fee will be effective once the Bank advises the undersigned by notice as herein provided. The Facility Fee shall be payable for the credit facility provided hereunder and for other standard reporting services provided by the Bank in connection with the Account.

3.02 The undersigned shall, both before and after demand or judgment, pay interest at the Loan Rate on the daily closing balance of the Loan up to the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

3.03 The undersigned shall, both before and after demand or judgment, pay interest at the Overdraft Rate on the amount of any daily closing balance of the Loan in excess of the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

3.04 Nothing herein shall oblige the Bank to permit the Loan to exceed the Loan Limit. In the event the Loan exceeds the Loan Limit, (i) the Bank may at any time terminate the Loan hereunder and immediately demand payment of the Loan by notice as herein provided and (ii) for each occurrence the undersigned will be charged a fee of 1% per annum calculated on the amount of excess over the Loan Limit or $100, whichever is greater, and a $5 overdraft handling charge per item that creates or increases the excess.

## 4. DEMAND AND TERMINATION

4.01 The undersigned shall pay the Loan to the Bank ON DEMAND, regardless of any covenants, conditions, obligations or events of default set out herein including, without limitation, any provisions set out in the Addendum hereto. The Bank may at any time terminate the Loan provided hereunder and demand payment of the Loan by notice as herein provided.

4.02 THE BANK MAY REFUSE TO HONOUR ANY CHEQUE OR PERMIT ANY TRANSFER OR WITHDRAWAL FROM THE ACCOUNT UPON (A) ANY DEFAULT BY THE UNDERSIGNED IN THE PERFORMANCE OF ANY OBLIGATION OF THE UNDERSIGNED TO THE BANK WHETHER CONTAINED HEREIN OR IN ANY OTHER AGREEMENT BETWEEN THE UNDERSIGNED AND THE BANK, (B) THE DEATH OF ANY GUARANTOR OF ANY INDEBTEDNESS OF THE UNDERSIGNED OR RECEIPT BY THE BANK OF NOTICE OF TERMINATION OF ANY GUARANTEE OF ANY INDEBTEDNESS OF THE UNDERSIGNED, (C) THE LOAN EXCEEDING THE LOAN LIMIT, OR (D) ANY DEMAND BEING MADE FOR PAYMENT OF THE LOAN, WHETHER OR NOT ANY TIME PERIOD HAS LAPSED AFTER THE TIME OF THE DEMAND.

## 5. DOCUMENTATION

5.01 The undersigned shall deliver to the Bank from time to time, promptly on request, in form and substance satisfactory to the Bank:

(a) any security required by the Bank; and

(b) all other documents and information required by the Bank.

5.02 Any security document delivered hereunder shall be held as additional security for the indebtedness of the undersigned for the Loan, and not in substitution or in satisfaction thereof.

## 6. COSTS

6.01 The undersigned shall pay all reasonable costs, charges and expenses incurred by the Bank in the preparation or enforcement of this Agreement or any security required in connection with the Loan.

## 7. NOTICES

7.01 The Bank shall not be required to notify the undersigned of changes to the Prime Rate or the Overdraft Rate or in the Bank's calculations of the Lending Margin Calculation, if any.

7.02 Any request for any document or information, notice of termination, demand for payment or other notice to be sent in connection with this Agreement or either of the Accounts may be delivered, or mailed by prepaid ordinary mail or transmitted by facsimile if to the undersigned (or any one of them, if more than one) at the last known address or facsimile number for the undersigned (or any one of them, if more than one) in the Bank's records or if to the Bank at the Branch where the Account is maintained. The undersigned or the Bank, as applicable, shall be deemed to have received such request or notice on the date of delivery, if delivered, on the first business day following the date of transmission if transmitted by facsimile, and four (4) days after mailing, if mailed.

## 8. AMENDED AND RESTATED AGREEMENT

☒ ~~8.01 This Agreement hereby amends and restates the _____ (Insert name of agreement) Agreement dated the _____ day of _____, _____, as heretofore amended and supplemented from time to time (the "Existing Agreement"), between the undersigned and the Bank with effect as and from the date hereof (the "Effective Date"), the whole without any novation whatsoever.~~

INITIAL X A.W

☒ ~~8.02 The parties hereby expressly agree that as and from the Effective Date all of the undersigned's obligations, indebtedness and liabilities to the Bank under or pursuant to the Existing Agreement including, without limitation, the outstanding principal amount of the loan thereunder, all interest accrued thereon, all interest on overdue interest and all other amounts owing by the undersigned to the Bank under or pursuant to the Existing Agreement shall be governed by the terms hereof.~~

☒ ~~8.03 The undersigned hereby ratifies, confirms, acknowledges and agrees that it is and continues to be bound by all of the obligations, indebtedness and liabilities of and grants of security made by it under each of the security documents under, pursuant to or in connection with the Existing Agreement, including without limitation any agreement or instrument creating or granting a hypothec, security under the *Bank Act* (Canada), mortgage, pledge, fixed or floating charge, assignment by way of security or any other security interest securing payment or performance of an obligation under or pursuant to the Existing Agreement (herein, collectively, the "Security Documents") and each certificate or other document delivered pursuant to or in connection with the Existing Agreement or the Security Document (the Security Documents and such certificates or other documents are herein, collectively, the "Loan Documents"), and the undersigned acknowledges that the Bank is relying expressly upon the Loan Documents and such ratifications, confirmations, acknowledgements and agreements by the undersigned herein in entering into this Agreement and providing any accommodations hereunder, notwithstanding the amendment and restatement set forth herein.~~

☒ ~~8.04 As and from the Effective Date, all references to the Existing Agreement in any of the Loan Documents shall be construed as being a reference to the Existing Agreement as amended and restated by this Agreement.~~

☒ ~~8.05 This Article 8 is made under express reserve of all the terms and conditions of this Agreement and the Loan Documents and all rights in favour of the Bank hereunder and thereunder and without novation of any kind or derogation from the rank and priority of the Security Documents. Without derogating from or restricting in any way the Security Documents, all obligations under or pursuant to the Existing Agreement and hereunder shall continue to be secured by the Security Documents. All of the provisions of this Article 8 are without novation.~~

**9. GENERAL**

9.01 The provisions of the Addendum, if any, shall be incorporated into this Agreement and form part hereof.

9.02 The Bank's statements of the Account at any time shall constitute prima facie evidence of the Loan.

9.03 The undersigned will immediately notify the Bank if any guarantor of the indebtedness of the undersigned to the Bank dies.

9.04 This Agreement shall be binding upon the undersigned and the respective executors, administrators, successors and assigns of the undersigned, but the undersigned shall not assign any of the rights or obligations of the undersigned hereunder without the prior written consent of the Bank.

9.05 The failure of either the undersigned or the Bank to require performance by the other of any provision hereof shall in no way affect the right thereafter to enforce such provision; nor shall the waiver by either party of any breach of any covenant, condition or proviso of this Agreement or any other agreement between the Bank and the undersigned be taken or held to be a waiver of any further breach of the same covenant, condition or proviso.

9.06 Subject to Article 8 above (if applicable) this Agreement shall be in addition to and not in substitution for any other agreement between the undersigned and the Bank.

9.07 The undersigned agrees that the balance shown in any statement of the Account provided to the undersigned shall be deemed to be a correct and accurate statement of the Loan as at the date of the statement.

9.08 All payments relating to the Loan made by the undersigned pursuant to this Agreement shall be paid in Canadian dollars.

Any obligation of the undersigned under this Agreement to make payments in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into Canadian dollars except to the extent that such tender or recovery shall result in the effective receipt by the

Bank of the full equivalent amount of U.S. dollars so payable hereunder. Accordingly, the obligation of the undersigned shall be enforceable as an alternative or additional cause of action for the purpose of recovery in Canadian dollars of the amount (if any) by which such payment of a U.S. dollar obligation hereunder in a currency other than U.S. dollars shall fall short of the full amount of U.S. dollars so payable hereunder and shall not be affected by any judgment being obtained for any other sums due hereunder.

9.09 If any other provision of this Agreement would oblige the undersigned to pay or entitle the Bank to receive any amount that is prohibited by law, then, notwithstanding such provision, such amount shall be deemed to have been adjusted with retroactive effect to the maximum permitted amount by law. Notwithstanding the foregoing, if the Bank receives an amount in excess of the maximum permitted, then the undersigned shall be entitled, on providing written notice to the Bank, to obtain reimbursement of such excess. Pending reimbursement, such excess shall be deemed to be payable by the Bank. The Bank and the undersigned disavow any intent to receive or pay any amount in excess of that is permitted by law.

9.10 Time shall be of the essence of this Agreement.

9.11 If more than one party signs this Agreement, the obligations of the undersigned are joint and several.

9.12 It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

By executing this Agreement below the undersigned hereby agrees to the foregoing terms and conditions.

DATED as of the date set forth above.

2496800 ONTARIO INC.

Per:_____
Mian Abdul Wadood, President
I have authority to bind the Corporation

**ADDENDUM TO**
**OPERATING LOAN AGREEMENT**

Lending Margin Calculation and/or Additional Provisions

The Bank may in its discretion reduce the Loan Limit by the amount of any other indebtedness or liability of the undersigned (or any one of them, if more than one) to the Bank including, without limitation, the amount of any bankers acceptances or letters of credit.

Without limiting the foregoing, the following Lending Margin Calculation is applicable to the attached Loan Agreement. The calculation and the amount of the Lending Margin Calculation is in the sole and complete discretion of the Bank, and in cases of dispute, the Lending Margin Calculation calculated by the Bank shall prevail.

The Lending Margin Calculation (if applicable) shall be an amount equal to: N/A

BMO Bank of Montreal

# Fixed Rate Term Loan Agreement

This **LOAN AGREEMENT** is made as of the 21ST day of FEBRUARY, 2017, between BANK OF MONTREAL (the "Bank")

AND 2496800 ONTARIO INC. (the "Borrower")

For good and valuable consideration, the receipt and adequacy of which are acknowledged, the Bank establishes in favour of the Borrower a Fixed Rate Term Loan allowing the Borrower to borrow from the Bank the principal amount of $300,000.00, upon the following terms and conditions:

1. In this Agreement:

   (a) "Agreement" means this loan agreement, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time;

   (b) "Business Day" means any day that is not a Saturday, Sunday or other day on which the Bank is authorized or required by applicable law in the jurisdiction listed in Section 15 of this Agreement to remain closed;

   (c) "Change in Control" means the occurrence of one or more sales, transfers or other dispositions of the beneficial ownership of the Borrower existing on the date of this Agreement in the aggregate of:

      (i) shares, other securities or other equity interests issued by the Borrower which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Borrower; or

      (ii) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity;

   (d) "Controlling Entity" means any corporation or other entity which on the date of this Agreement beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Borrower which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Borrower;

   (e) "Fixed Rate" has the meaning set out in clause 3 of this Agreement;

   (f) "Loan" means the total principal amount advanced and outstanding at any time under this Agreement, together with accrued and unpaid interest thereon, if any;

   (g) "Maturity Date" means the 28th day of FEBRUARY, 2018; and

   (h) "Prime Rate" means, on any day, the annual rate of interest established by the Bank and in effect on such day as the reference rate it will use to determine the rate of interest charged on Canadian dollar loans to customers in Canada, and designated by the Bank as its "Prime Rate".

Delete 2. if (i) the Borrower is an individual, (ii) the loan is not secured by a real property mortgage and (iii) the loan amount is for $100,000 or less. Borrower to initial change.

2. Prepayment of the Loan in whole or in part is not permitted prior to the Maturity Date.

3. The Loan shall bear interest, from and including the date of this Agreement, at the rate of 3.65 % per annum, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance of the Loan (the "Fixed Rate").

Check either (a) or (b), as appropriate.

4.

☐ (a) **Principal Payment Plus Interest:**

(i) The Loan principal shall be repaid by installments as follows:
$ on the day of _____, 20 and thereafter $ on the _____ of each and every _____ period until the Maturity

Date, on which date the balance of the Loan then outstanding and all accrued and unpaid interest shall become due and payable.

(ii) Interest shall be paid at the Fixed Rate on the last day of each and every month from the date of this Agreement on the balance of the Loan from time to time remaining unpaid up to and after the Maturity Date.

☒ (b) **Blended Payments:** The Loan shall be repaid by installments comprising principal and interest at the Fixed Rate as follows:
$2,166.81 on the last day of MARCH, 2017 and thereafter $2,166.81 on the last day of each and every month until the Maturity Date, on which date the balance of the Loan then outstanding and all accrued and unpaid interest shall become due and payable.

(c) Any installments to be paid on a non-Business Day may, at the Bank's discretion, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon.

(d) Notwithstanding the foregoing and unless otherwise prohibited by law, if the Loan is not paid in full with interest on the Maturity Date, the Loan shall bear interest at a rate per annum equal to the sum of 3% plus the Bank's Prime Rate, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance, from the Maturity Date and both before and after demand and both before and after judgment until actual payment in full.

5. Fees:

(a) The Borrower agrees to pay on the day of _____, 20 , a booking fee of % of the principal amount of the Loan.

(b) The Borrower agrees to pay on the day of _____, 20 , an application fee in the amount of $ .

(c) At the request of the Borrower, the Fixed Rate may be fixed up to 45 days before the first advance. If requested, the Borrower shall pay on the day of _____, 20 , a refundable rate reservation fee of 1% of the principal amount of the Loan, which fee will be refunded to the Borrower on the day the Loan is advanced. In the event that the Loan is cancelled by the Borrower, such fee will not be refunded to the Borrower.

6. The Bank shall be under no obligation to make any advance until the Bank shall be satisfied that it has received:

(a) a duly executed copy of this Agreement;
(b) security for the amount of the Loan, duly registered and in form and substance satisfactory to the Bank and duly executed by the Borrower;
(c) payment in full of all fees and other amounts due and payable on or prior thereto; and
(d) any additional documents which the Bank may reasonably require.

