

**Properties**

*PIN* 37129 - 0074 LT *Interest/Estate* Fee Simple  
*Description* PT LT 36 CON 11 COLLINGWOOD PT 1-4 16R3221; PT RDAL BTN LT 36 AND LT 37  
 COLLINGWOOD PT 5-7 16R3221 CLOSED BY R102245; THE BLUE MOUNTAINS  
*Address* BLUE MOUNTAINS

**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* RSV INVESTMENTS INC.  
*Address for Service* 207484 Hwy 26  
 Thornbury, Ontario, N0H 2P0

I, Sean Kelly, 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* LAURENTIAN BANK OF CANADA  
*Address for Service* 130 Adelaide Street West #300  
 Toronto, Ontario, M5H 3P5

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$1,800,000.00 *Currency* CDN  
*Calculation Period* See Schedule  
*Balance Due Date* See Schedule  
*Interest Rate* See Schedule  
*Payments*  
*Interest Adjustment Date*  
*Payment Date* See Schedule  
*First Payment Date*  
*Last Payment Date*  
*Standard Charge Terms* 201010  
*Insurance Amount* full insurable value  
*Guarantor*

**Signed By**

Charlotte Ann Langill

300 Victoria St. N.  
Kitchener  
N2H 6R9acting for Chargor Signed 2013 04 11  
(s)

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Chargor Client File Number :	66906
Chargee Client File Number :	66906

## **COLLATERAL MORTGAGE TERMS**

All words that are defined in the set of standard charge terms referred to in Box 8 (or in the event of electronic registration, referred to on Page 1 under the heading “Provisions”) of the attached Charge/Mortgage of Land (Form 2) shall have the same meaning when used in this Schedule.

### **INTEREST RATE**

“Interest Rate” means a variable rate per year equal to the Prime Rate plus 10% per year, with interest on overdue interest at the same rate. “Prime Rate” means the variable reference interest rate per year declared by Laurentian Bank of Canada (the “Bank”) from time to time to be its prime rate for Canadian dollar loans made by the Bank in Canada. The Interest Rate will change automatically, without notice, whenever the Prime Rate changes.

### **LIABILITIES**

“Liabilities” means the aggregate of all present and future indebtedness and liabilities of the Chargor to the Bank (direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred as principal or surety, whether incurred alone or with another or others, and whether arising from dealings between the Bank and the Chargor or from other dealings or proceedings by which the Bank may become a creditor of the Chargor) including without limitation the outstanding balance of the Principal Amount advanced to the Chargor from time to time, interest thereon at the Interest Rate and all present and future indebtedness and liabilities of the Chargor to the Bank payable under or by virtue of the Charge.

### **OBLIGOR**

“Obligor” means the Chargor referred to on Page 1 under the heading “Chargor(s)” of the attached Charge/Mortgage.

### **PRINCIPAL SUM**

“Principal Sum” means the principal referred to on Page 1 under the heading “Provisions” of the attached Charge/Mortgage.

**Properties**

*PIN* 37129 - 0074 LT  
*Description* PT LT 36 CON 11 COLLINGWOOD PT 1-4 16R3221; PT RDAL BTN LT 36 AND LT 37  
 COLLINGWOOD PT 5-7 16R3221 CLOSED BY R102245; THE BLUE MOUNTAINS  
*Address* THORNBURY

**Consideration**

*Consideration* \$0.00

**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

*Name* RSV INVESTMENTS INC.  
*Address for Service* 207484 Highway 26, Thornbury, ON  
 N0H 2P0

I, Sean Kelly, President, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Party To(s)***Capacity**Share*

*Name* LAURENTIAN BANK OF CANADA  
*Address for Service* 130 Adelaide Street West, Suite 300, Toronto, ON M5H 3P5

I, Brad Freund, Senior Manager, and Robert F. Hyde, Senior Manager, have the authority to bind the corporation  
 This document is not authorized under Power of Attorney by this party.

**Statements**

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, GY76894 registered on 2013/04/11 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s)GY76894

**Signed By**

Leona Ann Krone 31 Union Street East acting for Signed 2017 10 10  
 Waterloo Applicant(s)  
 N2J 1B8

Tel 519-576-0460

Fax 519-576-3234

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

SORBARA, SCHUMACHER, MCCANN LLP 31 Union Street East 2017 10 10  
 Waterloo  
 N2J 1B8

MORTGAGE AMENDING AGREEMENT

This Agreement made the 10th day of October, 2017

BETWEEN:

RSV INVESTMENTS INC.

(the "Chargor")

- and -

LAURENTIAN BANK OF CANADA

(the "Chargee")

WHEREAS:

A. The Chargor executed in favour of the Chargee a Charge/Mortgage of land registered as Instrument No. GY76894 on April 11, 2013 securing the principal sum of One Million Eight Hundred Thousand (\$1,800,000.00) Dollars (the "Charge") pursuant to the terms of a commitment letter dated December 10, 2013 (the "Commitment"); and

B. The Chargor and Chargee have agreed to amend the Charge as hereinafter provided pursuant to the terms of an amendment to the Commitment dated June 27, 2017 (the "Amendment");

NOW THEREFORE the parties hereto hereby agree as follows:

1. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Charge.
2. The parties hereto agree that the Charge shall be amended by increasing the principal amount thereof from One Million Eight Hundred Thousand (\$1,800,000.00) Dollars to Two Million Eighty-Five Thousand (\$2,085,000.00) Dollars
3. Save and except as otherwise provided herein, the parties confirm that the terms, conditions and all other provisions of the Charge shall remain the same and the Charge shall, where necessary, be read with all changes that may be required by the context in order to carry out the purpose and intent and to give full force and effect to each and every provision of the Charge as intended to be amended by the provisions of the Amending Agreement

This Agreement made effective as of the date first above written.

RSV INVESTMENTS INC.

Per: [Signature]  
Name: Sean Kelly  
Title: President  
*I have authority to bind the Corporation*

LAURENTIAN BANK OF CANADA

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
*We have authority to bind the Corporation*

MORTGAGE AMENDING AGREEMENT

This Agreement made the 10th day of October, 2017

BETWEEN:

**RSV INVESTMENTS INC.**

(the "Chargor")

- and -

**LAURENTIAN BANK OF CANADA**

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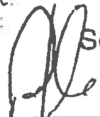
This Agreement made effective as of the date first above written.

**RSV INVESTMENTS INC.**

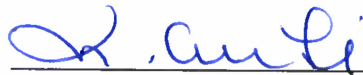
Per: \_\_\_\_\_  
Name: Sean Kelly  
Title: President  
*I have authority to bind the Corporation*

**LAURENTIAN BANK OF CANADA**

Per:  \_\_\_\_\_  
Name: Brad Freund  
Title: Senior Manager

Per:  \_\_\_\_\_  
Name: Robert F. Hyde  
Title: Senior Manager  
*We have authority to bind the Corporation*

This is **Exhibit "G"**, referred to in the  
Affidavit of Christopher Corcoran,  
sworn before me  
this 9th day of September, 2019.



\_\_\_\_\_  
A Commissioner for taking Affidavits, etc.



Request ID: 023473656  
Transaction ID: 72765690  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2019/08/16  
Time Report Produced: 15:21:55  
Page: 1

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



Director  
Ministry of Government Services  
Toronto, Ontario

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1650778	BLACK ANGUS FREEZER BEEF (2005) LTD.	2005/05/25	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address	Date Amalgamated	Amalgamation Ind.	
360 REVUS AVENUE	NOT APPLICABLE	NOT APPLICABLE	
Suite # UNIT 10 MISSISSAUGA ONTARIO CANADA L5G 4S4	New Amal. Number	Notice Date	
	NOT APPLICABLE	NOT APPLICABLE	
Mailing Address	Letter Date		
207484 HIGHWAY 26	NOT APPLICABLE		
THORNBURY ONTARIO CANADA N0H 2P0	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      Maximum	Date Commenced in Ontario	Date Ceased in Ontario
	00001      00009	NOT APPLICABLE	NOT APPLICABLE
Activity Classification			
NOT AVAILABLE			



Request ID: 023473656  
Transaction ID: 72765690  
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Province of Ontario  
Ministry of Government Services

Date Report Produced: 2019/08/16  
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Page: 2

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Director  
Ministry of Government Services  
Toronto, Ontario

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1650778

**Corporation Name**

BLACK ANGUS FREEZER BEEF (2005) LTD.

**Corporate Name History**

BLACK ANGUS FREEZER BEEF (2005) LTD.

**Effective Date**

2005/05/25

**Current Business Name(s) Exist:**

NO

**Expired Business Name(s) Exist:**

NO

**Administrator:**

**Name (Individual / Corporation)**

SEAN  
KELLY

**Address**

207484 HIGHWAY 26  
  
THORNBURY  
ONTARIO  
CANADA N0H 2P0

**Date Began**

2005/05/25

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

Request ID: 023473656  
Transaction ID: 72765690  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2019/08/16  
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Director  
Ministry of Government Services  
Toronto, Ontario

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1650778

**Corporation Name**

BLACK ANGUS FREEZER BEEF (2005) LTD.

**Administrator:**

**Name (Individual / Corporation)**

SEAN  
KELLY

**Address**

207484 HIGHWAY 26  
  
THORNBURY  
ONTARIO  
CANADA NOH 2PO

**Date Began**

2005/05/25

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

PRESIDENT

**Resident Canadian**

Y

**Administrator:**

**Name (Individual / Corporation)**

SEAN  
KELLY

**Address**

207484 HIGHWAY 26  
  
THORNBURY  
ONTARIO  
CANADA NOH 2PO

**Date Began**

2005/05/25

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

SECRETARY

**Resident Canadian**

Y

Request ID: 023473656  
Transaction ID: 72765690  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

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Director  
Ministry of Government Services  
Toronto, Ontario

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1650778

BLACK ANGUS FREEZER BEEF (2005) LTD.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2018	1C	2018/12/09 (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 certified report in electronic form is authorized by the Ministry of Government Services.

This is **Exhibit "H"**, referred to in the  
Affidavit of Christopher Corcoran,  
sworn before me  
this 9th day of September, 2019.



A Commissioner for taking Affidavits, etc.





Government  
of Canada

Gouvernement  
du Canada

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## Federal Corporation Information - 691774-7

[Buy copies of corporate documents](#)

### **i** Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

### **Corporation Number**

691774-7

### **Business Number (BN)**

821122017RC0001

### **Corporate Name**

BLACK ANGUS FINE MEATS & GAME INC.

### **Status**

Active

### **Governing Legislation**

*Canada Business Corporations Act - 2008-02-05*

## **Registered Office Address**

207484 Highway 26  
Thornbury ON N0H 2P0  
Canada

### **i** Note

Active CBCA corporations are required to [update this information](#) within 15 days of any change. A [corporation key](#) is required. If you are not authorized to update this

information, you can either contact the corporation or contact [Corporations Canada](#). We will inform the corporation of its [reporting obligations](#).