7. The Borrower represents and warrants that:

(a) it has been duly incorporated, organized and is properly constituted, exists in good standing and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets or, if the Borrower is an individual, the Borrower has the requisite legal capacity to enter into and perform its obligations under this Agreement;

(b) the entering into of this Agreement and the incurring of liability and indebtedness by the

Borrower hereunder do not and will not contravene or breach,

(i) any law, regulation or judicial order applicable to the Borrower or (if applicable) the charter, by-laws or other organizational documents of the Borrower; or

(ii) any provision contained in any other loan or credit agreement, debenture, trust deed or other borrowing instrument or contract to which the Borrower is party;

(c) this Agreement, when duly executed and delivered by the Borrower to the Bank, will constitute a valid and binding obligation of the Borrower, enforceable in accordance with its terms;

(d) the Borrower's assets are legally and beneficially owned by the Borrower and, except as previously disclosed to the Bank in writing, all of the Borrower's assets pledged to secure the Loan are free and clear of all hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of third parties, whether perfected or otherwise, which are not in favour of the Bank; and

(e) all necessary authorizations, approvals, consents or other orders from any authority, governmental or otherwise, have been obtained with respect to the obtaining of the Loan and the execution and delivery of this Agreement.

8. The Borrower covenants that it:

(a) will deliver to the Bank:

(i) as soon as available and in any event within 90 days of the end of each fiscal year, copies of its financial statements (audited, where available) and, if applicable, the report of its auditor thereon; and

(ii) at any time and from time to time such other information as the Bank may reasonably request;

(b) unconditionally promises to pay to the Bank on the Maturity Date the then unpaid principal amount of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder;

(c) will insure against all risks relevant to its business operations for amounts commensurate thereto, and assign the policies to the Bank and assign, hypothecate or otherwise ensure all amounts payable thereunder are payable to the Bank, all as required by and satisfactory to the Bank;

(d) will furnish the Bank with additional security from time to time as the Bank may request;

(e) will limit capital expenditures to a maximum of $ in any fiscal year;

(f) authorizes the Bank to record, file or register, at the Borrower's expense, any registrations or filings, including without limitation any financing statements, that are necessary or desirable to protect, perfect and maintain the protection and perfection of any hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of the Bank, and to obtain evidence satisfactory to the Bank of the rank and priority of such hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights;

(g) will notify the Bank in writing immediately (i) upon receipt or notice of any law suits, claims, demands, governmental investigation or requirements to pay addressed to the Borrower or in which the Borrower is named as a party, and (ii) if any guarantor of all or any part of the Loan dies or terminates its guarantee;

(h) will use the proceeds of the Loan solely for the purpose of:

assist with purchase of the property located at 274 Bayfield Street, Goderich, Ontario N7A 3G6;

(i) will, to the extent not in conflict or inconsistent with the provisions of this Agreement, comply with all of the provisions, covenants and agreements contained in any term sheet,

commitment letter or similar document, as such document may be amended, supplemented, restated, replaced or otherwise modified from time to time, given by the Borrower to the Bank which relates to the Loan hereunder, and such provisions, covenants and agreements are incorporated herein as if restated in their entirety; and

(j) will not, without the prior written consent of the Bank:

(i) materially change the nature of its business from that now carried on;
(ii) create, incur, assume or permit to exist any hypothec, mortgage, claim, security interest, lien, charge or other encumbrance or right, whether perfected or otherwise, in favour of a third party ranking ahead of or equally with any security given to or agreed to be given to the Bank;
(iii) create, incur, assume or permit to exist any additional debt other than in the ordinary course of business;
(iv) sell, lease, license, transfer, assign or otherwise dispose of any assets except in the ordinary course of business; or
(v) change the ownership of the business.

9. If one or more of the following events shall occur:

(a) If:

(i) the Borrower fails to pay any amount owing to the Bank pursuant to this Agreement or any other document given to the Bank, including without limitation the Loan, on the date same becomes due;
(ii) the Borrower leases, licenses, transfers, assigns or otherwise disposes of any or all of the assets which the Bank holds as security for the Loan, other than in the ordinary course of business;
(iii) the Borrower shall be in default in respect of any obligation to pay money whether or not it is in respect of the Loan;
(iv) the Borrower shall fail to observe and comply with any term, condition or provision of this Agreement or in any other document given to the Bank, other than a default in the payment of money, and such default cannot be cured;
(v) the Borrower shall fail to observe and comply with any term, condition or provision of this Agreement or in any other document given to the Bank, other than a default in the payment of money, and such default can be cured and the Borrower shall fail to do so within 30 days after the earlier of the Borrower acquiring knowledge of such default or receiving written notice thereof from the Bank;
(vi) any of the Borrower's representations and warranties in this Agreement or in any other document given to the Bank shall prove to have been incorrect when made or deemed to be made;
(vii) the holder (including the Bank) of any claim, hypothec, mortgage, security interest, lien, charge or other encumbrance or right on any of the Borrower's assets and undertaking does anything to enforce or realize on such claim, hypothec, mortgage, security interest, lien, charge or other encumbrance or right;
(viii) the Bank determines that there has been a materially adverse change in the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower;
(ix) a guarantor of all or any part of the Loan dies or if a guarantee for the Loan terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of a guarantor;
(x) the Borrower is not an individual and a Change in Control occurs without the prior written consent of the Bank;
(xi) the Borrower is not an individual and the Borrower merges, consolidates or amalgamates with any other person or business; or

(b) If an application for a bankruptcy order, notice of intention to make a proposal or proposal is filed, application made or other proceeding instituted against or in respect of the Borrower, or assignment of all the property of the Borrower is made under the terms of the *Bankruptcy and Insolvency Act,* the *Companies' Creditors Arrangement Act,* the *Winding-Up and Restructuring Act,* any applicable corporations legislation or any other bankruptcy, insolvency or analogous laws, or if a receiver, receiver manager, custodian, trustee, liquidator, sequestrator or other similar official is appointed to take possession over any substantial portion of the assets of the Borrower, or if the Borrower permits any of its assets to be seized (including by way of execution, attachment, garnishment, levy or distraint) or if the Borrower makes an assignment for the benefit of its creditors or is adjudicated insolvent or bankrupt or applies to any tribunal for any receiver, receiver manager, custodian, trustee, liquidator, sequestrator or other similar official of or for the Borrower or the Borrower's assets, or any other proceeding is commenced in relation to any of the foregoing in respect of the Borrower,

then the Borrower shall be in default hereunder and the Bank may, at its option upon written notice to the Borrower, declare that the entire balance of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall immediately become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

10. (a) Any request, notice, or demand made or given in connection with this Agreement may be made or given by mail by prepaid post or by delivery to the party for which it is intended and addressed as follows:

BORROWER:
274 Bayfield Street, Goderich, Ontario N7A 3G6

BANK OF MONTREAL:
PM Group, 100 King Street West, Toronto, Ontario M5X 1A1

provided however that any party may change its address for purposes of receipt of such communication by giving 10 calendar days prior written notice of such change to the other party in the manner prescribed herein.

(b) Any such request, notice, or demand shall be conclusively deemed to have been received by the party to which it is addressed on the third Business Day following the day of such mailing, if mailed, or on the day of delivery, if delivered.

11. All out-of-pocket expenses incurred by the Bank, including reasonable legal costs and all applicable taxes, in the preparation, administration or enforcement of this Agreement or any security or other documentation required hereunder or in connection herewith shall be for the account of the Borrower.

12. The Borrower acknowledges that the actual recording of the amount of any advance or repayment under the Loan and interest, fees and other amounts due in connection with the Loan in the accounts of the Borrower maintained by the Bank, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under this Agreement; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with this Agreement shall not be affected by the failure of the Bank to make such recording.

13. The Bank may from time to time and at any time waive in whole or in part:

(a) the rights accruing to it by reason of any of the provisions of any clause of this Agreement; or

(b) any default under any clause in this Agreement which is to its benefit;

but any such waiver by the Bank of any such right or of any such default on any occasion shall be deemed not to be a waiver of the provisions of any such clause thereafter or of any other clause or of any subsequent default, as the case may be.

14. If the Borrower comprises more than one person, all covenants and liabilities entered into, by or imposed upon the Borrower shall be joint and several (solidary in the Province of Quebec). Each Borrower, if more than one, is responsible both individually and together with the other Borrower(s) for all obligations of the Borrower to the Bank pursuant to this Agreement.

15. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

16. This Agreement shall be binding upon and enure to the benefit of the parties hereto, their successors, heirs, liquidators, administrators and assigns, except that the Borrower may not assign any of its rights or obligations hereunder without the Bank's prior written consent.

17. Any clause or part thereof which may be null or unenforceable shall not invalidate, affect or impair the remaining provisions of this Agreement.

18. Any schedules attached to this Agreement are incorporated herein in their entirety and form an integral part of this Agreement.

This clause applies only in the Province of Quebec

19. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English.
*Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

IN WITNESS WHEREOF this Agreement has been executed by the Borrower and the Bank as of the date set forth above.

**BANK OF MONTREAL**

By: _____
Name:
Title: AFSHIN KYANI
Commercial Community Funds

**2496800 ONTARIO INC.**

**Per:**_____
**Mian Abdul Wadood, President**
**I have authority to bind the Corporation**

## SCHEDULE A

## ADDITIONAL TERMS AND CONDITIONS

Check 1. if Debt Service covenant is required. Borrower to initial.

☒ 1. The Borrower covenants that it will at all times maintain a debt service coverage ratio of not less than 1.25:1, and it will upon request by the Bank from time to time deliver to the Bank all such financial statements and records as are required by the Bank to determine the debt service coverage ratio; for the purpose of this Agreement, the term "debt service coverage ratio" at any date means the ratio of:

INITIAL X A-W

(i) the amount of the net revenue of the Borrower for the period from the commencement of the then current fiscal year to such date, plus the amounts of depreciation and amortization expense of the Borrower for such period, all as determined by the Bank from financial statements and records provided by the Borrower, to

(ii) the aggregate amount of all payments required to be made by the Borrower during such period on account of (i) principal and interest on any indebtedness of the Borrower for borrowed money (from the Bank or otherwise) and (ii) rents or other amounts payable on leases treated by the Borrower as capital leases for accounting purposes.

Check 2. if the Borrower is a municipality. Borrower to initial.

☐ 2. In the event that the Borrower is a municipality, the provisions of Section 8 of the Agreement shall be deleted in its entirety and replaced with the following:

"8. The Borrower covenants that it:

(a) will deliver to the Bank:
   (i) as soon as available and in any event within 90 days of the end of each fiscal year, copies of its financial statements (audited, where available) and, if applicable, the report of its auditor thereon; and
   (ii) at any time and from time to time such other information as the Bank may reasonably request;

(b) unconditionally promises to pay to the Bank on the Maturity Date the then unpaid principal amount of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder

(c) will insure against all risks relevant to its operations for amounts commensurate thereto and satisfactory to the Bank;

(d) will furnish the Bank with additional security from time to time as the Bank may deem fit at the request of the Bank;

(e) authorizes the Bank to record, file or register, at the Borrower's expense, any registrations or filings, including without limitation any financing statements, that are necessary or desirable to protect, perfect and maintain the protection and perfection of any hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of the Bank, and to obtain evidence satisfactory to the Bank of the rank and priority of such hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights;

(f) will use the proceeds of the Loan for the purpose of:

_____

_____

_____; and

(g) will, to the extent not in conflict or inconsistent with the provisions of this Agreement,

comply with all of the provisions, covenants and agreements contained in any term sheet, commitment letter or similar document, as such document may be amended, supplemented, restated, replaced or otherwise modified from time to time, given by the Borrower to the Bank which relates to the Loan hereunder, and such provisions, covenants and agreements are incorporated herein as if restated in their entirety."

# TAB J

This is Exhibit "J" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2496800 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND---XX/100** Dollars **($1,825,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)--** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of ~~October~~ November 26, 2016.

INITIAL A.A

**1496765 ONTARIO LTD.**

**Per:**_____
**Aisha Ashad, President**
**I have authority to bind the Corporation**

® Registered trade-marks of Bank of Montreal

# ENABLING RESOLUTION

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF 1496765 ONTARIO LTD. HELD AT THE HEAD OFFICE OF THE CORPORATION ON ~~OCTOBER~~ November 26, 2016

On motion duly made and seconded, it was unanimously resolved:

THAT the Company does hereby guarantee payment to the Bank of Montreal of all present and future debts and liabilities now or at any time and from time to time due or owing to said Bank by 2496800 Ontario Inc. up to the principal amount of $1,825,000.00 at any one time, the whole in the terms set out in Form No. LF 44 of the Bank of Montreal submitted to this meeting, and any director or officer of the Corporation is authorized and directed to sign and execute such form and deliver the same to Bank of Montreal.

I CERTIFY that the foregoing is a true copy of a Resolution passed at a Meeting of the Board of Directors of the said Company held as aforesaid.

AS WITNESS the Corporate Seal of the said Company, on ~~October~~ November 26, 2016.

INITIAL

Aisha Ashad, Secretary

T:\PEGGY\DATA\bano948\enabling 1496.doc

Bank of Montreal

**Ontario Personal Property Security Act Security Agreement**

## SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
274 Bayfield Street, Goderich, Ontario N7A 3G6
5462 Dundas Street West, Suite 1701, Toronto Ontario M9B 1B4

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 26th day of ~~October~~ November, 2016. (year)

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

1496765 ONTARIO LTD.

Per: _____
Aisha Ashad, President
I have authority to bind the Corporation

## CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

# CERTIFICATE

To be completed by Secretary or other authorized officer; insert

I am the Secretary of 1496765 ONTARIO LTD. and I hereby certify that:

Insert appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 26th day of ~~October, 2016,~~ (year) November, 2016

2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and

3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.

INITIAL X A.A.

To be signed by Secretary or other authorized officer; affix corporate seal

seal

Secretary
Aisha Ashad

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2496800 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND---XX/100** Dollars **($1,825,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of ~~October~~ November 26, 2016.

INITIAL AA

**1651033 ONTARIO LTD.**

**Per:**_____
**Aisha Ashad, President**
**I have authority to bind the Corporation**

® Registered trade-marks of Bank of Montreal

# ENABLING RESOLUTION

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF 1651033 ONTARIO LTD. HELD AT THE HEAD OFFICE OF THE CORPORATION ON ~~OCTOBER~~ November 26, 2016

On motion duly made and seconded, it was unanimously resolved:

THAT the Company does hereby guarantee payment to the Bank of Montreal of all present and future debts and liabilities now or at any time and from time to time due or owing to said Bank by 2496800 Ontario Inc. up to the principal amount of $1,825,000.00 at any one time, the whole in the terms set out in Form No. LF 44 of the Bank of Montreal submitted to this meeting, and any director or officer of the Corporation is authorized and directed to sign and execute such form and deliver the same to Bank of Montreal.

I CERTIFY that the foregoing is a true copy of a Resolution passed at a Meeting of the Board of Directors of the said Company held as aforesaid.

AS WITNESS the Corporate Seal of the said Company, on ~~October~~ November 26, 2016.

INITIAL AA

Aisha Ashad, Secretary

T:\PEGGY\DATA\bano948\enabling.doc

## SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
274 Bayfield Street, Goderich, Ontario N7A 3G6
5462 Dundas Street West, Suite 1701, Toronto Ontario M9B 1B4_

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 26 day of ~~October~~ November, 2016. (year)

INITIAL A.A

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

1651033 ONTARIO LTD.

Per: _____
Aisha Ashad, President
I have authority to bind the Corporation

## CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

# CERTIFICATE

To be completed by Secretary or other authorized officer; insert

I am the Secretary of 1651033 ONTARIO LTD. and I hereby certify that:

Insert appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 26th day of ~~October, 2016,~~ (year) November, 2016.

2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and

3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.

INITIAL X A.A.

To be signed by Secretary or other authorized officer; affix corporate seal

seal

Secretary
Aisha Ashad

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2496800 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND---XX/100** Dollars **($1,825,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)--** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

INITIAL A A

DATED as of ~~October~~ November 20th, 2016.

Witness Name AMON SHARMA

Name: AISHA ASHAD

® Registered trade-marks of Bank of Montreal

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 2496800 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION EIGHT HUNDRED TWENTY FIVE THOUSAND---XX/100** Dollars **($1,825,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)--** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of ~~October~~ November 26, 2016.

INITIAL X AW

Witness _____

Name UMESH KUMAR AHUJA

_____

Name: MIAN ABDUL WADOOD

® Registered trade-marks of Bank of Montreal

# TAB K

This is Exhibit "K" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

BMO Bank of Montreal

Dec 16, 2016
Date

$1,400,000.00

182

PM Group, 100 King St. W., Toronto ON M5X 1A1
Branch

On demand I promise to pay to the order of Bank of Montreal the sum of ONE MILLION FOUR HUNDRED THOUSAND---XX/100 Dollars and to pay interest monthly at a rate of 1.75% per cent per annum above the Bank of Montreal's prime interest rate per annum in effect from time to time, up to and after maturity, compounded monthly from the due date of such interest until actual payment at the above mentioned branch of the Bank of Montreal. At the date of this note such prime interest rate per annum is 2.70 per cent. Value received.

**FOR INTERNAL BANK USE ONLY**

| Credit Deposit Account No. | Loan Account No. | Initials |
|---|---|---|
| 3858 1043 239 | 3858 6994 | R |

340

2496800 ONTARIO INC.

Per: Mian Abdul Wadood, President
I have authority to bind the Corporation

Prod. 1057738 – Form 808 (4/99)

# TAB L

This is Exhibit "L" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

BMO Bank of Montreal

20-03-2018 $ 284,724.67
Date

3858 BMO Financial Grp Centre
Branch

On demand I promise to pay to the order of Bank of Montreal the sum of two hundered eighty four thousand seven hundered twenty four 67/100 Dollars and to pay interest monthly (insert: monthly, quarterly, semi annually or annually, as appropriate) at a rate of 1.75 per cent per annum above the Bank of Montreal's prime interest rate per annum in effect from time to time, up to and after maturity, compounded monthly from the due date of such interest until actual payment at the above mentioned branch of the Bank of Montreal. At the date of this note such prime interest rate per annum is 3.45 per cent. Value received.

Insert Company Name

Mian Abdul wadood OWNER
Insert Name and Title

Insert Name and Title

**FOR INTERNAL BANK USE ONLY**

| Credit Deposit Account No. | Loan Account No. | Initials |
|---|---|---|
| 3858-1043-239 | 3858-6989-5,28 | |

Prod. 1057738 - Form. 808 (02/05) 02/02/2018 1:49 pm

~~USD 70000~~
~~CAD~~ 96800 cnt

GODERICH

# TAB M

This is Exhibit "M" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

Bank of Montreal

**Ontario Personal Property Security Act Security Agreement**

## SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
274 Bayfield Street, Goderich, Ontario N7A 3G6

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 26th day of ~~October~~ November, 2016.(year)

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

INITIAL

2496800 ONTARIO INC.

Per:_____
Mian Abdul Wadood, President
I have authority to bind the Corporation

## CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

# CERTIFICATE

To be completed by Secretary or other authorized officer; insert

I am the Secretary of 2496800 Ontario Inc. and I hereby certify that:

Insert appropriate date

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 26 day of ~~October~~ November, 2016;(year)

2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and

3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.

INITIAL X A.W

To be signed by Secretary or other authorized officer; affix corporate seal

seal

Secretary
Mian Adbul Wadood

# TAB N

This is Exhibit "N" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

## Properties

| | | | |
|---|---|---|---|
| *PIN* | 41142 - 0029 LT | *Interest/Estate* | Fee Simple |
| *Description* | PT LT 8 CON C GODERICH AS IN R238350; TOWN OF GODERICH | | |
| *Address* | 274 BAYFIELD ROAD<br>GODERICH | | |

## Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

| | |
|---|---|
| *Name* | 2496800 ONTARIO INC. |
| *Address for Service* | 274 Bayfield Road<br>Goderich, Ontario<br>N7A 3G6 |

I, Mian Abdul Wadood, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

## Chargee(s) *Capacity* *Share*

| | |
|---|---|
| *Name* | BANK OF MONTREAL |
| *Address for Service* | 100 King Street West<br>Toronto, Ontario<br>M5X 1A1 |

## Statements

Schedule: See Schedules

## Provisions

| | | | |
|---|---|---|---|
| *Principal* | $1,825,000.00 | *Currency* | CDN |
| *Calculation Period* | Monthly, not in advance | | |
| *Balance Due Date* | On demand | | |
| *Interest Rate* | Mortgagee's Prime Rate +5% per annum | | |
| *Payments* | | | |
| *Interest Adjustment Date* | | | |
| *Payment Date* | On demand | | |
| *First Payment Date* | | | |
| *Last Payment Date* | | | |
| *Standard Charge Terms* | 201607 | | |
| *Insurance Amount* | full insurable value | | |
| *Guarantor* | | | |

## Signed By

| | | | | |
|---|---|---|---|---|
| Andrea Margaret Remnant | 201 County Court Blvd. Ste. 200<br>Brampton<br>L6W 4L2 | acting for<br>Chargor(s) | Signed | 2016 12 19 |

Tel 905-457-1660
Fax 905-457-5641
I have the authority to sign and register the document on behalf of the Chargor(s).

## Submitted By

| | | |
|---|---|---|
| SIMMONS, DA SILVA LLP | 201 County Court Blvd. Ste. 200<br>Brampton<br>L6W 4L2 | 2016 12 19 |

Tel 905-457-1660
Fax 905-457-5641

## *Fees/Taxes/Payment*

| | |
|---|---|
| *Statutory Registration Fee* | $63.35 |
| *Total Paid* | $63.35 |

## *File Number*

*Chargee Client File Number :* BANO948

**Restriction of Secondary Financing Clause:**
Notwithstanding any other provision hereof, the Chargor shall not obtain or register any secondary mortgage financing against the Lands described herein without the Chargee's written consent and in default thereof the Chargee may at its option immediately declare the balance of all principal and interest to become immediately due and payable and all remedies of the Chargee shall immediately become fully enforceable.

**Acceleration Clause/Debt Service Coverage :**
In the event the Chargor does not maintain a Debt Service Coverage ratio of not less than 1.25:1 the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

**Provision of Financial Information Clause:**
The Chargor shall provide to the Chargee financial information, including financial statements, on an annual basis or as reasonably requested by the Chargee in accordance with the commitment letter/paper.

In the event the Chargor does not comply with this Financial Information Clause, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

**Receiver /Manager Clause:**
In the event the real property produces rental income and such rental income is paid to the Chargor or paid to any other party pursuant to the direction of the Chargor, the Chargor hereby as further security, assigns and pledges all such rental income to the Chargee, such pledge to become operative upon any default being made by the Chargor under any term of the within Charge and to remain in full force and effect as long as such default continues. The Chargor further authorizes the Chargee after default to enter upon the mortgaged premises and to collect in the name of the Chargor or in its own name as assignee, the rents accrued but unpaid and in arrears as of the date of default, as well as all rents accruing and becoming payable thereafter, until such default is remedied. The Chargor agrees to execute written notice to each tenant directing the tenant to pay rent to the Chargee and the Chargor further agrees to pay 10% of the gross amount of all rentals due or accruing, to the Chargee as a collection fee for such period of time when the Chargee is collecting rents or is entitled to collect rents. The Chargor further authorizes the Chargee during default, at its option and at the expense and risk of the Chargor, to enter into the full management of the property with the right to manage the property in the same manner as an owner of the property, and the Chargor hereby releases all claims against the Chargee arising out of such management, except the liability of the Chargee to account for all funds received. It is not the intention of the parties that if the Chargee manages the property as aforesaid, the Chargee shall be a "mortgagee in possession", except if the Chargee so elects in writing. In addition to the collection fee for the collection of rentals as aforesaid, the Chargee shall also be entitled to all other out-of-pocket costs and compensation for its own time of any employees expended for the management of the property in the event the Chargee enters into the management of the property

**Acceleration Clause/Due on Sale Clause or Change in Ownership :**
In the event the Chargor sells, conveys, transfers or enters into an agreement for sale or transfer of the title of the mortgaged property to a purchaser or transferee or there is a change in corporate or beneficial ownership of the Chargor not approved in writing by the Bank, which approval will not be unreasonably withheld, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

INITIAL

# TAB O

This is Exhibit "O" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 8 CON C GODERICH AS IN R238350; TOWN OF GODERICH

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2000/07/24

OWNERS' NAMES
2496800 ONTARIO INC.

CAPACITY SHARE

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| **EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 2000/07/24 ON THIS PIN** | | | | | | |
| **WAS REPLACED WITH THE "PIN CREATION DATE" OF 2000/07/24** | | | | | | |
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/07/21 ** | | | | | | |
| **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: | | | | | | |
| ** | SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * | | | | | |
| ** | AND ESCHEATS OR FORFEITURE TO THE CROWN. | | | | | |
| ** | THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF | | | | | |
| ** | IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY | | | | | |
| ** | CONVENTION. | | | | | |
| ** | ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. | | | | | |
| **DATE OF CONVERSION TO LAND TITLES: 2000/07/24 ** | | | | | | |
| R44303 | 1960/11/17 | BYLAW | | | | C |
| R51532 | 1962/03/23 | LEASE | | *** COMPLETELY DELETED *** | CANADIAN PETROFINA LIMITED | |
| R238350 | 1987/11/02 | TRANSFER | | *** COMPLETELY DELETED *** | INDY'S FUELS INC. | |
| R238351 | 1987/11/02 | CHARGE | | *** COMPLETELY DELETED *** | THE TORONTO-DOMINION BANK | |
| R240616 | 1988/03/04 | AGREEMENT | | | TOWN OF GODERICH | C |
| R240963 | 1988/03/25 | NOTICE OF LEASE | | *** COMPLETELY DELETED *** | PETRO-CANADA INC. | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| R240964 | 1988/03/25 | CHARGE | | *** COMPLETELY DELETED *** | PETRO-CANADA INC. | |
| LT8231 | 2001/05/25 | APL (GENERAL) | | *** COMPLETELY DELETED ***<br>INDY'S FUELS INC. | | |
| | *REMARKS: R51532* | | | | | |
| LT8232 | 2001/05/25 | APL (GENERAL) | | *** COMPLETELY DELETED ***<br>INDY'S FUELS INC. | | |
| | *REMARKS: R240963* | | | | | |
| LT8233 | 2001/05/25 | TRANSFER | | *** COMPLETELY DELETED ***<br>INDY'S FUELS INC. | BRADSHAW FUELS LTD. | |
| LT8234 | 2001/05/25 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>PETRO-CANADA | | |
| | *REMARKS: RE: R240964* | | | | | |
| LT8235 | 2001/05/25 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>THE TORONTO-DOMINION BANK | | |
| | *REMARKS: RE: R238351* | | | | | |
| HC7134 | 2003/12/02 | TRANSFER | | *** COMPLETELY DELETED ***<br>BRADSHAW FUELS LTD. | LEE, HEEKYUNG<br>LEE, INKI | |
| | *REMARKS: PLANNING ACT STATEMENTS* | | | | | |
| HC7135 | 2003/12/02 | CHARGE | | *** COMPLETELY DELETED ***<br>LEE, HEEKYUNG<br>LEE, INKI | KOREA EXCHANGE BANK OF CANADA | |
| HC7136 | 2003/12/02 | CHARGE | | *** COMPLETELY DELETED ***<br>LEE, HEEKYUNG<br>LEE, INKI | BRADSHAW FUELS LTD. | |
| HC7140 | 2003/12/02 | NO ASSGN RENT GEN | | *** COMPLETELY DELETED ***<br>LEE, HEEKYUNG<br>LEE, INKI | KOREA EXCHANGE BANK OF CANADA | |
| | *REMARKS: HC7135* | | | | | |
| HC112365 | 2015/12/10 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>BRADSHAW FUELS LTD. | | |
| | *REMARKS: HC7136.* | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| HC112481 | 2015/12/16 | TRANSFER | | *** COMPLETELY DELETED ***<br>LEE, HEEKYUNG<br>LEE, INKI | 2251481 ONTARIO INC. | |
| HC112482 | 2015/12/16 | CHARGE | | *** COMPLETELY DELETED ***<br>2251481 ONTARIO INC. | MIJAR LIMITED | |
| HC112483 | 2015/12/16 | NO ASSGN RENT GEN | | *** COMPLETELY DELETED ***<br>2251481 ONTARIO INC. | MIJAR LIMITED | |
| *REMARKS: HC112482* | | | | | | |
| HC112486 | 2015/12/16 | CHARGE | | *** COMPLETELY DELETED ***<br>2251481 ONTARIO INC. | 2398804 ONTARIO INC. | |
| HC113733 | 2016/02/22 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>KOREA EXCHANGE BANK OF CANADA | | |
| *REMARKS: HC7135.* | | | | | | |
| HC114870 | 2016/04/18 | TRANSFER | | *** COMPLETELY DELETED ***<br>2251481 ONTARIO INC. | 2414660 ONTARIO LIMITED | |
| *REMARKS: PLANNING ACT STATEMENTS.* | | | | | | |
| HC118977 | 2016/10/11 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>2398804 ONTARIO INC. | | |
| *REMARKS: HC112486.* | | | | | | |
| HC119120 | 2016/10/17 | TRANSFER | | *** COMPLETELY DELETED ***<br>2414660 ONTARIO LIMITED | 2066864 ONTARIO INC. | |
| *REMARKS: PLANNING ACT STATEMENTS.* | | | | | | |
| HC119122 | 2016/10/17 | CHARGE | | *** COMPLETELY DELETED ***<br>2066864 ONTARIO INC. | 2414660 ONTARIO LIMITED | |
| HC119843 | 2016/11/16 | NOTICE OF LEASE | | CST CANADA CO. | | C |
| HC120625 | 2016/12/19 | TRANSFER | $3,000,000 | 2066864 ONTARIO INC. | 2496800 ONTARIO INC. | C |
| HC120626 | 2016/12/19 | CHARGE | $1,825,000 | 2496800 ONTARIO INC. | BANK OF MONTREAL | C |
| HC120627 | 2016/12/19 | NO ASSGN RENT GEN | | 2496800 ONTARIO INC. | BANK OF MONTREAL | C |
| *REMARKS: HC120626* | | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