## Directors

**Minimum** 1

**Maximum** 10

SEAN KELLY  
207484 HIGHWAY 26  
THORNBURY ON N0H 2P0  
Canada

### **i** Note

Active CBCA corporations are required to [update director information](#) (names, addresses, etc.) within 15 days of any change. A [corporation key](#) is required. If you are not authorized to update this information, you can either contact the corporation or contact [Corporations Canada](#). We will inform the corporation of its [reporting obligations](#).

## Annual Filings

### **Anniversary Date (MM-DD)**

02-05

### **Date of Last Annual Meeting**

2017-04-11

### **Annual Filing Period (MM-DD)**

02-05 to 04-05

### **Type of Corporation**

Non-distributing corporation with 50 or fewer shareholders

### **Status of Annual Filings**

2019 - Overdue

2018 - Filed

2017 - Filed

## Corporate History

### Corporate Name History

---

2008-02-05 to Present

BLACK ANGUS FINE MEATS &amp; GAME INC.

### Certificates and Filings

#### Certificate of Incorporation

2008-02-05

[Buy copies of corporate documents](#)[Start New Search](#)[Return to Search Results](#)**Date Modified:**

2019-05-22

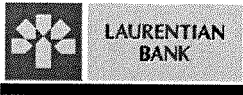
This is **Exhibit "I"**, referred to in the  
Affidavit of Christopher Corcoran,  
sworn before me  
this 9th day of September, 2019.



A Commissioner for taking Affidavits, etc.







## GENERAL SECURITY AGREEMENT

THIS AGREEMENT made the 4th day of November, 2009

BETWEEN: **BLACK ANGUS FREEZER BEEF (2005) LTD.**, having a place of business at 207484 Highway 26, Thornbury, Ontario N0H 2P0, Fax No. 519.599.2338

(hereinafter called the "**Debtor**")

AND: **LAURENTIAN BANK OF CANADA**, having an office at 130 Adelaide Street West, Suite 300, Branch 842 Legal Services, Toronto, Ontario M5H 3P5, Fax No. 416.865.5904

(hereinafter called the "**Bank**")

In consideration of the sum of One Dollar (\$1.00) now paid to it by the Bank (receipt of which is hereby acknowledged), and to secure the due payment and performance of all Obligations (hereinafter defined), the Debtor hereby agrees with the Bank and provides as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

As used herein the following expressions shall have the following meanings:

"**Affiliate**" has the meaning ascribed to such term in the *Business Corporations Act* (Ontario), including the corporations (if any) referred to as Affiliates in Schedule "D" hereto;

"**Borrower**" means Black Angus Freezer Beef (2005) Ltd.;

"**Business Day**" means any day except Saturday, Sunday or a statutory holiday;

"**Collateral**" means all present and future property and assets of the Debtor whether now or hereafter specifically charged or subjected to the floating charge under Section 2.1 (except as excluded pursuant to Section 2.2);

"**Encumbrance**" means any mortgage, lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress or other claim in respect of property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with option to buy-back;

"**Environmental Assessment**" means any inquiry, investigation or report of the environmental condition of the Premises;

"**Environmental Laws**" means all applicable federal, provincial, regional, state, municipal or local laws, common law, statutes, regulations, ordinances, codes, rules, guidelines, requirements, certificates of approval, licences or permits relating to Hazardous Substances or the use, consumption, handling, transportation, storage or Release thereof including without limitation (and in addition to any such laws relating to the environment generally) any such laws relating to public health, occupational health and safety, product liability or transportation;

"**Environmental Order**" means any prosecution, order, decision, notice, direction, report, recommendation or request issued, rendered or made by any Governmental Authority in connection with Environmental Laws or Environmental Orders;

"**Event of Default**" means any one or more of the events set out or referred to in Section 5.1;

"**Financial Indebtedness**" of the Debtor means the aggregate (without duplication) of the following amounts:

- (d) net amounts payable pursuant to interest swap arrangements;
- (e) capital lease obligations and all other indebtedness issued or assumed as full or partial payment for property or services or by way of capital contribution;
- (f) all letters of credit and letters of guarantee issued by a financial institution at the request of or for the benefit of the Debtor;
- (g) any guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner, directly or indirectly, of any part or all of any obligation of a type referred to in any of paragraphs (a) to (e) above; and
- (h) any of the foregoing amounts in respect of any Subsidiary of the Debtor whose accounts are not required under generally accepted accounting principles to be consolidated with the accounts of the Debtor;

including (without limitation) all Obligations **but excluding**:

- (i) trade payables, expenses accrued in the ordinary course of business, customer advance payments and deposits received in the ordinary course of business unless the time for due payment of which extends, or is intended to extend, more than twelve months from the date as of which the determination of Financial Indebtedness is being made; and
- (j) indebtedness of the Debtor which is effectively postponed in favour of the Bank;

**"Governmental Authority"** means any nation, government, province, state, region, municipality or other political subdivision or any governmental department, ministry, commission, board, agency or instrumentality or other public authority or person, domestic or foreign, exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing and includes any court of competent jurisdiction;

**"Guarantor"** means any person who has guaranteed the indebtedness of the Debtor in favour of the Bank;

**"Hazardous Substance"** means any substance, combination of substances or by-product of any substance which is or may become hazardous, toxic, injurious or dangerous to any person, property, air, land, water, flora, fauna or wildlife; and includes but is not limited to contaminants, pollutants, wastes and dangerous, toxic, deleterious or designated substances as defined in or pursuant to any Environmental Laws or Environmental Orders;

**"Lease"** means any lease (whether now existing, presently arising or created in future) whereby the Premises or any part thereof are demised and leased to the Debtor;

**"Loan Document"** means this Agreement, any of the Security Documents or any other agreement or instrument (whether now existing, presently arising or created in future) delivered by the Debtor or by any Guarantor to the Bank;

**"Normal Business"** has the meaning ascribed thereto in Schedule "D" hereof;

**"Obligations"** means all monies now or at any time and from time to time hereafter owing or payable by the Debtor or the Borrower to the Bank and all other obligations (whether now existing, presently arising or created in the future) of the Debtor or the Borrower in favour of the Bank, and whether direct or indirect, absolute or contingent, matured or not, whether arising from agreement or dealings between the Bank and the Debtor or the Borrower or from any agreement or dealings with any third person by which the Bank may be or become in any manner whatsoever a creditor or other obligee of the Debtor or the Borrower or however otherwise arising and whether the Debtor or the Borrower be bound alone or with another or others and whether as principal or surety, including monies payable or obligations arising in connection with the Offer of Finance; for certainty, the Obligations include all Obligations recorded at any branch or other office of the Bank, wherever located, and are not restricted to those Obligations recorded at the office of the Bank set out herein;

**"Occupants"** means the Debtor, its tenants and other occupants of any Premises;

**"Offer of Finance"** has the meaning ascribed thereto in Schedule "D" hereto;

**"Permitted Encumbrances"** means the following:

- (a) liens for taxes, assessments, governmental charges or levies not for the time being due and delinquent;

or

- (ii) the Bank is of the opinion that such liens are not materially prejudicial to the security hereof;
- (e) any reservations, limitations, provisos and conditions expressed in any original grant from the Crown which do not in the Bank's opinion materially detract from the value of the property concerned or materially impair its use in the operation of the business of the Debtor;
- (f) title defects or irregularities which, in the opinion of counsel to the Bank, are of a minor nature and in the aggregate will not in the Bank's opinion materially detract from the value of the property concerned or materially impair its use in the operation of the business of the Debtor;
- (g) Purchase Money Securities; and
- (h) the Encumbrances set out in Schedule "C" hereto;

"PPSA" means the *Personal Property Security Act* (Ontario);

"Premises" means all lands and premises owned or occupied by the Debtor from time to time (including the lands and premises referred to in Schedule "A" hereto);

"Purchase Money Security" means any Encumbrance given, reserved, created, assumed or arising by operation of law, whether or not in favour of the transferor, after the date hereof to provide or secure, or to provide the Debtor with funds to pay the whole or any part of, the consideration for the acquisition of tangible personal property other than Inventory where:

- (a) the principal amount of such Encumbrance is originally at least 75% but not greater than 100% of the cost to the Debtor of all of the property encumbered thereby, and
- (b) the Encumbrance only covers the property being acquired by the Debtor

and includes the renewal, extension or refunding of any such Encumbrance and of the indebtedness represented thereby upon the same property provided that the indebtedness secured thereby and the security therefor are not increased thereby;

"Receiver" shall include one or more of a receiver, receiver-manager or receiver and manager of all or a portion of the undertaking, property and assets of the Debtor appointed by the Bank pursuant to this Agreement or by or under any judgment or order of a court;

"Release" includes abandon, add, deposit, discharge, disperse, dispose, dump, emit, empty, escape, leach, leak, migrate, pour, pump, release or spill;

"Security Documents" means, collectively, this Agreement and all other agreements and other instruments delivered to the Bank by the Debtor (whether now existing or presently arising) for the purpose of establishing, perfecting, preserving or protecting any security held by the Bank in respect of any Obligations;

"Share Ownership" has the meaning ascribed to such term in Schedule "D" hereto; and

"Subsidiary" means a corporation in which the Debtor owns, directly and/or indirectly through one or more Subsidiaries, a majority of shares carrying the right to elect at least a majority of the members of the board of directors.

## 1.2 Interpretation

- 1.2.1 "This Agreement", "hereto", "hereby", "hereunder", "herein", and similar expressions refer to the whole of this Agreement and not to any particular Article, Section, subsection, paragraph, clause, subdivision or other portion hereof.
- 1.2.2 The words "including", "includes", "any" and "or" shall not be limiting or exclusive unless expressly indicated to the contrary.
- 1.2.3 The term, "Debtor" includes each party hereto executing this Agreement in that capacity, both collectively and individually. Their liability hereunder shall be both joint and several. Any provision of this Agreement which mentions the Debtor shall be applied separately to each named Debtor and to all of them collectively. In the case of a Debtor which is a partnership, any provision of this

- 1.2.6 The headings of the Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.2.7 Unless otherwise expressly provided in this Agreement, any reference in this Agreement to any law shall include any by-law, regulation, order, act or statute of any Governmental Body and shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

### 1.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

## ARTICLE 2 SECURITY

### 2.1 Charge

Debtor hereby: For the purpose set out in Section 2.5 but subject to the exceptions set forth in Section 2.2, the

2.1.1 grants, sells, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of fixed and specific mortgage, pledge and charge to and in favour of the Bank, and grants to the Bank a security interest in, all personal property of every nature and kind whatsoever and wheresoever situate now or at any time and from time to time owned by the Debtor or in which or in respect of which the Debtor has any interest or rights of any kind together with all Proceeds thereof and therefrom, renewals thereof, Accessions thereto and substitutions therefor, including the following described property:

- (a) all inventory of whatsoever kind (including vehicles) and wheresoever situate now owned or hereafter acquired by the Debtor including goods for sale or lease or that have been leased; goods furnished or to be furnished under a contract of service; goods which are raw materials, work in process or materials used or consumed in a business or profession of the Debtor; goods used or procured for packing; finished goods; industrial growing crops, oil, gas and other minerals to be extracted; timber to be cut; and the young of animals after conception ("**Inventory**");
- (b) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due or owned by the Debtor including but not limited to claims against the Crown and claims under insurance policies ("**Accounts**");
- (c) all machinery, equipment, tools, apparatus, plants, fixtures, furniture, vehicles, goods and other tangible personal property of whatsoever nature and kind, now owned or hereafter acquired by the Debtor other than Inventory ("**Equipment**");
- (d) all chattel paper now owned or hereafter acquired by the Debtor ("**Chattel Paper**");
- (e) all warehouse receipts, bills of lading and other documents of title, whether negotiable or otherwise, now owned or hereafter acquired by the Debtor ("**Documents of Title**");
- (f) all instruments now owned or hereafter acquired by the Debtor ("**Instruments**");
- (g) all deeds, documents, writings, papers, books of accounts and other books and records, whether or not in computerized form, evidencing or relating to Accounts, Chattel Paper, Instruments or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable; and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (h) all shares, Securities, stocks, warrants, bonds, debentures, debenture stock or the like now owned or hereafter acquired by the Debtor;
- (i) all intangible property and intangibles now owned or hereafter acquired by the Debtor including but not limited to choses in action, goodwill, patents, trademarks, copyrights

- 2.1.2 charges with payment and performance of the Obligations to and in favour of the Bank as and by way of a floating charge the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever and wheresoever situate, both present and future (other than property and assets from time to time effectively subjected to the fixed and specific mortgages, charges and security interests created hereby or by any instrument supplemental hereto).

## 2.2 Exceptions

### 2.2.1 Exception as to Leases

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 excepted out of the Collateral, but the Debtor shall stand possessed of any such reversion upon trust to assign and dispose thereof as the Bank may direct. Where the giving of a fixed and specific mortgage and charge on any real or personal property held by the Debtor under lease requires the consent of any person; the giving of the fixed and specific mortgage and charge hereunder on such property shall not take effect until such consent is obtained or legally dispensed with, but the Debtor shall hold its rights in such property in trust for the Bank if so doing does not require the consent of another person. The suspension of the effect of the fixed and specific mortgage and charge on such property shall not affect the fixed and specific mortgage and charge on any other property of the Debtor.

### 2.2.2 Exception as to Consumer Goods

Consumer Goods now held or hereafter acquired by the Debtor are excepted out of the Collateral.

## 2.3 Charge Valid Irrespective of Advance of Money

The mortgages, pledges and charges hereby created shall have effect and be deemed to be effective whether or not the monies or obligations hereby secured or any part thereof shall be advanced or owing or in existence before or after or upon the date of this Agreement and neither the giving of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds. The Debtor acknowledges that the parties have not agreed to postpone the time for attachment of any of the charges created hereby, including the floating charge created hereby, all of which shall attach upon the execution hereof or, in the case of after-acquired Collateral, as soon as the Debtor acquires rights therein. The Debtor acknowledges that value has been given.

## 2.4 Supplemental Indentures

The Debtor shall from time to time on demand by the Bank execute and deliver such further deeds or indentures supplemental hereto, which shall thereafter form part hereof, for the purpose of mortgaging to the Bank any property now owned or hereafter acquired by the Debtor and falling within the description of the Collateral, for correcting or amplifying the description of any property hereby mortgaged or intended so to be, or for any other purpose not inconsistent with the terms of this Agreement.

## 2.5 Continuing Security

The Collateral and any other security given with the Bank's consent in replacement thereof, substitution therefor or in addition thereto shall be held by the Bank as general and continuing security for due payment and performance of all Obligations, including all costs and amounts payable pursuant hereto and interest on the Obligations at the rate or rates applicable thereto in accordance with the Offer of Finance.

## 2.6 Application of Payments

Any and all payments made at any time in respect of the Obligations and the proceeds realized from any securities held therefor (including moneys realized from the enforcement of this Agreement and any increase in or profits from the Collateral) may be applied (and reapplied from time to time notwithstanding any previous application) to such part or parts of the Obligations as the Bank sees fit, or held by the Bank unappropriated as additional security hereunder for such period of time as the Bank sees fit to be applied against the Obligations when and how the Bank sees fit. The Debtor shall be accountable for any deficiency and the Bank shall be accountable for any surplus.

## ARTICLE 3 REPRESENTATIONS AND WARRANTIES

### 3.1 General Representations and Warranties

### 3.1.2 Power and Capacity

The Debtor has the power and capacity to enter into each of the Security Documents to which it is a party and to do all acts and things as are required or contemplated hereunder or thereunder to be done, observed and performed by it.

### 3.1.3 Due Authorization and Enforceability

The Debtor has taken all necessary action to authorize the execution, delivery and performance of each of the Security Documents to which it is a party and each such document constitutes, or upon execution and delivery will constitute, a valid and binding obligation of the Debtor enforceable against it in accordance with its terms, subject only to the following qualifications:

- (a) an order of specific performance and an injunction are discretionary remedies, and in particular, may not be available where damages are considered an adequate remedy; and
- (b) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting enforceability of creditors' rights.

### 3.1.4 No Contravention

The execution and delivery of this Agreement and the other Security Documents and the performance by the Debtor of its obligations thereunder (i) does not and will not violate any law or any provision of the articles, by-laws, constating documents or other organizational documents of the Debtor (or, if a partnership, the partnership agreement respecting the Debtor) or constitute a breach of any existing contractual or other obligation of the Debtor or contravene any licence or permit to which the Debtor is subject, (ii) will not result in the creation of, or require the Debtor to create, any Encumbrance in favour any person other than the Bank, and (iii) will not result in or permit the acceleration of the maturity of any indebtedness or other obligation of the Debtor.

### 3.1.5 No Consents Required

No authorization, consent or approval of, or filing with or notice to, any person is required in connection with the execution, delivery or performance of this Agreement or any of the other Security Documents by the Debtor.

### 3.1.6 Locations

The chief executive office of the Debtor is at the location specified in Schedule "D" hereto and all of the tangible Collateral which is personal property (except for Inventory in transit) is located at the Premises referred to in Schedule "A" hereto.

### 3.1.7 Leases

With respect to each Lease now existing:

- (a) the copy of the Lease provided to the Bank contains the entire agreement between the Debtor, the lessee and any guarantor, surety or indemnitor respecting the subject matter and there have been no modifications, amendments or extensions thereto or thereof; and
- (b) the Lease is in full force and effect and in good standing.

### 3.1.8 Financial Statements

The financial statements of the Debtor in the form delivered by the Debtor to the Bank have been prepared in accordance with generally accepted accounting principles consistently applied and fairly, completely and accurately present the financial condition of the Debtor and the financial information presented therein for the period and as at the date thereof. Since the date of the last financial statements delivered to the Bank there has been no development which has had or will have a material adverse effect upon the business, property, financial condition or prospects of the Debtor or upon the ability of the Debtor to perform its obligations under any of the Security Documents.

### 3.1.9 Solvency

The Debtor is not insolvent within the meaning of the Bankruptcy Act or the Insolvency Act.

board, agency or instrumentality, domestic or foreign, or before any other authority, or before any arbitrator of any kind, which would, if determined adversely to the Debtor, materially adversely affect its business, property, financial condition or prospects or its ability to perform any of the provisions of any Security Document to which it is a party or which purports to affect the legality, validity or enforceability of any Security Document, and the Debtor is not in default with respect to any judgment, order, writ, injunction, award, rule or regulation of any Governmental Authority or any arbitrator, which individually or in the aggregate results in any such material adverse effect.

#### 3.1.11 No Default

The Debtor is not in default or breach under any material commitment or obligation (including obligations in relation to Financial Indebtedness) or under any order, writ, decree or demand of any Governmental Authority or with respect to any leases, licences or permits to own and/or operate material properties and assets or to carry on business and there exists no state of facts which, after notice or the passage of time or both, would constitute such a default or breach; and there are not any proceedings in progress, pending or threatened, which may result in the revocation, cancellation, suspension or any adverse modification of any such leases, licences or permits.

#### 3.1.12 All Material Information Supplied

The Debtor has provided to the Bank all material information relating to the financial condition, business and prospects of the Debtor and the Guarantors (if any) and all such information is true, accurate and complete in all material respects.

#### 3.1.13 Serial Numbered Goods and Fixtures

Full particulars (including serial number, year, make and model) of each motor vehicle, trailer, mobile home, boat, outboard motor and aircraft in which the Debtor has rights and which is not Inventory are set out in Schedule "B" hereto. None of the goods comprised in the Collateral are fixtures except any fixtures that are described so that they may be readily identified in Schedule "B" hereto and that are affixed or attached to the Premises described in Schedule "A" hereto.

#### 3.1.14 Consumer Goods

None of the Collateral now owned or hereafter acquired is now or shall at any time be Consumer Goods of the Debtor.

### 3.2 Environmental Representations and Warranties

The Debtor represents, warrants and covenants to and with the Bank as follows:

3.2.1 The Collateral and the operations of the Occupants now and will at all times in future comply in all material respects with all Environmental Laws and Environmental Orders.

3.2.2 After due and diligent inquiry, it has been found that, except for substances necessary to the carrying on of the Normal Business of the Debtor, there is no Hazardous Substance on or in any of the Premises, no Hazardous Substance has ever been used, stored, located or Released on or in any of the Premises, no part of the Premises is or has ever been contaminated by any Hazardous Substance.

3.2.3 After due and diligent inquiry and except as approved by the Bank in writing, it has been found that there are no:

- (a) underground or above-ground storage tanks;
- (b) asbestos or material containing asbestos;
- (c) urea formaldehyde or material containing urea formaldehyde;

at, on or under the Premises and none of the foregoing will at any time in future be placed, installed or Released at, on or under the Premises without the prior written consent of the Bank.

3.2.4 Any underground or above-ground storage tanks located at, on or under the Premises which have been approved by the Bank have been identified, registered, constructed, operated and maintained as required by Environmental Laws and Environmental Orders and they are presently in a state of good condition and repair, have not leaked and are not presently leaking any of their contents.

Premises or used by any person on or in any part of the Premises shall be transported, used and stored only in accordance with all Environmental Laws, other lawful requirements, prudent industrial standards (including any published environmental standards of any applicable industry association) and any requirements of applicable insurance policies.