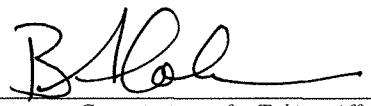
* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| HC120628 | 2016/12/19 | CHARGE | | *** COMPLETELY DELETED ***<br>2496800 ONTARIO INC. | 2066864 ONTARIO INC. | |
| HC120629 | 2016/12/19 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>MIJAR LIMITED | | |
| | *REMARKS: HC112482.* | | | | | |
| HC120630 | 2016/12/19 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>2414660 ONTARIO LIMITED | | |
| | *REMARKS: HC119122.* | | | | | |
| HC120631 | 2016/12/19 | POSTPONEMENT | | CST CANADA CO. | BANK OF MONTREAL | C |
| | *REMARKS: HC119843 POST TO HC120626* | | | | | |
| HC121775 | 2017/02/21 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>2066864 ONTARIO INC. | | |
| | *REMARKS: HC120628.* | | | | | |
| HC126905 | 2017/09/27 | APL CH NAME INST | | CST CANADA CO. | CST CANADA INC. | C |
| | *REMARKS: HC119843.* | | | | | |
| HC126906 | 2017/09/27 | APL CH NAME INST | | CST CANADA INC. | COUCHE-TARD INC. | C |
| | *REMARKS: HC119843.* | | | | | |
| HC126946 | 2017/09/28 | NO ASSG LESSEE INT | | COUCHE-TARD INC. | PARKLAND FUEL CORPDRATION | C |
| | *REMARKS: HC119843.* | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# TAB P

This is Exhibit "P" referred to in the Affidavit of Jason Locke sworn July 30, 2018



*Commissioner for Taking Affidavits (or as may be)*

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 7/25/2018
File Currency Date: 07/24/2018
Family(ies): 2
Page(s): 2

SEARCH : Business Debtor : 2496800 ONTARIO INC.

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

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 7/25/2018
File Currency Date: 07/24/2018
Family(ies): 2
Page(s): 2

SEARCH : Business Debtor : 2496800 ONTARIO INC.

```
FAMILY :   1 OF   2                                    ENQUIRY PAGE :   1 OF   2
SEARCH  : BD  : 2496800 ONTARIO INC.

00 FILE NUMBER : 721130283   EXPIRY DATE : 30SEP 2021 STATUS :
01 CAUTION FILING :          PAGE : 001 OF 1          MV SCHEDULE ATTACHED :
   REG NUM : 20160930 1335 1590 7908 REG TYP: P  PPSA    REG PERIOD: 5
02 IND DOB :            IND NAME:
03 BUS NAME: 2496800 ONTARIO INC.
                                                                OCN :
04 ADDRESS : 274 BAYFIELD STREET
   CITY    : GODERICH                PROV: ON    POSTAL CODE: N7A 3G6
05 IND DOB :            IND NAME:
06 BUS NAME:
                                                                OCN :
07 ADDRESS :
   CITY    :                         PROV:       POSTAL CODE:


08 SECURED PARTY/LIEN CLAIMANT :
        BANK OF MONTREAL
09 ADDRESS : 100 KING STREET WEST, B-1 LEVEL
   CITY    : TORONTO                 PROV: ON    POSTAL CODE: M5X 1A1
  CONS.                               MV                  DATE OF  OR NO FIXED
  GOODS INVTRY. EQUIP  ACCTS  OTHER  INCL     AMOUNT       MATURITY    MAT DATE
10        X      X      X      X      X
   YEAR MAKE                      MODEL               V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SIMMONS DA SILVA LLP
17 ADDRESS : 200-201 COUNTY COURT BLVD.
   CITY    : BRAMPTON                PROV: ON     POSTAL CODE: L6W 4L2
```

FAMILY : 2 OF 2 ENQUIRY PAGE : 2 OF 2
SEARCH : BD : 2496800 ONTARIO INC.

00 FILE NUMBER : 721130301 EXPIRY DATE : 30SEP 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20160930 1335 1590 7909 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 2496800 ONTARIO INC.
OCN :
04 ADDRESS : 274 BAYFIELD STREET
CITY : GODERICH PROV: ON POSTAL CODE: N7A 3G6
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
BANK OF MONTREAL
09 ADDRESS : 100 KING STREET WEST, B-1 LEVEL
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A1

| | CONS. GOODS | INVTRY. | EQUIP | ACCTS | OTHER | MV INCL | AMOUNT | DATE OF MATURITY | OR NO FIXED MAT DATE |
|---|---|---|---|---|---|---|---|---|---|
| 10 | | | | X | X | | | | |

YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SIMMONS DA SILVA LLP
17 ADDRESS : 200-201 COUNTY COURT BLVD.
CITY : BRAMPTON PROV: ON POSTAL CODE: L6W 4L2

# TAB Q

This is Exhibit "Q" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

Request ID: 021927094
Transaction ID: 68805474
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/07/25
Time Report Produced: 08:18:51
Page: 1

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name | Amalgamation Date |
|---|---|---|
| 1527020 | 1527020 ONTARIO INC. | 2002/08/01 |
| | | **Jurisdiction** |
| | | ONTARIO |
| **Corporation Type** | **Corporation Status** | **Former Jurisdiction** |
| ONTARIO BUSINESS CORP. | ACTIVE | NOT APPLICABLE |

**Registered Office Address**

RAUF KHAN
1750 BLOOR ST

**Suite #** 915
MISSISSAUGA
ONTARIO
CANADA L4X 1S9

**Mailing Address**

RAUF KHAN
1750 BLOOR ST

**Suite #** 915
MISSISSAUGA
ONTARIO
CANADA L4X 1S9

| Date Amalgamated | Amalgamation Ind. |
|---|---|
| NOT APPLICABLE | A |
| **New Amal. Number** | **Notice Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| | **Letter Date** |
| | NOT APPLICABLE |
| **Revival Date** | **Continuation Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| **Transferred Out Date** | **Cancel/Inactive Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| **EP Licence Eff.Date** | **EP Licence Term.Date** |
| NOT APPLICABLE | NOT APPLICABLE |

| Number of Directors Minimum | Number of Directors Maximum | Date Commenced in Ontario | Date Ceased in Ontario |
|---|---|---|---|
| 00001 | 00003 | NOT APPLICABLE | NOT APPLICABLE |

**Activity Classification**

NOT AVAILABLE

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 1527020 | 1527020 ONTARIO INC. |

| Corporate Name History | Effective Date |
|---|---|
| 1527020 ONTARIO INC. | 2008/05/08 |
| YOUNG BROS. GARAGE LIMITED | 2002/08/01 |

| | |
|---|---|
| **Current Business Name(s) Exist:** | NO |
| **Expired Business Name(s) Exist:** | YES - SEARCH REQUIRED FOR DETAILS |

**Amalgamating Corporations**

| Corporation Name | Corporate Number |
|---|---|
| 1515477 ONTARIO INC. | 1515477 |
| YOUNG BROS. GARAGE LIMITED | 207939 |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 1527020 | 1527020 ONTARIO INC. |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| AISHA<br>ASHAD | 1615 BLOOR STREET<br>**Suite #** 701<br>MISSISSAUGA<br>ONTARIO<br>CANADA L4X 1S2 |

| Date Began | First Director | |
|---|---|---|
| 2010/01/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| OFFICER | SECRETARY | |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| RAUF<br>KHAN | 1750 BLOOR ST<br>**Suite #** 915<br>MISSISSAUGA<br>ONTARIO<br>CANADA L4X 1S9 |

| Date Began | First Director | |
|---|---|---|
| 2015/01/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| DIRECTOR | | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 1527020 | 1527020 ONTARIO INC. |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| RAUF<br>KHAN | 1750 BLOOR ST<br>**Suite #** 915<br>MISSISSAUGA<br>ONTARIO<br>CANADA L4X 1S9 |

| Date Began | First Director | |
|---|---|---|
| 2015/01/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| OFFICER | PRESIDENT | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 1527020 | 1527020 ONTARIO INC. |

**Last Document Recorded**

| Act/Code | Description | Form | Date |
|---|---|---|---|
| CIA | CHANGE NOTICE | 1 | 2016/01/20 (ELECTRONIC FILING) |

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

# TAB R

This is Exhibit "R" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

BMO Bank of Montreal

# Fixed Rate Term Loan Agreement

FEB 13, 2017 R.K

This **LOAN AGREEMENT** is made as of the day of ~~October, 2016,~~ between BANK OF MONTREAL (the "Bank")

AND 1527020 ONTARIO INC. (the "Borrower")

For good and valuable consideration, the receipt and adequacy of which are acknowledged, the Bank establishes in favour of the Borrower a Fixed Rate Term Loan allowing the Borrower to borrow from the Bank the principal amount of $1,525,000.00, upon the following terms and conditions:

1. In this Agreement:

   (a) "Agreement" means this loan agreement, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time;

   (b) "Business Day" means any day that is not a Saturday, Sunday or other day on which the Bank is authorized or required by applicable law in the jurisdiction listed in Section 15 of this Agreement to remain closed;

   (c) "Change in Control" means the occurrence of one or more sales, transfers or other dispositions of the beneficial ownership of the Borrower existing on the date of this Agreement in the aggregate of:

      (i) shares, other securities or other equity interests issued by the Borrower which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Borrower; or

      (ii) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity;

   (d) "Controlling Entity" means any corporation or other entity which on the date of this Agreement beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Borrower which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Borrower;

   (e) "Fixed Rate" has the meaning set out in clause 3 of this Agreement;

   (f) "Loan" means the total principal amount advanced and outstanding at any time under this Agreement, together with accrued and unpaid interest thereon, if any;

   (g) "Maturity Date" means the day of _____, 20 ; and

   (h) "Prime Rate" means, on any day, the annual rate of interest established by the Bank and in effect on such day as the reference rate it will use to determine the rate of interest charged on Canadian dollar loans to customers in Canada, and designated by the Bank as its "Prime Rate".

Delete 2 if (i) the Borrower is an individual, (ii) the loan is not secured by a real property mortgage and (iii) the loan amount is for $100,000 or less. Borrower to initial change

2. Prepayment of the Loan in whole or in part is not permitted prior to the Maturity Date.

3. The Loan shall bear interest, from and including the date of this Agreement, at the rate of % per annum, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance of the Loan (the "Fixed Rate").

Check either (a) or (b), as appropriate

4.

☐ (a) **Principal Payment Plus Interest:**

(i) The Loan principal shall be repaid by installments as follows:
$ on the day of _____, 20 and thereafter $ on the _____ of each and every _____ period until the Maturity

Date, on which date the balance of the Loan then outstanding and all accrued and unpaid interest shall become due and payable.

(ii) Interest shall be paid at the Fixed Rate on the last day of each and every month from the date of this Agreement on the balance of the Loan from time to time remaining unpaid up to and after the Maturity Date.

☒ (b) **Blended Payments:** The Loan shall be repaid by installments comprising principal and interest at the Fixed Rate as follows:
$ on the last day of _____, 2016 and thereafter $ on the last day of each and every month until the Maturity Date, on which date the balance of the Loan then outstanding and all accrued and unpaid interest shall become due and payable.

(c) Any installments to be paid on a non-Business Day may, at the Bank's discretion, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon.

(d) Notwithstanding the foregoing and unless otherwise prohibited by law, if the Loan is not paid in full with interest on the Maturity Date, the Loan shall bear interest at a rate per annum equal to the sum of 3% plus the Bank's Prime Rate, determined and accrued daily and compounded monthly, not in advance, on the outstanding balance, from the Maturity Date and both before and after demand and both before and after judgment until actual payment in full.

5. Fees:

(a) The Borrower agrees to pay on the day of _____, 20 , a booking fee of % of the principal amount of the Loan.

(b) The Borrower agrees to pay on the day of _____, 20 , an application fee in the amount of $ .

(c) At the request of the Borrower, the Fixed Rate may be fixed up to 45 days before the first advance. If requested, the Borrower shall pay on the day of _____, 20 , a refundable rate reservation fee of 1% of the principal amount of the Loan, which fee will be refunded to the Borrower on the day the Loan is advanced. In the event that the Loan is cancelled by the Borrower, such fee will not be refunded to the Borrower.

6. The Bank shall be under no obligation to make any advance until the Bank shall be satisfied that it has received:

(a) a duly executed copy of this Agreement;
(b) security for the amount of the Loan, duly registered and in form and substance satisfactory to the Bank and duly executed by the Borrower;
(c) payment in full of all fees and other amounts due and payable on or prior thereto; and
(d) any additional documents which the Bank may reasonably require.

7. The Borrower represents and warrants that:

(a) it has been duly incorporated, organized and is properly constituted, exists in good standing and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets or, if the Borrower is an individual, the Borrower has the requisite legal capacity to enter into and perform its obligations under this Agreement;

(b) the entering into of this Agreement and the incurring of liability and indebtedness by the

Borrower hereunder do not and will not contravene or breach,

(i) any law, regulation or judicial order applicable to the Borrower or (if applicable) the charter, by-laws or other organizational documents of the Borrower; or

(ii) any provision contained in any other loan or credit agreement, debenture, trust deed or other borrowing instrument or contract to which the Borrower is party;

(c) this Agreement, when duly executed and delivered by the Borrower to the Bank, will constitute a valid and binding obligation of the Borrower, enforceable in accordance with its terms;

(d) the Borrower's assets are legally and beneficially owned by the Borrower and, except as previously disclosed to the Bank in writing, all of the Borrower's assets pledged to secure the Loan are free and clear of all hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of third parties, whether perfected or otherwise, which are not in favour of the Bank; and

(e) all necessary authorizations, approvals, consents or other orders from any authority, governmental or otherwise, have been obtained with respect to the obtaining of the Loan and the execution and delivery of this Agreement.