- 3.2.8 The Debtor has created, properly organized and maintained all documentation and records concerning environmental matters as required by any Environmental Laws or Environmental Orders and will maintain such documentation and records at all times in future as aforesaid.
- 3.2.9 The Debtor has provided to the Bank any Environmental Assessment and related documentation concerning any of the Premises in its possession or control and shall promptly provide to the Bank any such material as the Debtor may obtain in future.
- 3.2.10 The Debtor shall promptly notify the Bank if it:
- (a) receives notice from any Governmental Authority of any violation or potential violation of any Environmental Laws or Environmental Orders, including the Release of a Hazardous Substance, which may have occurred or been committed or is about to occur or be committed;
  - (b) receives notice that any administrative or judicial complaint or Environmental Order has been issued or filed or is about to be issued or filed against any of the Occupants or their representatives alleging violations of any Environmental Laws or Environmental Orders or requiring the taking of any action in connection with any Hazardous Substance;
  - (c) learns of the enactment of any Environmental Laws or the issuance of any Environmental Orders which may have a material adverse effect on the Premises or the operations or the condition, financial or otherwise, of any of the Occupants; or
  - (d) knows of or suspects that any Hazardous Substance (other than a substance necessary to the carrying on of the Normal Business of the Debtor) has been brought onto any part of the Premises or that there is any actual, threatened or potential Release of any Hazardous Substance (whether or not a substance necessary to the carrying on of the Normal Business of the Debtor) on, from, in or under any part of the Premises.
- 3.2.11 The Debtor hereby grants to the Bank and its employees and agents an irrevocable and non-exclusive licence, subject to the rights of tenants, to enter any of the Premises to conduct testing and monitoring with respect to Hazardous Substances and to remove and analyze any Hazardous Substance at the cost and expense of the Debtor (which cost and expense shall be secured hereby).
- 3.2.12 The Debtor shall indemnify the Bank and hold the Bank harmless against and from all loss, costs, damages and expenses which the Bank may sustain, incur or be or become liable for by reason of or arising from the presence, clean-up, removal or disposal of any Hazardous Substance referred to in this Section 3.2.12 or compliance with Environmental Laws or Environmental Orders relating thereto, including any clean-up, decommissioning, restoration or remediation of the Premises and other affected lands or property (and this indemnification shall survive the satisfaction, release or extinguishment of the indebtedness secured hereby).

### 3.3 Title

The Debtor covenants with the Bank that, subject only to Permitted Encumbrances, it lawfully owns, as legal and beneficial owner, and is lawfully possessed of the Collateral and all property and assets indicated by the financial statements which it has delivered to the Bank to be owned by it and has good right and authority to mortgage and charge the same as provided for herein, free and clear of all Encumbrances (other than Permitted Encumbrances), and it will warrant and defend the title thereto as well as to any other property, rights and interests hereafter acquired by the Debtor. No person has any agreement or right or option to acquire any of such property (except under unfilled purchase orders accepted in the ordinary course of business for the sale of Inventory).

## ARTICLE 4 COVENANTS OF THE DEBTOR

### 4.1 General Covenants

So long as this Agreement remains outstanding, the Debtor covenants and agrees as follows:



(Canada)). All such costs and expenses and other monies payable hereunder, together with interest at the highest rate applicable to any Obligations, shall be payable on demand and shall constitute a charge on the Collateral. Without limiting the generality of the foregoing, such costs shall extend to and include any legal costs incurred by or on behalf of the Bank on a full indemnity basis.

#### 4.1.2 To Pay Certain Debts

The Debtor shall punctually pay and discharge every obligation, failure to pay or discharge which might result in any lien or charge or right of distress, forfeiture, termination or sale or any other remedy being enforced against the Collateral and provide to the Bank when required satisfactory evidence of such payment and discharge, but the Debtor may on giving the Bank such security (if any) as the Bank may require refrain from paying or discharging any obligation so long as it contests in good faith its liability therefor.

#### 4.1.3 To Maintain Existence and Security

The Debtor shall:

- (a) maintain its existence;
- (b) diligently preserve all its rights, licences, powers, privileges, franchises and goodwill;
- (c) observe and perform all of its obligations and comply with all conditions under leases, licences and other agreements to which it is a party or upon or under which any of the Collateral is held;
- (d) carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and income therefrom;
- (e) keep proper books of account with correct entries of all transactions in relation to its business;
- (f) observe and conform to all valid requirements of law and of any Governmental Authority relative to the Collateral or the carrying on by the Debtor of its business;
- (g) repair and keep in repair and good order and condition all property, including the Collateral, the use of which is necessary or advantageous in connection with its business;
- (h) immediately notify the Bank in writing of any proposed change of name of the Debtor or of the Debtor's chief place of business or chief executive office;
- (i) keep the Bank constantly informed in writing as to the location of the Collateral and the books of account and other records of the Debtor;
- (j) immediately deliver to the Bank any negotiable instrument forming part of the Collateral;
- (k) effect such registrations as may be required by the Bank from time to time to protect the security hereof; and
- (l) prevent the Collateral from being or becoming an Accession to property not charged hereby or becoming affixed to any real property other than real property in respect of which the Bank holds a registered mortgage.

#### 4.1.4 Leases

- (a) The Debtor shall at all times perform and discharge all of the lessee's covenants and obligations under any Lease.
- (b) The Debtor will not without the written consent of the Bank terminate, surrender, amend, alter or vary the terms and conditions of any Lease. Nor shall the Debtor, without the written consent of the Bank, waive performance by the landlord under any of the Leases or release any of the said landlords from any obligations under their respective Leases.

#### 4.1.5 To Insure

The Debtor shall forthwith on the happening of any loss or damage furnish at its own expense all necessary proofs and do all necessary acts to enable the Bank to obtain payment of the insurance monies, which, in the sole discretion of the Bank, may be applied in reinstating the insured property or be paid to the Debtor or be applied in payment of the monies owing hereunder, whether due or not then due, or paid partly in one way and partly in another.

#### 4.1.7 Inspection by the Bank

The Debtor shall allow any employees or authorized agents of the Bank at any reasonable time to enter the premises of the Debtor in order to inspect the Collateral and to inspect the books and records of the Debtor and make extracts therefrom, and shall permit the Bank prompt access to such other persons as the Bank may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Collateral or the books and records of the Debtor, provided that any information so obtained shall be kept confidential, save as required by the Bank in exercising its rights hereunder.

#### 4.1.8 Accounts

Subject to any Permitted Encumbrances thereon, Accounts shall be received by the Debtor in trust for the Bank; provided that as long as an Event of Default has not occurred the Debtor may collect and use the Accounts in the ordinary course of business.

#### 4.1.9 Deliver Information

The Debtor shall deliver such financial statements to the Bank together with such other statements and reports as may be required pursuant to the Offer of Finance, within the time periods stipulated therein. Such financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly, completely and accurately present the financial condition of the Debtor and the financial information presented therein for the period and as at the date thereof. The Debtor shall provide to the Bank any other information concerning its financial position and business operations which the Bank may from time to time request.

#### 4.1.10 Notice of Litigation and Damage

The Debtor will promptly give written notice to the Bank of (a) all claims or proceedings pending or threatened against the Debtor which may give rise to uninsured liability in excess of \$25,000 or which may have a material adverse affect on the business or operations of the Debtor, (b) all damage to or loss or destruction of any property comprising part of the Collateral which may give rise to an insurance claim in excess of \$25,000 and (c) all uninsured damage to or loss or destruction of property comprising part of the Collateral in excess of \$25,000; and will supply the Bank with all information reasonably requested in respect of any such matters.

#### 4.1.11 Notice of Default

The Debtor will promptly give written notice to the Bank of the occurrence of any Event of Default or of any event which after notice or lapse of time would constitute an Event of Default.

#### 4.1.12 Representations and Warranties

The representations and warranties made by the Debtor in Article 4 shall be true and correct on each day that this Agreement or any of the Security Documents remains in force, with the same effect as if such representations and warranties had been made and given on and as of such day (except to the extent any such representation and warranty is expressly limited to a particular date or particular period or time), notwithstanding any investigation made at any time by or on behalf of the Bank.

#### 4.1.13 Not to Create Certain Charges

The Debtor shall not, without the prior written consent of the Bank, create or permit to arise any Encumbrance on any of the Collateral (other than Permitted Encumbrances), and will not permit any Subsidiary to do the same (except in favour of the Debtor). Nothing herein contained shall be construed as subordinating the Bank's interest in the Collateral in favour of any third party who claims the Collateral by virtue of a Permitted Encumbrance.

#### 4.1.14 Not to Sell

The Debtor shall not, except as otherwise permitted hereunder, remove, destroy, lease, sell or

- (b) purchase, establish or acquire in any manner any new business undertaking;
- (c) materially change the nature of the Debtor's business as presently carried on;
- (d) enter into a partnership, joint venture or syndicate with any other person; acquire or establish any Subsidiary; or, if a corporation, amalgamate, consolidate or merge with any person;
- (e) enter into any transaction, or permit any Subsidiary to do so, outside the ordinary active business operations of the Debtor and its Subsidiaries;
- (f) acquire or invest in any Securities except instruments or Securities issued by a financial institution or liquid Securities traded on a recognized public securities exchange and acquired only for the Debtor's cash management purposes or permit any Subsidiary to do so;
- (g) remove any of the Collateral or any of the books of account or other records of the Debtor from the jurisdiction where presently located;
- (h) permit Share Ownership to change;
- (i) create, issue, incur or otherwise become liable upon, directly or indirectly, any Financial Indebtedness or permit any Subsidiary to do so;
- (j) reduce or make any distribution of its capital, or redeem, purchase or otherwise retire or pay for any shares in its present or future capital stock;
- (k) create, allot or issue any shares in its capital, change its capital structure, enter into any agreement, or make any offer, to do so or permit any Subsidiary to do any such thing with respect to the capital or capital structure of such Subsidiary; or
- (l) make or repay or guarantee any loan or advance to any person, or endorse or otherwise become surety or guarantor for or upon, or indemnify against loss arising from, the obligations of any person, except by endorsement of negotiable instruments for deposit or collection, and the Debtor shall not permit any Subsidiary to do any such thing.

#### 4.1.16 Serial Numbered Goods and Fixtures

Upon the acquisition by the Debtor from time to time of rights in any motor vehicles, trailers, mobile homes, boats, outboard motors or aircraft which are not Inventory and which are not fully described in Schedule "B" hereto, or upon repossession by or return to the Debtor of any such goods, the Debtor will forthwith give written notice to the Bank of full particulars (including the serial number) of the same. The Debtor will not permit goods now or hereafter comprised in the Collateral to become fixtures unless they are, or are to be, affixed or attached to the Premises described in Schedule "A" hereto and unless the goods are described in Schedule "B" hereto so that they may be readily identified.

## ARTICLE 5 EVENTS OF DEFAULT AND REMEDIES

### 5.1 Events of Default

The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

- 5.1.1 if default occurs in payment or performance of any Obligation (whether arising herein or otherwise);
- 5.1.2 if any representation or warranty made by the Debtor herein or in any other Loan Document or in any certificate, statement or report furnished in connection with or pursuant to the Offer of Finance is found to be false or incorrect in any way so as to make it materially misleading when made or when deemed to have been made;
- 5.1.3 if default occurs in payment or performance of any obligation in favour of any person to whom the Debtor is indebted except obligations to trade creditors incurred in the ordinary course of business which do not materially and adversely affect the financial condition of the Debtor;

- 5.1.7 if the Debtor ceases to carry on its business or makes or proposes to make any sale of its assets in bulk or any sale of its assets out of the usual course of its business;
- 5.1.8 if any proposal is made or any petition is filed by the Debtor under any law having for its purpose the extension of time for payment, composition or compromise of the liabilities of the Debtor or other reorganization or arrangement respecting its liabilities or if the Debtor gives notice of its intention to make or file any such proposal or petition including an application to any court for an order to stay or suspend any proceedings of creditors pending the making or filing of any such proposal or petition;
- 5.1.9 if any receiver, administrator or manager of the property, assets or undertaking of the Debtor or a substantial part thereof is appointed pursuant to the terms of any trust deed, trust indenture, debenture or similar instrument or by or under any judgment or order of any court;
- 5.1.10 if any balance sheet or other financial statement provided by the Debtor to the Bank pursuant to the provisions hereof is false or misleading in any material respect;
- 5.1.11 if the Debtor permits any sum which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, an Encumbrance upon any of the Collateral in priority to, or pari passu with, the charge created by this Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same as such charge;
- 5.1.12 if any proceedings are taken to enforce any Encumbrance affecting any of the Collateral;
- 5.1.13 if the validity of any Loan Document is brought into question or disputed in whole or in part where the effect of any such invalidity would materially adversely affect the interests of the Bank hereunder or in connection with the Offer of Finance;
- 5.1.14 if any action is taken or power or right be exercised by any Governmental Authority or if any claim or proceeding is pending or threatened by any person which may have a material adverse effect on the Debtor, its business or operations, its properties or its prospects;
- 5.1.15 if in the opinion of the Bank a material adverse change has occurred in the financial condition or business of the Debtor which may impair the ability or willingness of the Debtor to perform its obligations hereunder, under the Offer of Finance or under any other Loan Document or if the Bank considers that the Collateral is in jeopardy or that the Bank is insecure; and
- 5.1.16 if any event occurs with respect to any Guarantor which if a like event had occurred with respect to the Debtor would have constituted an Event of Default.

## **5.2 Consequences of an Event of Default**

Upon the occurrence of an Event of Default, any obligation of the Bank to make further loans or advances or extend other credit to the Debtor shall immediately terminate and all Obligations and all monies secured hereby shall at the option of the Bank become forthwith due and payable whereupon the floating charge hereby created shall crystallize, all of the rights and remedies hereby conferred in respect of the Collateral shall become immediately enforceable and any and all additional and collateral securities for payment of this Agreement shall become immediately enforceable.

## **5.3 Enforcement**

Upon the happening of any Event of Default the Bank shall have the following rights and powers:

- 5.3.1 to enter into possession of all or any part of the Collateral;
- 5.3.2 to preserve and maintain the Collateral and make such replacements thereof and additions thereto as it deems advisable;
- 5.3.3 to borrow money in the Debtor's name or in the Bank's name or on the security of the Collateral or to advance the Bank's own money to the Debtor, in any case upon such terms as the Bank may deem reasonable and upon the security hereof;
- 5.3.4 to pay or otherwise satisfy in whole or in part any Encumbrances which, in the Bank's opinion, rank in priority to the security hereof;
- 5.3.5 after entry by its officers or agents or without entry to sell, lease or otherwise dispose in any way whatsoever of all or any part of the Collateral either on the agreement of the Debtor or otherwise.

- 5.3.9 to bring proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the Collateral.

The security of this Agreement may be realized and the rights enforced by any remedy or in any manner authorized or permitted by this Agreement or by law or equity and no remedy for the realization of the security hereof shall be exclusive of or dependent upon any other remedy and all or any remedies may from time to time be exercised independently or in any combination.

#### **5.4 Disposition**

Without limiting the generality of the foregoing it shall be lawful for the Bank:

- 5.4.1 to make any sale, lease or other disposition of the Collateral either for cash or upon credit or partly for one and partly for the other upon such conditions as to terms of payment as it in its absolute discretion may deem proper;
- 5.4.2 to rescind or vary any contract for sale, lease or other disposition that the Bank may have entered into pursuant hereto and resell, release or redispense of the Collateral with or under any of the powers conferred herein; and
- 5.4.3 to stop, suspend or adjourn any sale, lease or other disposition from time to time and to hold the same as adjourned without further notice.

Upon any such sale, lease or other disposition the Bank shall be accountable only for money actually received by it. The Debtor shall be accountable for any deficiency and the Bank shall distribute any surplus as required by law. The Bank may deliver to the purchaser or purchasers of the Collateral or any part thereof good and sufficient conveyances or deeds for the same free and clear of any claim by the Debtor. The purchaser or lessee receiving any disposition of the Collateral or any part thereof need not inquire whether default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Bank, which declaration shall be conclusive evidence as between the Debtor and any such purchaser or lessee, and the purchaser or lessee need not look to the application of the purchase money, rent or other consideration given upon such sale, lease or other disposition, which shall not be affected by any irregularity of any nature or kind relating to the crystallizing or enforcing of the security hereof or the taking of possession of the Collateral or the sale, lease or other disposition thereof.

#### **5.5 Powers of Receiver**

Any Receiver appointed as aforesaid shall have the power without legal process:

- 5.5.1 to take possession of the Collateral or any part thereof wherever the same may be found;
- 5.5.2 to carry on the business of the Debtor or any part thereof in the name of the Debtor or of the Receiver; and
- 5.5.3 to exercise on behalf of the Bank all of the rights and remedies herein granted to the Bank,

and without in any way limiting the foregoing the Receiver shall have all the powers of a receiver appointed by a court of competent jurisdiction. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor, and the Bank shall not be in any way responsible for any misconduct or negligence on the part of any Receiver or any loss resulting therefrom.

#### **5.6 Application of Moneys**

All moneys actually received by the Bank or by the Receiver in enforcing the security of this Agreement shall be applied, subject to the proper claims of any other person:

- 5.6.1 first, to pay or reimburse the Bank and any Receiver the costs, charges, expenses and advances payable by the Debtor in accordance herewith;
- 5.6.2 second, in or toward the payment to the Bank of all other moneys owing hereunder or secured hereby in such order as the Bank in its sole discretion may determine; and
- 5.6.3 third, any surplus shall be distributed as required by law.

#### **5.7 Powers of Directors and Officers**

by any such sale or other dealing or for any failure to sell or so act, nor will it be responsible for any failure to take necessary steps to preserve rights against others in respect of such Collateral, nor will it be responsible for any loss occasioned by the failure to exercise any rights in respect of Collateral within the time limited for the exercise thereof. Neither the Bank nor the Receiver will be obligated to keep Collateral separate or identifiable.

#### 5.9 Urgency

If an Event of Default occurs, the Debtor agrees that the exercise by the Bank of any of its rights and remedies constitutes an urgent insolvency matter which shall be heard by a judge at Toronto presiding over the Commercial List and, if necessary for such purpose, the Debtor consents to transfer all proceedings to such a judge.

### ARTICLE 6 GENERAL

#### 6.1 Waiver

No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the Bank (and by the Debtor, if an amendment), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

#### 6.2 Other Securities

The rights of the Bank hereunder shall not be prejudiced nor shall the liabilities of the Debtor or of any other person be reduced in any way by the taking of any other security of any nature or kind whatsoever whether in addition to, or in substitution for, existing security either at the time of execution of this Agreement or at any time hereafter.

#### 6.3 No Merger or Novation

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liability of the Debtor to pay the moneys hereby secured nor shall the same operate as a merger of any covenant herein contained or of any other Obligation, nor shall the acceptance of any payment or other security constitute or create any novation.

#### 6.4 Amalgamation

The Debtor, if a corporation, acknowledges that if it amalgamates with any other corporation or corporations (a) the Collateral and the lien created hereby shall extend to and include all the property and assets of each of the amalgamating corporations and the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (b) the term, "Debtor", where used herein shall extend to and include each of the amalgamating corporations and the amalgamated corporation, and (c) the term, "Obligations", where used herein shall extend to and include the Obligations of each of the amalgamating corporations and the amalgamated corporation. Nothing in this Section 6.4 shall be interpreted as permitting the Debtor to amalgamate in violation of any covenant of the Debtor contained herein or in any other agreement binding the Debtor.

#### 6.5 Power of Attorney

The Debtor for valuable consideration irrevocably appoints the Bank and its officers from time to time or any of them to be the attorneys of the Debtor in the name of and on behalf of the Debtor to execute and do any deeds, transfers, conveyances, assignments, assurances and things which the Debtor ought to execute and do under the covenants and provisions herein contained and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Bank, including to receive, endorse and collect all instruments made payable to the Debtor representing any distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

#### 6.6 The Bank May Remedy Default

If the Debtor fails to do anything hereby required to be done by it, the Bank may, but shall not be obliged to, do such thing and all sums thereby expended by the Bank shall be payable forthwith by the Debtor, shall be secured hereby and shall have the benefit of the lien hereby created, but no such performance by the Bank shall be deemed to relieve the Debtor from any default hereunder.

#### 6.7 Purchase Money Security Interest

which shall compensate the Bank for such additional cost or reduction in income. A certificate of the Bank setting forth the amount of such additional compensation and the basis therefor shall be submitted by the Bank to the Debtor and shall be conclusive evidence, in the absence of manifest error, of such amount.

**6.9 Notices**

Any notice or written communication given pursuant to or in connection with this Agreement shall be in writing and shall be given by delivering the same personally or by prepaid courier, prepaid registered mail, telex or telecopier, addressed to the party to be notified at the address of such party set out herein or at such other address of which such party has given notice to the other parties hereto. Any such notice shall be conclusively deemed to have been given and received on the day of actual receipt by the addressee or, if given by prepaid registered mail, on the third Business Day following the mailing date (absent a general disruption in postal service.)

**6.10 Offer of Finance**

This Agreement is being issued by the Debtor to the Bank pursuant to the terms of the Offer of Finance. All terms and conditions of the Offer of Finance shall remain in full force and effect. In the event of a conflict or inconsistency between any provision of this Agreement and any provision of the Offer of Finance the provision of the Offer of Finance shall govern and prevail.

**6.11 Receipt**

The Debtor hereby acknowledges receipt of a true copy of this Agreement and a copy of the financing statement registered in respect of the security created hereby.

**6.12 Successors and Assigns, etc.**

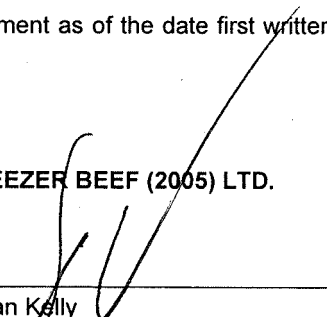
This Agreement and all its provisions shall enure to the benefit of the Bank, its successors and assigns and shall be binding upon the Debtor, its successors and permitted assigns. Every reference to a party hereto shall extend to and include such party's successors and permitted assigns, as if specifically named. Time shall be in all respects of the essence hereof.