8. The Borrower covenants that it:

(a) will deliver to the Bank:

(i) as soon as available and in any event within 90 days of the end of each fiscal year, copies of its financial statements (audited, where available) and, if applicable, the report of its auditor thereon; and

(ii) at any time and from time to time such other information as the Bank may reasonably request;

(b) unconditionally promises to pay to the Bank on the Maturity Date the then unpaid principal amount of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder;

(c) will insure against all risks relevant to its business operations for amounts commensurate thereto, and assign the policies to the Bank and assign, hypothecate or otherwise ensure all amounts payable thereunder are payable to the Bank, all as required by and satisfactory to the Bank;

(d) will furnish the Bank with additional security from time to time as the Bank may request;

(e) will limit capital expenditures to a maximum of $ in any fiscal year;

(f) authorizes the Bank to record, file or register, at the Borrower's expense, any registrations or filings, including without limitation any financing statements, that are necessary or desirable to protect, perfect and maintain the protection and perfection of any hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of the Bank, and to obtain evidence satisfactory to the Bank of the rank and priority of such hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights;

(g) will notify the Bank in writing immediately (i) upon receipt or notice of any law suits, claims, demands, governmental investigation or requirements to pay addressed to the Borrower or in which the Borrower is named as a party, and (ii) if any guarantor of all or any part of the Loan dies or terminates its guarantee;

(h) will use the proceeds of the Loan solely for the purpose of:

assist with the refinancing of a commercial propeprty located at 633 Main St. W., Port Colborne, ON;

(i) will, to the extent not in conflict or inconsistent with the provisions of this Agreement, comply with all of the provisions, covenants and agreements contained in any term sheet,

commitment letter or similar document, as such document may be amended, supplemented, restated, replaced or otherwise modified from time to time, given by the Borrower to the Bank which relates to the Loan hereunder, and such provisions, covenants and agreements are incorporated herein as if restated in their entirety; and

(j) will not, without the prior written consent of the Bank:

(i) materially change the nature of its business from that now carried on;
(ii) create, incur, assume or permit to exist any hypothec, mortgage, claim, security interest, lien, charge or other encumbrance or right, whether perfected or otherwise, in favour of a third party ranking ahead of or equally with any security given to or agreed to be given to the Bank;
(iii) create, incur, assume or permit to exist any additional debt other than in the ordinary course of business;
(iv) sell, lease, license, transfer, assign or otherwise dispose of any assets except in the ordinary course of business; or
(v) change the ownership of the business.

9. If one or more of the following events shall occur:

(a) If:

(i) the Borrower fails to pay any amount owing to the Bank pursuant to this Agreement or any other document given to the Bank, including without limitation the Loan, on the date same becomes due;
(ii) the Borrower leases, licenses, transfers, assigns or otherwise disposes of any or all of the assets which the Bank holds as security for the Loan, other than in the ordinary course of business;
(iii) the Borrower shall be in default in respect of any obligation to pay money whether or not it is in respect of the Loan;
(iv) the Borrower shall fail to observe and comply with any term, condition or provision of this Agreement or in any other document given to the Bank, other than a default in the payment of money, and such default cannot be cured;
(v) the Borrower shall fail to observe and comply with any term, condition or provision of this Agreement or in any other document given to the Bank, other than a default in the payment of money, and such default can be cured and the Borrower shall fail to do so within 30 days after the earlier of the Borrower acquiring knowledge of such default or receiving written notice thereof from the Bank;
(vi) any of the Borrower's representations and warranties in this Agreement or in any other document given to the Bank shall prove to have been incorrect when made or deemed to be made;
(vii) the holder (including the Bank) of any claim, hypothec, mortgage, security interest, lien, charge or other encumbrance or right on any of the Borrower's assets and undertaking does anything to enforce or realize on such claim, hypothec, mortgage, security interest, lien, charge or other encumbrance or right;
(viii) the Bank determines that there has been a materially adverse change in the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower;
(ix) a guarantor of all or any part of the Loan dies or if a guarantee for the Loan terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of a guarantor;
(x) the Borrower is not an individual and a Change in Control occurs without the prior written consent of the Bank;
(xi) the Borrower is not an individual and the Borrower merges, consolidates or amalgamates with any other person or business; or

(b) If an application for a bankruptcy order, notice of intention to make a proposal or proposal is filed, application made or other proceeding instituted against or in respect of the Borrower, or assignment of all the property of the Borrower is made under the terms of the *Bankruptcy and Insolvency Act,* the *Companies' Creditors Arrangement Act,* the *Winding-Up and Restructuring Act,* any applicable corporations legislation or any other bankruptcy, insolvency or analogous laws, or if a receiver, receiver manager, custodian, trustee, liquidator, sequestrator or other similar official is appointed to take possession over any substantial portion of the assets of the Borrower, or if the Borrower permits any of its assets to be seized (including by way of execution, attachment, garnishment, levy or distraint) or if the Borrower makes an assignment for the benefit of its creditors or is adjudicated insolvent or bankrupt or applies to any tribunal for any receiver, receiver manager, custodian, trustee, liquidator, sequestrator or other similar official of or for the Borrower or the Borrower's assets, or any other proceeding is commenced in relation to any of the foregoing in respect of the Borrower,

then the Borrower shall be in default hereunder and the Bank may, at its option upon written notice to the Borrower, declare that the entire balance of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall immediately become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

10. (a) Any request, notice, or demand made or given in connection with this Agreement may be made or given by mail by prepaid post or by delivery to the party for which it is intended and addressed as follows:

BORROWER:
633 Main Street West, Port Colborne, Ontario L3K 5V4

BANK OF MONTREAL:
PM Group, 100 King St.W., Toronto ON M5X 1A1

provided however that any party may change its address for purposes of receipt of such communication by giving 10 calendar days prior written notice of such change to the other party in the manner prescribed herein.

(b) Any such request, notice, or demand shall be conclusively deemed to have been received by the party to which it is addressed on the third Business Day following the day of such mailing, if mailed, or on the day of delivery, if delivered.

11. All out-of-pocket expenses incurred by the Bank, including reasonable legal costs and all applicable taxes, in the preparation, administration or enforcement of this Agreement or any security or other documentation required hereunder or in connection herewith shall be for the account of the Borrower.

12. The Borrower acknowledges that the actual recording of the amount of any advance or repayment under the Loan and interest, fees and other amounts due in connection with the Loan in the accounts of the Borrower maintained by the Bank, shall constitute prima facie evidence of the Borrower's indebtedness and liability from time to time under this Agreement; provided that the obligation of the Borrower to pay or repay any indebtedness and liability in accordance with this Agreement shall not be affected by the failure of the Bank to make such recording.

13. The Bank may from time to time and at any time waive in whole or in part:

(a) the rights accruing to it by reason of any of the provisions of any clause of this Agreement; or

(b) any default under any clause in this Agreement which is to its benefit;

but any such waiver by the Bank of any such right or of any such default on any occasion shall be deemed not to be a waiver of the provisions of any such clause thereafter or of any other clause or of any subsequent default, as the case may be.

14. If the Borrower comprises more than one person, all covenants and liabilities entered into, by or imposed upon the Borrower shall be joint and several (solidary in the Province of Quebec). Each Borrower, if more than one, is responsible both individually and together with the other Borrower(s) for all obligations of the Borrower to the Bank pursuant to this Agreement.

15. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

16. This Agreement shall be binding upon and enure to the benefit of the parties hereto, their successors, heirs, liquidators, administrators and assigns, except that the Borrower may not assign any of its rights or obligations hereunder without the Bank's prior written consent.

17. Any clause or part thereof which may be null or unenforceable shall not invalidate, affect or impair the remaining provisions of this Agreement.

18. Any schedules attached to this Agreement are incorporated herein in their entirety and form an integral part of this Agreement.

This clause applies only in the Province of Quebec

19. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English.
*Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

IN WITNESS WHEREOF this Agreement has been executed by the Borrower and the Bank as of the date set forth above.

**BANK OF MONTREAL**

By: _____
Name:
Title:

**1527020 ONTARIO INC.**

**Per:** _____
**Rauf Khan, President**
**I have authority to bind the Corporation**

## SCHEDULE A

## ADDITIONAL TERMS AND CONDITIONS

Check 1. if Debt Service covenant is required. Borrower to initial.

☒ 1. The Borrower covenants that it will at all times maintain a debt service coverage ratio of not less than 1.25:1, and it will upon request by the Bank from time to time deliver to the Bank all such financial statements and records as are required by the Bank to determine the debt service coverage ratio; for the purpose of this Agreement, the term "debt service coverage ratio" at any date means the ratio of:

INITIAL PAK

(i) the amount of the net revenue of the Borrower for the period from the commencement of the then current fiscal year to such date, plus the amounts of depreciation and amortization expense of the Borrower for such period, all as determined by the Bank from financial statements and records provided by the Borrower, to

(ii) the aggregate amount of all payments required to be made by the Borrower during such period on account of (i) principal and interest on any indebtedness of the Borrower for borrowed money (from the Bank or otherwise) and (ii) rents or other amounts payable on leases treated by the Borrower as capital leases for accounting purposes.

Check 2. if the Borrower is a municipality. Borrower to initial.

☐ 2. In the event that the Borrower is a municipality, the provisions of Section 8 of the Agreement shall be deleted in its entirety and replaced with the following:

"8. The Borrower covenants that it:

(a) will deliver to the Bank:
   (i) as soon as available and in any event within 90 days of the end of each fiscal year, copies of its financial statements (audited, where available) and, if applicable, the report of its auditor thereon; and
   (ii) at any time and from time to time such other information as the Bank may reasonably request;

(b) unconditionally promises to pay to the Bank on the Maturity Date the then unpaid principal amount of the Loan, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder

(c) will insure against all risks relevant to its operations for amounts commensurate thereto and satisfactory to the Bank;

(d) will furnish the Bank with additional security from time to time as the Bank may deem fit at the request of the Bank;

(e) authorizes the Bank to record, file or register, at the Borrower's expense, any registrations or filings, including without limitation any financing statements, that are necessary or desirable to protect, perfect and maintain the protection and perfection of any hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights in favour of the Bank, and to obtain evidence satisfactory to the Bank of the rank and priority of such hypothecs, mortgages, claims, security interests, liens, charges or other encumbrances or rights;

(f) will use the proceeds of the Loan for the purpose of:

_____

_____

_____; and

(g) will, to the extent not in conflict or inconsistent with the provisions of this Agreement,

comply with all of the provisions, covenants and agreements contained in any term sheet, commitment letter or similar document, as such document may be amended, supplemented, restated, replaced or otherwise modified from time to time, given by the Borrower to the Bank which relates to the Loan hereunder, and such provisions, covenants and agreements are incorporated herein as if restated in their entirety."

BMO Financial Group

# Operating Loan Agreement with Availment in Canadian Dollars

To: Bank of Montreal

Date: October 14 , 2016

The undersigned hereby requests Bank of Montreal (the "Bank") to provide a credit facility to the undersigned, subject to the following terms and conditions:

## 1. DEFINED TERMS

In this Agreement:

1.01 "Account" shall mean the Canadian Dollar Account No. 2335-1997-385 at the Bank.

1.02 "Facility Fee" shall mean a fixed monthly fee of $ 50.00.

1.03 "Loan" shall mean the credit facility (if any) provided pursuant to this Agreement and the amount of the Loan shall mean at any time the aggregate of all amounts debited to the Account (including without limitation cheques, transfers, withdrawals, interest, costs, charges and fees) less the aggregate of all amounts credited to the Account for which the Bank has given value.

1.04 "Loan Limit" shall mean TWENTY FIVE THOUSAND---XX/100 Dollars ($ 25,000.00 ) or such lesser amount as may be determined by the Bank from time to time including, without limitation, pursuant to a calculation under the Lending Margin Calculation, if any, set out in the Addendum hereto.

1.05 "Loan Rate" shall mean a rate equal to the Bank's Prime Rate plus TWO AND ONE HALF per cent ( 2.50%) per annum.

1.06 "Prime Rate" shall mean the floating annual rate of interest established from time to time by the Bank as the reference rate it will use to determine the rate of interest payable to the Bank by borrowers from the Bank in Canadian dollars in Canada and designated by the Bank as its Prime Rate. The Prime Rate on the date hereof is TWO AND SEVEN TENTHS per cent (2.70 %) per annum.

1.07 "Overdraft Rate" shall mean the annual rate of interest established from time to time by the Bank as the interest rate it will use to calculate the interest payable on overdrawn accounts and designated by the Bank as the "Overdraft Rate". The Overdraft Rate on the date hereof is Twenty one per cent (21.00%) per annum.

## 2. ACCOUNT

2.01 Cheques drawn and debits of other kinds made on the Account (including, without limitation, transfers and withdrawals) shall be drawn in Canadian dollars.

2.02 The undersigned shall not at any time permit the Loan to exceed the Loan Limit and shall use the Account for business purposes only.

2.03 The Bank is authorized to debit the Account for all fees and interest required hereunder and for all costs, charges and expenses referred to in paragraph 6.01 and in any other agreement(s) the undersigned has entered into with the Bank.

## 3. FEES AND INTEREST

3.01 The undersigned shall pay the Facility Fee to the Bank, on the last day of each month in addition to all other fees applicable to the Account. Notwithstanding paragraph 1.02, the amount of the Facility Fee may be revised by the Bank from time to time and the revised fee will be effective once the Bank advises the undersigned by notice as herein provided. The Facility Fee shall be payable for the credit facility provided hereunder and for other standard reporting services provided by the Bank in connection with the Account.

3.02 The undersigned shall, both before and after demand or judgment, pay interest at the Loan Rate on the daily closing balance of the Loan up to the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

3.03 The undersigned shall, both before and after demand or judgment, pay interest at the Overdraft Rate on the amount of any daily closing balance of the Loan in excess of the Loan Limit, such interest to be calculated and payable monthly on the last day of each month.