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]**

above. **IN WITNESS WHEREOF** the Debtor has duly executed this Agreement as of the date first written

**BLACK ANGUS FREEZER BEEF (2005) LTD.**

Per:

  
Name: Sean Kelly

Title: President

I have the authority to bind the Corporation.



**SCHEDULE "A"**  
**PREMISES**  
**(OWNED OR LEASED)**

**(Section 1.1)**

Municipal Address

207484 Highway 26, Thornbury, Ontario N0H 2P0

Legal Description

Part Lot 36, Concession 11, Collingwood, designated as PARTS 1, 2, 3 and 4, Plan 16R3221 and part of the road allowance between Lots 36 and 37, Collingwood, designated as PARTS 5, 6 and 7, Plan 16R3221, closed by R102245, Town of Blue Mountains, County of Grey

**SCHEDULE "B"**  
**SPECIFIED PERSONAL PROPERTY**

(Section 2.1.1(l))

- I. The following goods now located at 207484 Highway 26, Thornbury, Ontario N0H 2P0.  
(see attached list)

**NONE**

- II. The following intellectual property:

**NONE**

**SCHEDULE "C"**  
**PERMITTED ENCUMBRANCES**  
**(Section 1.1)**

PERSONAL PROPERTY SECURITY ACT

<b>Secured Party</b>	<b>Registration Number</b>	<b>Collateral Description</b>	<b>Amount Secured (Current Balance)</b>
Somerville National Leasing & Rentals Ltd.	20080303 1013 1462 6840	2008 Ford Escape	\$34,000.00

REAL PROPERTY REGISTRATIONS

<b>Party</b>	<b>Registration Number</b>	<b>Amount Secured (Current Balance)</b>
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**SCHEDULE "D"**

**MISCELLANEOUS PARTICULARS**

- 1.1 **Chief Executive Office.** The Debtor's chief executive office is located at the following address:  
207484 Highway 26, Thornbury, Ontario N0H 2P0.
- 1.2 **"Affiliate"** includes the following corporations: Black Angus Fine Meats & Game Inc. and RSV Investments Inc.
- 1.3 **"Normal Business"** means the following activities: Retail sale of meat products
- 1.4 **"Offer of Finance"** means the letter of the Bank to Black Angus Group of Companies dated the 28th day of September, 2009, as accepted by Black Angus Freezer Beef (2005) Ltd., Black Angus Fine Meats & Game Inc. and RSV Investments Inc., as amended, supplemented, restated or replaced from time to time;
- 1.5 **"Share Ownership"** means the direct or indirect beneficial ownership of shares of the Debtor as follows:

<u>Owner</u>	<u>Class of Shares</u>	<u>Number of Shares</u>
Sean Kelly	Common	1



## GENERAL SECURITY AGREEMENT

THIS AGREEMENT made the 4th day of November, 2009

BETWEEN: **BLACK ANGUS FINE MEATS & GAME INC.**, having a place of business at 207484 Highway 26, Thornbury, Ontario N0H 2P0, Fax No. 519.599.2338

(hereinafter called the "Debtor")

AND: **LAURENTIAN BANK OF CANADA**, having an office at 130 Adelaide Street West, Suite 300, Branch 842 Legal Services, Toronto, Ontario M5H 3P5, Fax No. 416.865.5904

(hereinafter called the "Bank")

In consideration of the sum of One Dollar (\$1.00) now paid to it by the Bank (receipt of which is hereby acknowledged), and to secure the due payment and performance of all Obligations (hereinafter defined), the Debtor hereby agrees with the Bank and provides as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

As used herein the following expressions shall have the following meanings:

"**Affiliate**" has the meaning ascribed to such term in the *Business Corporations Act* (Ontario), including the corporations (if any) referred to as Affiliates in Schedule "D" hereto;

"**Borrower**" means Black Angus Fine Meats & Game Inc.;

"**Business Day**" means any day except Saturday, Sunday or a statutory holiday;

"**Collateral**" means all present and future property and assets of the Debtor whether now or hereafter specifically charged or subjected to the floating charge under Section 2.1 (except as excluded pursuant to Section 2.2);

"**Encumbrance**" means any mortgage, lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress or other claim in respect of property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with option to buy-back;

"**Environmental Assessment**" means any inquiry, investigation or report of the environmental condition of the Premises;

"**Environmental Laws**" means all applicable federal, provincial, regional, state, municipal or local laws, common law, statutes, regulations, ordinances, codes, rules, guidelines, requirements, certificates of approval, licences or permits relating to Hazardous Substances or the use, consumption, handling, transportation, storage or Release thereof including without limitation (and in addition to any such laws relating to the environment generally) any such laws relating to public health, occupational health and safety, product liability or transportation;

"**Environmental Order**" means any prosecution, order, decision, notice, direction, report, recommendation or request issued, rendered or made by any Governmental Authority in connection with Environmental Laws or Environmental Orders;

"**Event of Default**" means any one or more of the events set out or referred to in Section 5.1;

- (d) net amounts payable pursuant to interest swap arrangements;
- (e) capital lease obligations and all other indebtedness issued or assumed as full or partial payment for property or services or by way of capital contribution;
- (f) all letters of credit and letters of guarantee issued by a financial institution at the request of or for the benefit of the Debtor;
- (g) any guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner, directly or indirectly, of any part or all of any obligation of a type referred to in any of paragraphs (a) to (e) above; and
- (h) any of the foregoing amounts in respect of any Subsidiary of the Debtor whose accounts are not required under generally accepted accounting principles to be consolidated with the accounts of the Debtor;

including (without limitation) all Obligations **but excluding**:

- (i) trade payables, expenses accrued in the ordinary course of business, customer advance payments and deposits received in the ordinary course of business unless the time for due payment of which extends, or is intended to extend, more than twelve months from the date as of which the determination of Financial Indebtedness is being made; and
- (j) indebtedness of the Debtor which is effectively postponed in favour of the Bank;

**"Governmental Authority"** means any nation, government, province, state, region, municipality or other political subdivision or any governmental department, ministry, commission, board, agency or instrumentality or other public authority or person, domestic or foreign, exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing and includes any court of competent jurisdiction;

**"Guarantor"** means any person who has guaranteed the indebtedness of the Debtor in favour of the Bank;

**"Hazardous Substance"** means any substance, combination of substances or by-product of any substance which is or may become hazardous, toxic, injurious or dangerous to any person, property, air, land, water, flora, fauna or wildlife; and includes but is not limited to contaminants, pollutants, wastes and dangerous, toxic, deleterious or designated substances as defined in or pursuant to any Environmental Laws or Environmental Orders;

**"Lease"** means any lease (whether now existing, presently arising or created in future) whereby the Premises or any part thereof are demised and leased to the Debtor;

**"Loan Document"** means this Agreement, any of the Security Documents or any other agreement or instrument (whether now existing, presently arising or created in future) delivered by the Debtor or by any Guarantor to the Bank;

**"Normal Business"** has the meaning ascribed thereto in Schedule "D" hereof;

**"Obligations"** means all monies now or at any time and from time to time hereafter owing or payable by the Debtor or the Borrower to the Bank and all other obligations (whether now existing, presently arising or created in the future) of the Debtor or the Borrower in favour of the Bank, and whether direct or indirect, absolute or contingent, matured or not, whether arising from agreement or dealings between the Bank and the Debtor or the Borrower or from any agreement or dealings with any third person by which the Bank may be or become in any manner whatsoever a creditor or other obligee of the Debtor or the Borrower or however otherwise arising and whether the Debtor or the Borrower be bound alone or with another or others and whether as principal or surety, including monies payable or obligations arising in connection with the Offer of Finance; for certainty, the Obligations include all Obligations recorded at any branch or other office of the Bank, wherever located, and are not restricted to those Obligations recorded at the office of the Bank set out herein;

**"Occupants"** means the Debtor, its tenants and other occupants of any Premises;

**"Offer of Finance"** has the meaning ascribed thereto in Schedule "D" hereto;

**"Permitted Encumbrances"** means the following:

- (a) liens for taxes, assessments, governmental charges or levies not for the time being due and delinquent;

or

- (ii) the Bank is of the opinion that such liens are not materially prejudicial to the security hereof;
- (e) any reservations, limitations, provisos and conditions expressed in any original grant from the Crown which do not in the Bank's opinion materially detract from the value of the property concerned or materially impair its use in the operation of the business of the Debtor;
- (f) title defects or irregularities which, in the opinion of counsel to the Bank, are of a minor nature and in the aggregate will not in the Bank's opinion materially detract from the value of the property concerned or materially impair its use in the operation of the business of the Debtor;
- (g) Purchase Money Securities; and
- (h) the Encumbrances set out in Schedule "C" hereto;

"PPSA" means the *Personal Property Security Act* (Ontario);

"Premises" means all lands and premises owned or occupied by the Debtor from time to time (including the lands and premises referred to in Schedule "A" hereto);

"Purchase Money Security" means any Encumbrance given, reserved, created, assumed or arising by operation of law, whether or not in favour of the transferor, after the date hereof to provide or secure, or to provide the Debtor with funds to pay the whole or any part of, the consideration for the acquisition of tangible personal property other than Inventory where:

- (a) the principal amount of such Encumbrance is originally at least 75% but not greater than 100% of the cost to the Debtor of all of the property encumbered thereby, and
- (b) the Encumbrance only covers the property being acquired by the Debtor

and includes the renewal, extension or refunding of any such Encumbrance and of the indebtedness represented thereby upon the same property provided that the indebtedness secured thereby and the security therefor are not increased thereby;

"Receiver" shall include one or more of a receiver, receiver-manager or receiver and manager of all or a portion of the undertaking, property and assets of the Debtor appointed by the Bank pursuant to this Agreement or by or under any judgment or order of a court;

"Release" includes abandon, add, deposit, discharge, disperse, dispose, dump, emit, empty, escape, leach, leak, migrate, pour, pump, release or spill;

"Security Documents" means, collectively, this Agreement and all other agreements and other instruments delivered to the Bank by the Debtor (whether now existing or presently arising) for the purpose of establishing, perfecting, preserving or protecting any security held by the Bank in respect of any Obligations;

"Share Ownership" has the meaning ascribed to such term in Schedule "D" hereto; and

"Subsidiary" means a corporation in which the Debtor owns, directly and/or indirectly through one or more Subsidiaries, a majority of shares carrying the right to elect at least a majority of the members of the board of directors.

## 1.2 Interpretation

1.2.1 "This Agreement", "hereto", "hereby", "hereunder", "herein", and similar expressions refer to the whole of this Agreement and not to any particular Article, Section, subsection, paragraph, clause, subdivision or other portion hereof.

1.2.2 The words "including", "includes", "any" and "or" shall not be limiting or exclusive unless expressly indicated to the contrary.

1.2.3 The term, "Debtor" includes each party hereto executing this Agreement in that capacity, both collectively and individually. Their liability hereunder shall be both joint and several. Any provision of this Agreement which mentions the Debtor shall be applied separately to each named Debtor and to all of them collectively in the case of a Debtor which is a partnership, joint venture, trust or other unincorporated entity.

- 1.2.6 The headings of the Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.2.7 Unless otherwise expressly provided in this Agreement, any reference in this Agreement to any law shall include any by-law, regulation, order, act or statute of any Governmental Body and shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

### 1.3 Governing Law

Ontario. This Agreement shall be governed by and construed in accordance with the laws of the Province of

## ARTICLE 2 SECURITY

### 2.1 Charge

Debtor hereby: For the purpose set out in Section 2.5 but subject to the exceptions set forth in Section 2.2, the

2.1.1 grants, sells, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of fixed and specific mortgage, pledge and charge to and in favour of the Bank, and grants to the Bank a security interest in, all personal property of every nature and kind whatsoever and wheresoever situate now or at any time and from time to time owned by the Debtor or in which or in respect of which the Debtor has any interest or rights of any kind together with all Proceeds thereof and therefrom, renewals thereof, Accessions thereto and substitutions therefor, including the following described property:

- (a) all inventory of whatsoever kind (including vehicles) and wheresoever situate now owned or hereafter acquired by the Debtor including goods for sale or lease or that have been leased; goods furnished or to be furnished under a contract of service; goods which are raw materials, work in process or materials used or consumed in a business or profession of the Debtor; goods used or procured for packing; finished goods; industrial growing crops, oil, gas and other minerals to be extracted; timber to be cut; and the young of animals after conception ("**Inventory**");
- (b) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due or owned by the Debtor including but not limited to claims against the Crown and claims under insurance policies ("**Accounts**");
- (c) all machinery, equipment, tools, apparatus, plants, fixtures, furniture, vehicles, goods and other tangible personal property of whatsoever nature and kind, now owned or hereafter acquired by the Debtor other than Inventory ("**Equipment**");
- (d) all chattel paper now owned or hereafter acquired by the Debtor ("**Chattel Paper**");
- (e) all warehouse receipts, bills of lading and other documents of title, whether negotiable or otherwise, now owned or hereafter acquired by the Debtor ("**Documents of Title**");
- (f) all instruments now owned or hereafter acquired by the Debtor ("**Instruments**");
- (g) all deeds, documents, writings, papers, books of accounts and other books and records, whether or not in computerized form, evidencing or relating to Accounts, Chattel Paper, Instruments or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable; and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (h) all shares, Securities, stocks, warrants, bonds, debentures, debenture stock or the like now owned or hereafter acquired by the Debtor;
- (i) all intangible property and intangibles now owned or hereafter acquired by the Debtor



- 2.1.2 charges with payment and performance of the Obligations to and in favour of the Bank as and by way of a floating charge the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever and wheresoever situate, both present and future (other than property and assets from time to time effectively subjected to the fixed and specific mortgages, charges and security interests created hereby or by any instrument supplemental hereto).

## 2.2 Exceptions

### 2.2.1 Exception as to Leases

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 excepted out of the Collateral, but the Debtor shall stand possessed of any such reversion upon trust to assign and dispose thereof as the Bank may direct. Where the giving of a fixed and specific mortgage and charge on any real or personal property held by the Debtor under lease requires the consent of any person, the giving of the fixed and specific mortgage and charge hereunder on such property shall not take effect until such consent is obtained or legally dispensed with, but the Debtor shall hold its rights in such property in trust for the Bank if so doing does not require the consent of another person. The suspension of the effect of the fixed and specific mortgage and charge on such property shall not affect the fixed and specific mortgage and charge on any other property of the Debtor.

### 2.2.2 Exception as to Consumer Goods

Consumer Goods now held or hereafter acquired by the Debtor are excepted out of the Collateral.

## 2.3 Charge Valid Irrespective of Advance of Money

The mortgages, pledges and charges hereby created shall have effect and be deemed to be effective whether or not the monies or obligations hereby secured or any part thereof shall be advanced or owing or in existence before or after or upon the date of this Agreement and neither the giving of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds. The Debtor acknowledges that the parties have not agreed to postpone the time for attachment of any of the charges created hereby, including the floating charge created hereby, all of which shall attach upon the execution hereof or, in the case of after-acquired Collateral, as soon as the Debtor acquires rights therein. The Debtor acknowledges that value has been given.

## 2.4 Supplemental Indentures

The Debtor shall from time to time on demand by the Bank execute and deliver such further deeds or indentures supplemental hereto, which shall thereafter form part hereof, for the purpose of mortgaging to the Bank any property now owned or hereafter acquired by the Debtor and falling within the description of the Collateral, for correcting or amplifying the description of any property hereby mortgaged or intended so to be, or for any other purpose not inconsistent with the terms of this Agreement.

## 2.5 Continuing Security

The Collateral and any other security given with the Bank's consent in replacement thereof, substitution therefor or in addition thereto shall be held by the Bank as general and continuing security for due payment and performance of all Obligations, including all costs and amounts payable pursuant hereto and interest on the Obligations at the rate or rates applicable thereto in accordance with the Offer of Finance.

## 2.6 Application of Payments

Any and all payments made at any time in respect of the Obligations and the proceeds realized from any securities held therefor (including moneys realized from the enforcement of this Agreement and any increase in or profits from the Collateral) may be applied (and reapplied from time to time notwithstanding any previous application) to such part or parts of the Obligations as the Bank sees fit, or held by the Bank unappropriated as additional security hereunder for such period of time as the Bank sees fit to be applied against the Obligations when and how the Bank sees fit. The Debtor shall be accountable for any deficiency and the Bank shall be accountable for any surplus.

## ARTICLE 3 REPRESENTATIONS AND WARRANTIES

### 3.1 General Representations and Warranties

### 3.1.2 Power and Capacity

The Debtor has the power and capacity to enter into each of the Security Documents to which it is a party and to do all acts and things as are required or contemplated hereunder or thereunder to be done, observed and performed by it.

### 3.1.3 Due Authorization and Enforceability

The Debtor has taken all necessary action to authorize the execution, delivery and performance of each of the Security Documents to which it is a party and each such document constitutes, or upon execution and delivery will constitute, a valid and binding obligation of the Debtor enforceable against it in accordance with its terms, subject only to the following qualifications:

- (a) an order of specific performance and an injunction are discretionary remedies, and in particular, may not be available where damages are considered an adequate remedy; and
- (b) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting enforceability of creditors' rights.

### 3.1.4 No Contravention

The execution and delivery of this Agreement and the other Security Documents and the performance by the Debtor of its obligations thereunder (i) does not and will not violate any law or any provision of the articles, by-laws, constituting documents or other organizational documents of the Debtor (or, if a partnership, the partnership agreement respecting the Debtor) or constitute a breach of any existing contractual or other obligation of the Debtor or contravene any licence or permit to which the Debtor is subject, (ii) will not result in the creation of, or require the Debtor to create, any Encumbrance in favour any person other than the Bank, and (iii) will not result in or permit the acceleration of the maturity of any indebtedness or other obligation of the Debtor.

### 3.1.5 No Consents Required

No authorization, consent or approval of, or filing with or notice to, any person is required in connection with the execution, delivery or performance of this Agreement or any of the other Security Documents by the Debtor.

### 3.1.6 Locations

The chief executive office of the Debtor is at the location specified in Schedule "D" hereto and all of the tangible Collateral which is personal property (except for Inventory in transit) is located at the Premises referred to in Schedule "A" hereto.

### 3.1.7 Leases

With respect to each Lease now existing:

- (a) the copy of the Lease provided to the Bank contains the entire agreement between the Debtor, the lessee and any guarantor, surety or indemnitor respecting the subject matter and there have been no modifications, amendments or extensions thereto or thereof; and
- (b) the Lease is in full force and effect and in good standing.

### 3.1.8 Financial Statements

The financial statements of the Debtor in the form delivered by the Debtor to the Bank have been prepared in accordance with generally accepted accounting principles consistently applied and fairly, completely and accurately present the financial condition of the Debtor and the financial information presented therein for the period and as at the date thereof. Since the date of the last financial statements delivered to the Bank there has been no development which has had or will have a material adverse effect upon the business, property, financial condition or prospects of the Debtor or upon the ability of the Debtor to perform its obligations under any of the Security Documents.

### 3.1.9 Solvency

board, agency or instrumentality, domestic or foreign, or before any other authority, or before any arbitrator of any kind, which would, if determined adversely to the Debtor, materially adversely affect its business, property, financial condition or prospects or its ability to perform any of the provisions of any Security Document to which it is a party or which purports to affect the legality, validity or enforceability of any Security Document, and the Debtor is not in default with respect to any judgment, order, writ, injunction, award, rule or regulation of any Governmental Authority or any arbitrator, which individually or in the aggregate results in any such material adverse effect.

#### 3.1.11 No Default

The Debtor is not in default or breach under any material commitment or obligation (including obligations in relation to Financial Indebtedness) or under any order, writ, decree or demand of any Governmental Authority or with respect to any leases, licences or permits to own and/or operate material properties and assets or to carry on business and there exists no state of facts which, after notice or the passage of time or both, would constitute such a default or breach; and there are not any proceedings in progress, pending or threatened, which may result in the revocation, cancellation, suspension or any adverse modification of any such leases, licences or permits.

#### 3.1.12 All Material Information Supplied

The Debtor has provided to the Bank all material information relating to the financial condition, business and prospects of the Debtor and the Guarantors (if any) and all such information is true, accurate and complete in all material respects.

#### 3.1.13 Serial Numbered Goods and Fixtures

Full particulars (including serial number, year, make and model) of each motor vehicle, trailer, mobile home, boat, outboard motor and aircraft in which the Debtor has rights and which is not inventory are set out in Schedule "B" hereto. None of the goods comprised in the Collateral are fixtures except any fixtures that are described so that they may be readily identified in Schedule "B" hereto and that are affixed or attached to the Premises described in Schedule "A" hereto.

#### 3.1.14 Consumer Goods

None of the Collateral now owned or hereafter acquired is now or shall at any time be Consumer Goods of the Debtor.

### 3.2 Environmental Representations and Warranties

The Debtor represents, warrants and covenants to and with the Bank as follows:

3.2.1 The Collateral and the operations of the Occupants now and will at all times in future comply in all material respects with all Environmental Laws and Environmental Orders.

3.2.2 After due and diligent inquiry, it has been found that, except for substances necessary to the carrying on of the Normal Business of the Debtor, there is no Hazardous Substance on or in any of the Premises, no Hazardous Substance has ever been used, stored, located or Released on or in any of the Premises, no part of the Premises is or has ever been contaminated by any Hazardous Substance.

3.2.3 After due and diligent inquiry and except as approved by the Bank in writing, it has been found that there are no:

- (a) underground or above-ground storage tanks;
- (b) asbestos or material containing asbestos;
- (c) urea formaldehyde or material containing urea formaldehyde;

at, on or under the Premises and none of the foregoing will at any time in future be placed, installed or Released at, on or under the Premises without the prior written consent of the Bank.