3.04 Nothing herein shall oblige the Bank to permit the Loan to exceed the Loan Limit. In the event the Loan exceeds the Loan Limit, (i) the Bank may at any time terminate the Loan hereunder and immediately demand payment of the Loan by notice as herein provided and (ii) for each occurrence the undersigned will be charged a fee of 1% per annum calculated on the amount of excess over the Loan Limit or $100, whichever is greater, and a $5 overdraft handling charge per item that creates or increases the excess.

## 4. DEMAND AND TERMINATION

4.01 The undersigned shall pay the Loan to the Bank ON DEMAND, regardless of any covenants, conditions, obligations or events of default set out herein including, without limitation, any provisions set out in the Addendum hereto. The Bank may at any time terminate the Loan provided hereunder and demand payment of the Loan by notice as herein provided.

4.02 THE BANK MAY REFUSE TO HONOUR ANY CHEQUE OR PERMIT ANY TRANSFER OR WITHDRAWAL FROM THE ACCOUNT UPON (A) ANY DEFAULT BY THE UNDERSIGNED IN THE PERFORMANCE OF ANY OBLIGATION OF THE UNDERSIGNED TO THE BANK WHETHER CONTAINED HEREIN OR IN ANY OTHER AGREEMENT BETWEEN THE UNDERSIGNED AND THE BANK, (B) THE DEATH OF ANY GUARANTOR OF ANY INDEBTEDNESS OF THE UNDERSIGNED OR RECEIPT BY THE BANK OF NOTICE OF TERMINATION OF ANY GUARANTEE OF ANY INDEBTEDNESS OF THE UNDERSIGNED, (C) THE LOAN EXCEEDING THE LOAN LIMIT, OR (D) ANY DEMAND BEING MADE FOR PAYMENT OF THE LOAN, WHETHER OR NOT ANY TIME PERIOD HAS LAPSED AFTER THE TIME OF THE DEMAND.

## 5. DOCUMENTATION

5.01 The undersigned shall deliver to the Bank from time to time, promptly on request, in form and substance satisfactory to the Bank:

(a) any security required by the Bank; and

(b) all other documents and information required by the Bank.

5.02 Any security document delivered hereunder shall be held as additional security for the indebtedness of the undersigned for the Loan, and not in substitution or in satisfaction thereof.

## 6. COSTS

6.01 The undersigned shall pay all reasonable costs, charges and expenses incurred by the Bank in the preparation or enforcement of this Agreement or any security required in connection with the Loan.

## 7. NOTICES

7.01 The Bank shall not be required to notify the undersigned of changes to the Prime Rate or the Overdraft Rate or in the Bank's calculations of the Lending Margin Calculation, if any.

7.02 Any request for any document or information, notice of termination, demand for payment or other notice to be sent in connection with this Agreement or either of the Accounts may be delivered, or mailed by prepaid ordinary mail or transmitted by facsimile if to the undersigned (or any one of them, if more than one) at the last known address or facsimile number for the undersigned (or any one of them, if more than one) in the Bank's records or if to the Bank at the Branch where the Account is maintained. The undersigned or the Bank, as applicable, shall be deemed to have received such request or notice on the date of delivery, if delivered, on the first business day following the date of transmission if transmitted by facsimile, and four (4) days after mailing, if mailed.

## 8. AMENDED AND RESTATED AGREEMENT

☒ ~~8.01 This Agreement hereby amends and restates the _____ (Insert name of agreement) Agreement dated the _____ day of _____, _____, as heretofore amended and supplemented from time to time (the "Existing Agreement"), between the undersigned and the Bank with effect as and from the date hereof (the "Effective Date"), the whole without any novation whatsoever.~~

INITIAL R.K

☒ ~~8.02 The parties hereby expressly agree that as and from the Effective Date all of the undersigned's obligations, indebtedness and liabilities to the Bank under or pursuant to the Existing Agreement including, without limitation, the outstanding principal amount of the loan thereunder, all interest accrued thereon, all interest on overdue interest and all other amounts owing by the undersigned to the Bank under or pursuant to the Existing Agreement shall be governed by the terms hereof.~~

☒ ~~8.03 The undersigned hereby ratifies, confirms, acknowledges and agrees that it is and continues to be bound by all of the obligations, indebtedness and liabilities of and grants of security made by it under each of the security documents under, pursuant to or in connection with the Existing Agreement, including without limitation any agreement or instrument creating or granting a hypothec, security under the *Bank Act* (Canada), mortgage, pledge, fixed or floating charge, assignment by way of security or any other security interest securing payment or performance of an obligation under or pursuant to the Existing Agreement (herein, collectively, the "Security Documents") and each certificate or other document delivered pursuant to or in connection with the Existing Agreement or the Security Document (the Security Documents and such certificates or other documents are herein, collectively, the "Loan Documents"), and the undersigned acknowledges that the Bank is relying expressly upon the Loan Documents and such ratifications, confirmations, acknowledgements and agreements by the undersigned herein in entering into this Agreement and providing any accommodations hereunder, notwithstanding the amendment and restatement set forth herein.~~

☒ ~~8.04 As and from the Effective Date, all references to the Existing Agreement in any of the Loan Documents shall be construed as being a reference to the Existing Agreement as amended and restated by this Agreement.~~

☒ ~~8.05 This Article 8 is made under express reserve of all the terms and conditions of this Agreement and the Loan Documents and all rights in favour of the Bank hereunder and thereunder and without novation of any kind or derogation from the rank and priority of the Security Documents. Without derogating from or restricting in any way the Security Documents, all obligations under or pursuant to the Existing Agreement and hereunder shall continue to be secured by the Security Documents. All of the provisions of this Article 8 are without novation.~~

**9. GENERAL**

9.01 The provisions of the Addendum, if any, shall be incorporated into this Agreement and form part hereof.

9.02 The Bank's statements of the Account at any time shall constitute prima facie evidence of the Loan.

9.03 The undersigned will immediately notify the Bank if any guarantor of the indebtedness of the undersigned to the Bank dies.

9.04 This Agreement shall be binding upon the undersigned and the respective executors, administrators, successors and assigns of the undersigned, but the undersigned shall not assign any of the rights or obligations of the undersigned hereunder without the prior written consent of the Bank.

9.05 The failure of either the undersigned or the Bank to require performance by the other of any provision hereof shall in no way affect the right thereafter to enforce such provision; nor shall the waiver by either party of any breach of any covenant, condition or proviso of this Agreement or any other agreement between the Bank and the undersigned be taken or held to be a waiver of any further breach of the same covenant, condition or proviso.

9.06 Subject to Article 8 above (if applicable) this Agreement shall be in addition to and not in substitution for any other agreement between the undersigned and the Bank.

9.07 The undersigned agrees that the balance shown in any statement of the Account provided to the undersigned shall be deemed to be a correct and accurate statement of the Loan as at the date of the statement.

9.08 All payments relating to the Loan made by the undersigned pursuant to this Agreement shall be paid in Canadian dollars.

Any obligation of the undersigned under this Agreement to make payments in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into Canadian dollars except to the extent that such tender or recovery shall result in the effective receipt by the

Bank of the full equivalent amount of U.S. dollars so payable hereunder. Accordingly, the obligation of the undersigned shall be enforceable as an alternative or additional cause of action for the purpose of recovery in Canadian dollars of the amount (if any) by which such payment of a U.S. dollar obligation hereunder in a currency other than U.S. dollars shall fall short of the full amount of U.S. dollars so payable hereunder and shall not be affected by any judgment being obtained for any other sums due hereunder.

9.09 If any other provision of this Agreement would oblige the undersigned to pay or entitle the Bank to receive any amount that is prohibited by law, then, notwithstanding such provision, such amount shall be deemed to have been adjusted with retroactive effect to the maximum permitted amount by law. Notwithstanding the foregoing, if the Bank receives an amount in excess of the maximum permitted, then the undersigned shall be entitled, on providing written notice to the Bank, to obtain reimbursement of such excess. Pending reimbursement, such excess shall be deemed to be payable by the Bank. The Bank and the undersigned disavow any intent to receive or pay any amount in excess of that is permitted by law.

9.10 Time shall be of the essence of this Agreement.

9.11 If more than one party signs this Agreement, the obligations of the undersigned are joint and several.

9.12 It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

By executing this Agreement below the undersigned hereby agrees to the foregoing terms and conditions.

DATED as of the date set forth above.

1527020 ONTARIO INC.

Per: _____
Rauf Khan, President
I have authority to bind the Corporation

**ADDENDUM TO**
**OPERATING LOAN AGREEMENT**

Lending Margin Calculation and/or Additional Provisions

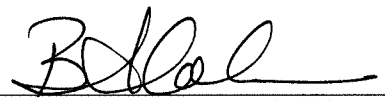
The Bank may in its discretion reduce the Loan Limit by the amount of any other indebtedness or liability of the undersigned (or any one of them, if more than one) to the Bank including, without limitation, the amount of any bankers acceptances or letters of credit.

Without limiting the foregoing, the following Lending Margin Calculation is applicable to the attached Loan Agreement. The calculation and the amount of the Lending Margin Calculation is in the sole and complete discretion of the Bank, and in cases of dispute, the Lending Margin Calculation calculated by the Bank shall prevail.

The Lending Margin Calculation (if applicable) shall be an amount equal to: N/A

# TAB S

This is Exhibit "S" referred to in the Affidavit of Jason Locke sworn July 30, 2018



*Commissioner for Taking Affidavits (or as may be)*

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 1527020 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION FIVE HUNDRED FIFTY THOUSAND---XX/100** Dollars **($1,550,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of **October** 14th, 2016.

Witness _____ Name UMESH AHUJA

_____ Name: RAUF KHAN

Witness _____ Name _____

_____ Name: MEHAK ARSHAD

® Registered trade-marks of Bank of Montreal

**PRABHJOT KAUR**
**Barrister, Solicitor & Notary Public**
**214 - 4515 Ebenezer Road**
**Brampton, Ontario L6P 2K7**
**Tel: 905-794-8333 Fax: 289-948-0131**

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 1527020 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION FIVE HUNDRED FIFTY THOUSAND---XX/100** Dollars **($1,550,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of **October** 14th, **2016**.

Witness
Name

Name: AISHA ASHAD

® Registered trade-marks of Bank of Montreal

Aman Sharma
Barrister, Solicitor & Notary Public
211 - 4515 Ebenezer Rd
Brampton, Ontario L6P 2K7
Tel - 905-913-2355

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 1527020 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION FIVE HUNDRED FIFTY THOUSAND---XX/100** Dollars **($1,550,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of **October** 14 , **2016**.

**1651033 ONTARIO LTD.**

**Per:**_____
**Aisha Ashad, President**
**I have authority to bind the Corporation**

® Registered trade-marks of Bank of Montreal

# ENABLING RESOLUTION

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF 1651033 ONTARIO LTD. HELD AT THE HEAD OFFICE OF THE CORPORATION ON OCTOBER 14, 2016

On motion duly made and seconded, it was unanimously resolved:

THAT the Company does hereby guarantee payment to the Bank of Montreal of all present and future debts and liabilities now or at any time and from time to time due or owing to said Bank by 1527020 Ontario Inc. up to the principal amount of $1,550,000.00 at any one time, the whole in the terms set out in Form No. LF 44 of the Bank of Montreal submitted to this meeting, and any director or officer of the Corporation is authorized and directed to sign and execute such form and deliver the same to Bank of Montreal.

I CERTIFY that the foregoing is a true copy of a Resolution passed at a Meeting of the Board of Directors of the said Company held as aforesaid.

AS WITNESS the Corporate Seal of the said Company, on October 14, 2016.

Aisha Ashad, Secretary

T:\PEGGY\DATA\bano949\enabling.doc

# ACKNOWLEDGMENT

TO: BANK OF MONTREAL (the "Bank")

RE: BANK OF MONTREAL loan to 1527020 Ontario Inc. (the "Borrower")

In consideration of financial assistance provided by Bank of Montreal to the Borrower, the undersigned hereby irrevocably and unconditionally acknowledge as follows:

the General Security Agreement of the undersigned currently held by the Bank in first ranking position also supports the Guarantee signed by the undersigned in respect of the Borrower's debt to the Bank.

Dated: October 14, 2016

1651033 ONTARIO LTD.

Per: _____
Aisha Ashad, President
I have authority to bind the Corporation

T:\PEGGY\DATA\BANO949\ACKN EXISTING.DOC

BMO Bank of Montreal

## Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with 1527020 Ontario Inc. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **ONE MILLION FIVE HUNDRED FIFTY THOUSAND---XX/100** Dollars **($1,550,000.00)** plus interest thereon at a rate of **FIVE---(5.00%)---** per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, *ultra vires*, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of **Ontario** and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Québec only

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of **October** 14 , **2016**.

**1496765 ONTARIO LTD.**

**Per:**_____
**Aisha Ashad, President**
**I have authority to bind the Corporation**

® Registered trade-marks of Bank of Montreal

# ENABLING RESOLUTION

EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF 1496765 ONTARIO LTD. HELD AT THE HEAD OFFICE OF THE CORPORATION ON OCTOBER 14, 2016

On motion duly made and seconded, it was unanimously resolved:

THAT the Company does hereby guarantee payment to the Bank of Montreal of all present and future debts and liabilities now or at any time and from time to time due or owing to said Bank by 1527020 Ontario Inc. up to the principal amount of $1,550,000.00 at any one time, the whole in the terms set out in Form No. LF 44 of the Bank of Montreal submitted to this meeting, and any director or officer of the Corporation is authorized and directed to sign and execute such form and deliver the same to Bank of Montreal.

I CERTIFY that the foregoing is a true copy of a Resolution passed at a Meeting of the Board of Directors of the said Company held as aforesaid.

AS WITNESS the Corporate Seal of the said Company, on October 14, 2016.

Aisha Ashad, Secretary

T:\PEGGY\DATA\bano949\enabling 1496.doc

# ACKNOWLEDGMENT

TO: BANK OF MONTREAL (the "Bank")

RE: BANK OF MONTREAL loan to 1527020 Ontario Inc. (the "Borrower")

In consideration of financial assistance provided by Bank of Montreal to the Borrower, the undersigned hereby irrevocably and unconditionally acknowledge as follows:

the General Security Agreement of the undersigned currently held by the Bank in first ranking position also supports the Guarantee signed by the undersigned in respect of the Borrower's debt to the Bank.

Dated: October 14, 2016

1496765 ONTARIO LTD.

Per: _____
Aisha Ashad, President
I have authority to bind the Corporation

T:\PEGGY\DATA\BANO949\ACKN EXISTING 1496.DOC

# TAB T

This is Exhibit "T" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

238

BMO Bank of Montreal

NOVEMBER 2, ~~October~~ , 2016
Date

$1,525,000.00

PM Group,100 King St. W., Toronto ON M5X 1A1
Branch

On demand I promise to pay to the order of Bank of Montreal the sum of ONE MILLION FIVE HUNDRED TWENTY FIVE THOUSAND---xx/100 Dollars and to pay interest monthly at a rate of ONE AND THREE QUARTERS---(1.75%)--- per cent per annum above the Bank of Montreal's prime interest rate per annum in effect from time to time, up to and after maturity, compounded monthly from the due date of such interest until actual payment at the above mentioned branch of the Bank of Montreal. At the date of this note such prime interest rate per annum is 2.700 per cent. Value received.

**FOR INTERNAL BANK USE ONLY**

| Credit Deposit Account No. | Loan Account No. | Initials |
|---|---|---|
| 2335-1997-805 | 2335-6999-670 | |

1527020 ONTARIO INC.

Per: Rauf Khan, President
I have authority to bind the Corporation

Prod. 1057738 – Form 808 (4/99)

# TAB U

This is Exhibit "U" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

240

**BMO Bank of Montreal**

26/3/2018 $ 1,404,811.23
Date

2335 Six Points Plaza
Branch

On demand I promise to pay to the order of Bank of Montreal

the sum of $ one million four hundered four thousand eight hundered eleven /100 23 Dollars

and to pay interest monthly (insert: monthly, quarterly, semi annually or annually, as appropriate) at a rate of 3.25 per cent per annum above the Bank of Montreal's prime interest rate per annum in effect from time to time, up to and after maturity, compounded monthly from the due date of such interest until actual payment at the above mentioned branch of the Bank of Montreal. At the date of this note such prime interest rate per annum is 3.45 per cent. Value received.

~~Insert Company Name~~ 1527020 ONTARIO INC.

Rauf Khan Owner
Insert Name and Title

Insert Name and Title

**FOR INTERNAL BANK USE ONLY**

| Credit Deposit Account No. | Loan Account No. | Initials |
|---|---|---|
| 2335-1997-385 | 2335- | |

Prod. 1057738 - Form. 808 (02/05) 02/02/2018 1:49 pm

1527020 ont

PORT ELGIN

# TAB V

This is Exhibit "V" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

Bank of Montreal

**Ontario Personal Property Security Act Security Agreement**

## SECURITY AGREEMENT

The undersigned (hereinafter called the "Debtor") hereby enters into this Security Agreement with Bank of Montreal (hereinafter called the "Bank") for valuable consideration and as security for the repayment of all present and future indebtedness of the Debtor to the Bank and interest thereon and for the payment and discharge of all other present and future liabilities and obligations, direct or indirect, absolute or contingent, of the Debtor to the Bank (all such indebtedness, interest, liabilities and obligations being hereinafter collectively called the "Obligations"). This Security Agreement is entered into pursuant to and is governed by the *Personal Property Security Act* (Ontario) insofar as it affects personal property located in Ontario.

List all premises and asset locations, by schedule, if necessary

1. The Debtor hereby represents and warrants to the Bank that it has assets at the following locations in Ontario:
633 Main Street West, Port Colborne, Ontario L3K 5V4

Attach a schedule, if equipment is to be listed

2. The Debtor hereby:

(a) mortgages and charges to the Bank as and by way of a fixed and specific mortgage and charge, and grants to the Bank a security interest in, all its present and future equipment and any proceeds therefrom, including, without limiting the generality of the foregoing, all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired or in respect of which the Debtor has rights now or in the future and any equipment specifically listed or otherwise described in any Schedule hereto ;

(b) mortgages and charges to the Bank, and grants to the Bank a security interest in, all its present and future inventory and any proceeds therefrom, including, without limiting the generality of the foregoing, all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ;

(c) assigns, transfers and sets over to the Bank and grants to the Bank a security interest in, all its present and future intangibles and any proceeds therefrom, including, without limiting the generality of the foregoing, all its present and future accounts, accounts receivable, client lists, client records, client files, contract rights and other choses in action of every kind or nature now due or hereafter to become due, including insurance rights arising from or out of the assets referred to in sub-clauses (a) and (b) above ;

(d) grants, mortgages, charges, transfers and assigns to the Bank a security interest in, all its present and future chattel papers, documents of title, instruments, money and securities, and any proceeds therefrom ; and

(e) charges in favour of the Bank as and by way of a floating charge its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future (other than property and assets hereby validly assigned or subjected to a specific mortgage and charge and to the exceptions hereinafter contained). For the purposes of this Security Agreement, the equipment, inventory, intangibles, undertaking and all other property and assets of the Debtor referred to in this clause 2 are hereinafter sometimes collectively called the "Collateral". Without limiting the generality of the description of Collateral as set out in this clause 2, and for the greater certainty, the Collateral shall include all present and future personal property of the Debtor of the type described in any schedule attached hereto. The Debtor agrees that it shall promptly advise the Bank in writing of any acquisition of personal property which is not of the type herein described. The Debtor agrees to execute and deliver from time to time, at its own expense, amendments to this Security Agreement or additional security agreements, which may be reasonably required by the Bank to ensure attachment of security interests in such personal property.

3. The Collateral is on the date hereof primarily situate or located at the location(s) set out in clause 1 hereof but may from time to time be located at other premises of the Debtor. The Collateral may also be located at other places while in transit to and from such locations and premises; and the Collateral may from time to time be situated or located at any other place when on lease or consignment to any lessee or consignee from the Debtor.

4. It is hereby declared that the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor, is hereby or shall be excepted out of the mortgages, charges and security interests hereby created, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term of years, for the time being demised, as aforesaid upon trust to assign and dispose of the same as any purchaser of such term of years shall direct. There shall also be excluded from the security created by this Security Agreement any property of the Debtor that constitutes consumer goods for the personal use of the Debtor.

5. The Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral other than that described in sub-clause (b) of clause 2 above which may be sold only in the ordinary course of business and for the purpose of carrying on the same; and if the amounts of any of the intangibles referred to in sub-clause (c) of clause 2 above or any proceeds arising from the Collateral described in sub-clauses (a) and (b) of clause 2 above shall be paid to the Debtor, the Debtor shall receive the same as agent of the Bank and forthwith pay over the same to the Bank. The Debtor shall not without the prior written consent of the Bank create any liens upon or assign or transfer as security or pledge or hypothecate as security or create a security interest in the Collateral except to the Bank. The Debtor agrees that the Bank may require any account debtor to the Debtor to make payment to the Bank and the Bank may take control of any proceeds referred to in sub-clauses (a), (b) and (c) of clause 2 hereof and may hold all amounts received from any account debtors and any proceeds as cash collateral as part of the Collateral and as security for the Obligations of the Debtor to the Bank.

6. The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, transfers, assignments, security agreements and assurances as the Bank may reasonably require for the better granting, transferring, assigning, charging, setting over, assuring and confirming unto the Bank the property and assets hereby mortgaged and charged or subjected to security interests or intended so to be or which the Debtor may hereafter become bound to mortgage, charge, transfer, assign or subject to a security interest in favour of the Bank and for the better accomplishing and effectuating of this Security Agreement.

7. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions.

8. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request, including lists of inventory and equipment and lists of accounts and accounts receivable showing the amounts owing upon each account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the account.

9. The Debtor shall be in default under this Security Agreement upon the occurrence of any one of the following events:

(a) the Debtor shall default under any of the Obligations;

(b) the Debtor shall default in the due observance or performance of any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not and including any covenant or undertaking set out in any Schedule to this Security Agreement;

(c) an execution or any other process of any court shall become enforceable against the Debtor or a distress or analogous process shall be levied upon the property of the Debtor or any part thereof;

(d) the Debtor shall become insolvent or commit an act of bankruptcy, or make an assignment in bankruptcy or a bulk sale of its assets or a bankruptcy petition shall be filed or presented against the Debtor and not be *bona fide* opposed by the Debtor;

(e) the Debtor shall cease to carry on business.

10. Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations to be immediately due and payable and may proceed to realize the security hereby constituted and to enforce its rights by entry; or by the appointment by instrument in writing of a receiver or receivers of the subject matter of such security or any part thereof and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead, or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor. Any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor, and to further charge the Collateral in priority to the security constituted by this Security Agreement as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine. In exercising any powers any such receiver or receivers shall act as agent or agents for the Debtor and the Bank shall not be responsible for his or their actions.

In addition, the Bank may enter upon the applicable premises and lease or sell the whole or any part or parts of the Collateral. The Debtor agrees that considering the nature of that part of the Collateral that is not perishable it will be commercially reasonable to sell such part of the Collateral:

(a) as a whole or in various lots;

(b) by a public sale or call for tenders by advertising such sale once in a local daily newspaper at least seven (7) days before such sale; and

(c) by private sale after the receipt by the Bank of at least two offers from prospective purchasers who may include persons related to or affiliated with the Debtor or other customers of the Bank.

Any such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken possession of such property and assets.

No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The term "receiver" as used in this Security Agreement includes a receiver and manager.

11. Any and all payments made in respect of the Obligations from time to time and moneys realized from any securities held therefor (including moneys realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit.

12. The Debtor agrees to pay all reasonable expenses, including solicitor's fees and disbursements and the remuneration of any receiver appointed hereunder, incurred by the Bank in the preparation, perfection and enforcement of this Security Agreement, including all expenses incurred by the Bank and its agents to put into place and confirm the priority of any security interest in this Security Agreement and the payment of such expenses shall be secured hereby.

13. The Bank may waive any default herein referred to; provided always that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or rights resulting therefrom.

14. The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Security Agreement.

15. The security hereof is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Obligations of the Debtor shall at any time or from time to time be fully satisfied or paid.

16. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment or any indebtedness or liability of the Debtor to the Bank.

17. This Security Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Debtor and the Bank.

18. This Security Agreement is a security agreement within the meaning of the Personal Property Security Act (Ontario) and does not constitute an acknowledgement of any particular indebtedness or liability of the Debtor to the Bank.

19. The Debtor acknowledges receipt of a copy of this agreement.

20. In construing this Security Agreement, terms herein shall have the same meaning as defined in the *Personal Property Security Act* (Ontario), unless the context otherwise requires. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them severally. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation and, where the Debtor is a partnership, any new partnership resulting from the admission of new partners or any other change in the Debtor, including, without limiting the generality of the foregoing, the death of any or all of the partners.

Insert date of execution

IN WITNESS WHEREOF this Security Agreement has been executed by the Debtor on 14th day of October, 2016.(year)

To be signed by Debtor; if Debtor is a corporation ensure signatures are authorized and if Debtor is a corporation with a corporate seal, affix Corporate Seal; Debtor's name should be typed

1527020 ONTARIO INC.

Per:_____
Rauf Khan, President
I have authority to bind the Corporation

## CORPORATE AUTHORIZING RESOLUTION

Required only for a corporation

"WHEREAS it is in the interests of the Company to enter into a security agreement with the Bank of Montreal as security for its present and future obligations to the Bank of Montreal and therein mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

**NOW THEREFORE BE IT RESOLVED THAT:**

1. the Company do enter into, execute and deliver to the Bank of Montreal a security agreement substantially in the form of the draft security agreement presented to the directors, subject to such alternations, amendments or additions to which the President or a Vice-President of the Company may agree;

2. the Company do mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future equipment, inventory, intangibles, undertaking and other property and assets as security for its present and future obligations to the Bank of Montreal, all as provided in the said draft security agreement;

3. the execution by the President or a Vice-President of the Company of the said security agreement shall be conclusive proof of his agreement to any amendments, alterations or additions incorporated therein;

4. the President and the Vice-President of the Company be and they are each along hereby authorized to execute and deliver the security agreement aforesaid on behalf of the Company and each of the officers of the Company are hereby authorized to execute all such other documents and writings and to do such others acts and things as may be necessary for fulfilling the Company's obligations under the said security agreement."

# CERTIFICATE

To be completed by Secretary or other authorized officer, insert

Insert appropriate date

I am the President of 1527020 Ontario Inc. and I hereby certify that:

1. the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the said Company on the 14th day of October, 2016;(year)
2. the attached Security Agreement is in the form of the draft security agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Company under its corporate seal; and
3. the Company is subject to the *Business Corporations Act* of Ontario and the resolution was consented to by the signatures of all the directors of the Company on the date aforesaid in accordance with the *Business Corporations Act*.

To be signed by Secretary or other authorized officer, affix corporate seal

seal

President
Rauf Khan

# TAB W

This is Exhibit "W" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

LRO # 59 **Charge/Mortgage** **Registered as SN486746** on 2016 10 18 at 11:54

*The applicant(s) hereby applies to the Land Registrar.* yyyy mm dd 

## Properties

| | | | |
|---|---|---|---|
| *PIN* | 64139 - 0013 LT | *Interest/Estate* | Fee Simple |
| *Description* | PT LT 32 CON 2 HUMBERSTONE AS IN RO555223 ; PORT COLBORNE | | |
| *Address* | 633 MAIN ST W<br>PORT COLBORNE | | |

## Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

| | |
|---|---|
| *Name* | 1527020 ONTARIO INC. |
| *Address for Service* | 1750 Bloor Street, Suite 915,<br>Mississauga, Ontario L4X 1S9 |

I, Rauf Khan, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

## Chargee(s) *Capacity* *Share*

| | |
|---|---|
| *Name* | BANK OF MONTREAL |
| *Address for Service* | 100 King Street West, Toronto, Ontario M5X 1A1 |

## Statements

Schedule: See Schedules

## Provisions

| | | | |
|---|---|---|---|
| *Principal* | $1,550,000.00 | *Currency* | CDN |
| *Calculation Period* | Monthly, not in advance | | |
| *Balance Due Date* | On demand | | |
| *Interest Rate* | Mortgagee's Prime Rate +5% per annum | | |
| *Payments* | | | |
| *Interest Adjustment Date* | | | |
| *Payment Date* | On demand | | |
| *First Payment Date* | | | |
| *Last Payment Date* | | | |
| *Standard Charge Terms* | 201607 | | |
| *Insurance Amount* | full insurable value | | |
| *Guarantor* | | | |

## Signed By

| | | | | |
|---|---|---|---|---|
| Andrea Margaret Remnant | 201 County Court Blvd. Ste. 200<br>Brampton<br>L6W 4L2 | acting for Chargor (s) | Signed | 2016 10 18 |

Tel 905-457-1660

Fax 905-457-5641

I have the authority to sign and register the document on behalf of the Chargor(s).

## Submitted By

| | | |
|---|---|---|
| SIMMONS, DA SILVA LLP | 201 County Court Blvd. Ste. 200<br>Brampton<br>L6W 4L2 | 2016 10 18 |

Tel 905-457-1660

Fax 905-457-5641

## *Fees/Taxes/Payment*

| | |
|---|---|
| *Statutory Registration Fee* | $62.85 |
| *Total Paid* | $62.85 |

## *File Number*

*Chargee Client File Number :* BANO949

**Restriction of Secondary Financing Clause:**
Notwithstanding any other provision hereof, the Chargor shall not obtain or register any secondary mortgage financing against the Lands described herein without the Chargee's written consent and in default thereof the Chargee may at its option immediately declare the balance of all principal and interest to become immediately due and payable and all remedies of the Chargee shall immediately become fully enforceable.

**Acceleration Clause/Debt Service Coverage :**
In the event the Chargor does not maintain a Debt Service Coverage ratio of not less than 1.25:1 the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

**Provision of Financial Information Clause:**
The Chargor shall provide to the Chargee financial information, including financial statements, on an annual basis or as reasonably requested by the Chargee in accordance with the commitment letter/paper.

In the event the Chargor does not comply with this Financial Information Clause, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

**Receiver /Manager Clause:**
In the event the real property produces rental income and such rental income is paid to the Chargor or paid to any other party pursuant to the direction of the Chargor, the Chargor hereby as further security, assigns and pledges all such rental income to the Chargee, such pledge to become operative upon any default being made by the Chargor under any term of the within Charge and to remain in full force and effect as long as such default continues. The Chargor further authorizes the Chargee after default to enter upon the mortgaged premises and to collect in the name of the Chargor or in its own name as assignee, the rents accrued but unpaid and in arrears as of the date of default, as well as all rents accruing and becoming payable thereafter, until such default is remedied. The Chargor agrees to execute written notice to each tenant directing the tenant to pay rent to the Chargee and the Chargor further agrees to pay 10% of the gross amount of all rentals due or accruing, to the Chargee as a collection fee for such period of time when the Chargee is collecting rents or is entitled to collect rents. The Chargor further authorizes the Chargee during default, at its option and at the expense and risk of the Chargor, to enter into the full management of the property with the right to manage the property in the same manner as an owner of the property, and the Chargor hereby releases all claims against the Chargee arising out of such management, except the liability of the Chargee to account for all funds received. It is not the intention of the parties that if the Chargee manages the property as aforesaid, the Chargee shall be a "mortgagee in possession", except if the Chargee so elects in writing. In addition to the collection fee for the collection of rentals as aforesaid, the Chargee shall also be entitled to all other out-of-pocket costs and compensation for its own time of any employees expended for the management of the property in the event the Chargee enters into the management of the property

**Acceleration Clause/Due on Sale Clause or Change in Ownership :**
In the event the Chargor sells, conveys, transfers or enters into an agreement for sale or transfer of the title of the mortgaged property to a purchaser or transferee or there is a change in corporate or beneficial ownership of the Chargor not approved in writing by the Bank, which approval will not be unreasonably withheld, the principal amount of the mortgage loan and all other indebtedness secured by the mortgage with accrued interest thereon and interest rate penalty shall, at the option of the Chargee, become due and payable.

INITIALS

# TAB X

This is Exhibit "X" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 32 CON 2 HUMBERSTONE AS IN RO555223 ; PORT COLBORNE

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1999/01/18

OWNERS' NAMES
1527020 ONTARIO INC.

CAPACITY SHARE

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| **EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1999/01/18 ON THIS PIN** | | | | | | |
| **WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/01/18** | | | | | | |
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1999/01/15 ** | | | | | | |
| **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: | | | | | | |
| ** | SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * | | | | | |
| ** | AND ESCHEATS OR FORFEITURE TO THE CROWN. | | | | | |
| ** | THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF | | | | | |
| ** | IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY | | | | | |
| ** | CONVENTION. | | | | | |
| ** | ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. | | | | | |
| **DATE OF CONVERSION TO LAND TITLES: 1999/01/18 ** | | | | | | |
| AA73912 | 1962/06/11 | BYLAW | | | | C |
| RO555223 | 1989/05/30 | TRANSFER | $6,342 | | YOUNG BROS. GARAGE LIMITED | C |
| LT218455 | 2002/07/31 | CHARGE | | *** COMPLETELY DELETED ***<br>YOUNG BROS. GARAGE LIMITED | YOUNG, WILMER JOSEPH<br>YOUNG, PEARL REBECCA | |
| SN32426 | 2004/05/06 | NOTICE | | YOUNG BROS. GARAGE LIMITED | THE CORPORATION OF THE CITY OF PORT COLBORNE | C |
| | REMARKS: SITE PLAN AGREEMENT | | | | | |
| SN202559 | 2008/03/31 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>YOUNG, WILMER JOSEPH<br>YOUNG, PEARL REBECCA | | |
| | REMARKS: RE: LT218455 | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|---|---|---|---|---|---|---|
| SN206710 | 2008/05/06 | CHARGE | | *** COMPLETELY DELETED ***<br>YOUNG BROS. GARAGE LIMITED | ROYAL BANK OF CANADA | |
| SN249918 | 2009/07/03 | APL CH NAME OWNER | | YOUNG BROS. GARAGE LIMITED | 1527020 ONTARIO INC. | C |
| SN343114 | 2012/04/18 | CHARGE | | *** COMPLETELY DELETED ***<br>1527020 ONTARIO INC. | SMV FINANCIAL SERVICE INC. | |
| SN343115 | 2012/04/18 | NO ASSGN RENT GEN | | *** COMPLETELY DELETED ***<br>1527020 ONTARIO INC. | SMV FINANCIAL SERVICE INC. | |
| *REMARKS: SN343114 - RENTS* | | | | | | |
| SN428666 | 2015/03/05 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>ROYAL BANK OF CANADA | | |
| *REMARKS: SN206710.* | | | | | | |
| SN486746 | 2016/10/18 | CHARGE | $1,550,000 | 1527020 ONTARIO INC. | BANK OF MONTREAL | C |
| SN486747 | 2016/10/18 | NO ASSGN RENT GEN | | 1527020 ONTARIO INC. | BANK OF MONTREAL | C |
| *REMARKS: SN486746* | | | | | | |
| SN489034 | 2016/11/03 | DISCH OF CHARGE | | *** COMPLETELY DELETED ***<br>SMV FINANCIAL SERVICE INC. | | |
| *REMARKS: SN343114.* | | | | | | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# TAB Y

This is Exhibit "Y" referred to in the Affidavit of Jason Locke sworn July 30, 2018

*Commissioner for Taking Affidavits (or as may be)*

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 7/25/2018
File Currency Date: 07/24/2018
Family(ies): 3
Page(s): 3

SEARCH : Business Debtor : 1527020 ONTARIO INC.

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

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 7/25/2018
File Currency Date: 07/24/2018
Family(ies): 3
Page(s): 3

SEARCH : Business Debtor : 1527020 ONTARIO INC.

FAMILY : 1 OF 3 ENQUIRY PAGE : 1 OF 3
SEARCH : BD : 1527020 ONTARIO INC.

00 FILE NUMBER : 721130346 EXPIRY DATE : 30SEP 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20160930 1337 1590 7912 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 1527020 ONTARIO INC.
OCN :
04 ADDRESS : 633 MAIN STREET WEST
CITY : PORT COLBORNE PROV: ON POSTAL CODE: L3K 5V4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
BANK OF MONTREAL
09 ADDRESS : 100 KING STREET WEST, B-1 LEVEL
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A1

| | CONS. GOODS | INVTRY. | EQUIP | ACCTS | OTHER | MV INCL | AMOUNT | DATE OF MATURITY | OR NO FIXED MAT DATE |
|---|---|---|---|---|---|---|---|---|---|
| 10 | | X | X | X | X | X | | | |

YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SIMMONS DA SILVA LLP
17 ADDRESS : 200-201 COUNTY COURT BLVD.
CITY : BRAMPTON PROV: ON POSTAL CODE: L6W 4L2

FAMILY : 2 OF 3 ENQUIRY PAGE : 2 OF 3
SEARCH : BD : 1527020 ONTARIO INC.

00 FILE NUMBER : 721130364 EXPIRY DATE : 30SEP 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20160930 1337 1590 7913 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 1527020 ONTARIO INC.
OCN :
04 ADDRESS : 633 MAIN STREET WEST
CITY : PORT COLBORNE PROV: ON POSTAL CODE: L3K 5V4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
BANK OF MONTREAL
09 ADDRESS : 100 KING STREET WEST, B-1 LEVEL
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A1

| | CONS. GOODS | INVTRY. | EQUIP | ACCTS | OTHER | MV INCL | AMOUNT | DATE OF MATURITY | OR NO FIXED MAT DATE |
|---|---|---|---|---|---|---|---|---|---|
| 10 | | | | X | X | | | | |

YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SIMMONS DA SILVA LLP
17 ADDRESS : 200-201 COUNTY COURT BLVD.
CITY : BRAMPTON PROV: ON POSTAL CODE: L6W 4L2

FAMILY : 3 OF 3 ENQUIRY PAGE : 3 OF 3
SEARCH : BD : 1527020 ONTARIO INC.

00 FILE NUMBER : 724822119 EXPIRY DATE : 13FEB 2022 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20170213 1449 1590 7052 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: 1527020 ONTARIO INC.
OCN :
04 ADDRESS : 591 GODERICH STREET
CITY : PORT ELGIN PROV: ON POSTAL CODE: N0H 2C0
05 IND DOB : IND NAME:
06 BUS NAME: 1527020 ONTARIO INC.
OCN :
07 ADDRESS : 595 GODERICH STREET
CITY : PORT ELGIN PROV: ON POSTAL CODE: N0H 2C1

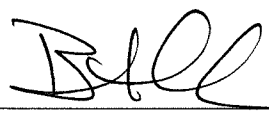
08 SECURED PARTY/LIEN CLAIMANT :
BANK OF MONTREAL
09 ADDRESS : 100 KING STREET WEST, B-1 LEVEL
CITY : TORONTO PROV: ON POSTAL CODE: M5X 1A1

| | CONS. GOODS | INVTRY. | EQUIP | ACCTS | OTHER | MV INCL | AMOUNT | DATE OF MATURITY | OR NO FIXED MAT DATE |
|---|---|---|---|---|---|---|---|---|---|
| 10 | | X | X | X | X | X | | | |

YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: SIMMONS DA SILVA LLP
17 ADDRESS : 200-201 COUNTY COURT BLVD.
CITY : BRAMPTON PROV: ON POSTAL CODE: L6W 4L2

# TAB Z

This is Exhibit "Z" referred to in the Affidavit of Jason Locke sworn July 30, 2018



*Commissioner for Taking Affidavits (or as may be)*

Request ID: 021927098
Transaction ID: 68805480
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/07/25
Time Report Produced: 08:19:27
Page: 1

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name | Incorporation Date |
|---|---|---|
| 1651033 | 1651033 ONTARIO LTD. | 2005/02/23 |

**Jurisdiction**

ONTARIO

| Corporation Type | Corporation Status | Former Jurisdiction |
|---|---|---|
| ONTARIO BUSINESS CORP. | ACTIVE | NOT APPLICABLE |

**Registered Office Address**

AISHA ASHAD
5462 DUNDAS ST W

**Suite #** 1701
ETOBICOKE
ONTARIO
CANADA M9B 1B4

**Mailing Address**

AISHA ASHAD
5462 DUNDAS ST W

**Suite #** 1701
ETOBICOKE
ONTARIO
CANADA M9B 1B4

| Date Amalgamated | Amalgamation Ind. |
|---|---|
| NOT APPLICABLE | NOT APPLICABLE |
| **New Amal. Number** | **Notice Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| | **Letter Date** |
| | NOT APPLICABLE |
| **Revival Date** | **Continuation Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| **Transferred Out Date** | **Cancel/Inactive Date** |
| NOT APPLICABLE | NOT APPLICABLE |
| **EP Licence Eff.Date** | **EP Licence Term.Date** |
| NOT APPLICABLE | NOT APPLICABLE |

| Number of Directors Minimum | Number of Directors Maximum | Date Commenced in Ontario | Date Ceased in Ontario |
|---|---|---|---|
| 00001 | 00005 | NOT APPLICABLE | NOT APPLICABLE |

**Activity Classification**

NOT AVAILABLE

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 1651033 | 1651033 ONTARIO LTD. |

| Corporate Name History | Effective Date |
|---|---|
| 1651033 ONTARIO LTD. | 2005/02/23 |

| | |
|---|---|
| **Current Business Name(s) Exist:** | NO |
| **Expired Business Name(s) Exist:** | NO |

| Administrator: Name (Individual / Corporation) | Address |
|---|---|
| AISHA<br>ASHAD | 1615 BLOOR STREET<br>**Suite #** 701<br>MISSISSAUGA<br>ONTARIO<br>CANADA L4X 1S2 |

| Date Began | First Director | |
|---|---|---|
| 2010/01/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| DIRECTOR | | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 1651033 | 1651033 ONTARIO LTD. |

**Administrator:**

| Name (Individual / Corporation) | Address |
|---|---|
| AISHA<br>ASHAD | 1615 BLOOR STREET<br>**Suite #** 701<br>MISSISSAUGA<br>ONTARIO<br>CANADA L4X 1S2 |

| Date Began | First Director | |
|---|---|---|
| 2010/01/01 | NOT APPLICABLE | |
| **Designation** | **Officer Type** | **Resident Canadian** |
| OFFICER | PRESIDENT | Y |

# CORPORATION PROFILE REPORT

| Ontario Corp Number | Corporation Name |
|---|---|
| 1651033 | 1651033 ONTARIO LTD. |

**Last Document Recorded**

| Act/Code | Description | Form | Date |
|---|---|---|---|
| CIA | CHANGE NOTICE | 1 | 2018/05/28 (ELECTRONIC FILING) |

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

BANK OF MONTREAL
Applicant

-and-

2495087 ONTARIO INC. et al.
Respondents

Court File No. CV-18-00602537-00CL

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**APPLICATION RECORD**
**(RETURNABLE AUGUST 24, 2018)**
**VOLUME I OF II**

**TORKIN MANES LLP**
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Applicant, Bank of Montreal

RCP-E 4C (May 1, 2016)

00802.0279/11508054_.1