3.2.4 Any underground or above-ground storage tanks located at, on or under the Premises which have been approved by the Bank have been identified, registered, constructed, operated and maintained as required by Environmental Laws and Environmental Orders and they are presently in a state of good condition and repair, have not leaked and are not presently leaking any of their contents.

Premises or used by any person on or in any part of the Premises shall be transported, used and stored only in accordance with all Environmental Laws, other lawful requirements, prudent industrial standards (including any published environmental standards of any applicable industry association) and any requirements of applicable insurance policies.

- 3.2.8 The Debtor has created, properly organized and maintained all documentation and records concerning environmental matters as required by any Environmental Laws or Environmental Orders and will maintain such documentation and records at all times in future as aforesaid.
- 3.2.9 The Debtor has provided to the Bank any Environmental Assessment and related documentation concerning any of the Premises in its possession or control and shall promptly provide to the Bank any such material as the Debtor may obtain in future.
- 3.2.10 The Debtor shall promptly notify the Bank if it:
- (a) receives notice from any Governmental Authority of any violation or potential violation of any Environmental Laws or Environmental Orders, including the Release of a Hazardous Substance, which may have occurred or been committed or is about to occur or be committed;
  - (b) receives notice that any administrative or judicial complaint or Environmental Order has been issued or filed or is about to be issued or filed against any of the Occupants or their representatives alleging violations of any Environmental Laws or Environmental Orders or requiring the taking of any action in connection with any Hazardous Substance;
  - (c) learns of the enactment of any Environmental Laws or the issuance of any Environmental Orders which may have a material adverse effect on the Premises or the operations or the condition, financial or otherwise, of any of the Occupants; or
  - (d) knows of or suspects that any Hazardous Substance (other than a substance necessary to the carrying on of the Normal Business of the Debtor) has been brought onto any part of the Premises or that there is any actual, threatened or potential Release of any Hazardous Substance (whether or not a substance necessary to the carrying on of the Normal Business of the Debtor) on, from, in or under any part of the Premises.
- 3.2.11 The Debtor hereby grants to the Bank and its employees and agents an irrevocable and non-exclusive licence, subject to the rights of tenants, to enter any of the Premises to conduct testing and monitoring with respect to Hazardous Substances and to remove and analyze any Hazardous Substance at the cost and expense of the Debtor (which cost and expense shall be secured hereby).
- 3.2.12 The Debtor shall indemnify the Bank and hold the Bank harmless against and from all loss, costs, damages and expenses which the Bank may sustain, incur or be or become liable for by reason of or arising from the presence, clean-up, removal or disposal of any Hazardous Substance referred to in this Section 3.2.12 or compliance with Environmental Laws or Environmental Orders relating thereto, including any clean-up, decommissioning, restoration or remediation of the Premises and other affected lands or property (and this indemnification shall survive the satisfaction, release or extinguishment of the indebtedness secured hereby).

### 3.3 Title

The Debtor covenants with the Bank that, subject only to Permitted Encumbrances, it lawfully owns, as legal and beneficial owner, and is lawfully possessed of the Collateral and all property and assets indicated by the financial statements which it has delivered to the Bank to be owned by it and has good right and authority to mortgage and charge the same as provided for herein, free and clear of all Encumbrances (other than Permitted Encumbrances), and it will warrant and defend the title thereto as well as to any other property, rights and interests hereafter acquired by the Debtor. No person has any agreement or right or option to acquire any of such property (except under unfilled purchase orders accepted in the ordinary course of business for the sale of Inventory).

## ARTICLE 4 COVENANTS OF THE DEBTOR

### 4.1 General Covenants

So long as this Agreement remains outstanding, the Debtor covenants and agrees as follows:

(Canada)). All such costs and expenses and other monies payable hereunder, together with interest at the highest rate applicable to any Obligations, shall be payable on demand and shall constitute a charge on the Collateral. Without limiting the generality of the foregoing, such costs shall extend to and include any legal costs incurred by or on behalf of the Bank on a full indemnity basis.

#### 4.1.2 To Pay Certain Debts

The Debtor shall punctually pay and discharge every obligation, failure to pay or discharge which might result in any lien or charge or right of distress, forfeiture, termination or sale or any other remedy being enforced against the Collateral and provide to the Bank when required satisfactory evidence of such payment and discharge, but the Debtor may on giving the Bank such security (if any) as the Bank may require refrain from paying or discharging any obligation so long as it contests in good faith its liability therefor.

#### 4.1.3 To Maintain Existence and Security

The Debtor shall:

- (a) maintain its existence;
- (b) diligently preserve all its rights, licences, powers, privileges, franchises and goodwill;
- (c) observe and perform all of its obligations and comply with all conditions under leases, licences and other agreements to which it is a party or upon or under which any of the Collateral is held;
- (d) carry on and conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and income therefrom;
- (e) keep proper books of account with correct entries of all transactions in relation to its business;
- (f) observe and conform to all valid requirements of law and of any Governmental Authority relative to the Collateral or the carrying on by the Debtor of its business;
- (g) repair and keep in repair and good order and condition all property, including the Collateral, the use of which is necessary or advantageous in connection with its business;
- (h) immediately notify the Bank in writing of any proposed change of name of the Debtor or of the Debtor's chief place of business or chief executive office;
- (i) keep the Bank constantly informed in writing as to the location of the Collateral and the books of account and other records of the Debtor;
- (j) immediately deliver to the Bank any negotiable instrument forming part of the Collateral;
- (k) effect such registrations as may be required by the Bank from time to time to protect the security hereof; and
- (l) prevent the Collateral from being or becoming an Accession to property not charged hereby or becoming affixed to any real property other than real property in respect of which the Bank holds a registered mortgage.

#### 4.1.4 Leases

- (a) The Debtor shall at all times perform and discharge all of the lessee's covenants and obligations under any Lease.
- (b) The Debtor will not without the written consent of the Bank terminate, surrender, amend, alter or vary the terms and conditions of any Lease. Nor shall the Debtor, without the written consent of the Bank, waive performance by the landlord under any of the Leases or release any of the said landlords from any obligations under their respective Leases.

#### 4.1.5 To Insure

The Debtor shall forthwith on the happening of any loss or damage furnish at its own expense all necessary proofs and do all necessary acts to enable the Bank to obtain payment of the insurance monies, which, in the sole discretion of the Bank, may be applied in reinstating the insured property or be paid to the Debtor or be applied in payment of the monies owing hereunder, whether due or not then due, or paid partly in one way and partly in another.

4.1.7 Inspection by the Bank

The Debtor shall allow any employees or authorized agents of the Bank at any reasonable time to enter the premises of the Debtor in order to inspect the Collateral and to inspect the books and records of the Debtor and make extracts therefrom, and shall permit the Bank prompt access to such other persons as the Bank may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Collateral or the books and records of the Debtor, provided that any information so obtained shall be kept confidential, save as required by the Bank in exercising its rights hereunder.

4.1.8 Accounts

Subject to any Permitted Encumbrances thereon, Accounts shall be received by the Debtor in trust for the Bank; provided that as long as an Event of Default has not occurred the Debtor may collect and use the Accounts in the ordinary course of business.

4.1.9 Deliver Information

The Debtor shall deliver such financial statements to the Bank together with such other statements and reports as may be required pursuant to the Offer of Finance, within the time periods stipulated therein. Such financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly, completely and accurately present the financial condition of the Debtor and the financial information presented therein for the period and as at the date thereof. The Debtor shall provide to the Bank any other information concerning its financial position and business operations which the Bank may from time to time request.

4.1.10 Notice of Litigation and Damage

The Debtor will promptly give written notice to the Bank of (a) all claims or proceedings pending or threatened against the Debtor which may give rise to uninsured liability in excess of \$25,000 or which may have a material adverse affect on the business or operations of the Debtor, (b) all damage to or loss or destruction of any property comprising part of the Collateral which may give rise to an insurance claim in excess of \$25,000 and (c) all uninsured damage to or loss or destruction of property comprising part of the Collateral in excess of \$25,000; and will supply the Bank with all information reasonably requested in respect of any such matters.

4.1.11 Notice of Default

The Debtor will promptly give written notice to the Bank of the occurrence of any Event of Default or of any event which after notice or lapse of time would constitute an Event of Default.

4.1.12 Representations and Warranties

The representations and warranties made by the Debtor in Article 4 shall be true and correct on each day that this Agreement or any of the Security Documents remains in force, with the same effect as if such representations and warranties had been made and given on and as of such day (except to the extent any such representation and warranty is expressly limited to a particular date or particular period or time), notwithstanding any investigation made at any time by or on behalf of the Bank.

4.1.13 Not to Create Certain Charges

The Debtor shall not, without the prior written consent of the Bank, create or permit to arise any Encumbrance on any of the Collateral (other than Permitted Encumbrances), and will not permit any Subsidiary to do the same (except in favour of the Debtor). Nothing herein contained shall be construed as subordinating the Bank's interest in the Collateral in favour of any third party who claims the Collateral by virtue of a Permitted Encumbrance.

4.1.14 Not to Sell

- (b) purchase, establish or acquire in any manner any new business undertaking;
- (c) materially change the nature of the Debtor's business as presently carried on;
- (d) enter into a partnership, joint venture or syndicate with any other person; acquire or establish any Subsidiary; or, if a corporation, amalgamate, consolidate or merge with any person;
- (e) enter into any transaction, or permit any Subsidiary to do so, outside the ordinary active business operations of the Debtor and its Subsidiaries;
- (f) acquire or invest in any Securities except instruments or Securities issued by a financial institution or liquid Securities traded on a recognized public securities exchange and acquired only for the Debtor's cash management purposes or permit any Subsidiary to do so;
- (g) remove any of the Collateral or any of the books of account or other records of the Debtor from the jurisdiction where presently located;
- (h) permit Share Ownership to change;
- (i) create, issue, incur or otherwise become liable upon, directly or indirectly, any Financial Indebtedness or permit any Subsidiary to do so;
- (j) reduce or make any distribution of its capital, or redeem, purchase or otherwise retire or pay for any shares in its present or future capital stock;
- (k) create, allot or issue any shares in its capital, change its capital structure, enter into any agreement, or make any offer, to do so or permit any Subsidiary to do any such thing with respect to the capital or capital structure of such Subsidiary; or
- (l) make or repay or guarantee any loan or advance to any person, or endorse or otherwise become surety or guarantor for or upon, or indemnify against loss arising from, the obligations of any person, except by endorsement of negotiable instruments for deposit or collection, and the Debtor shall not permit any Subsidiary to do any such thing.

#### 4.1.16 Serial Numbered Goods and Fixtures

Upon the acquisition by the Debtor from time to time of rights in any motor vehicles, trailers, mobile homes, boats, outboard motors or aircraft which are not inventory and which are not fully described in Schedule "B" hereto, or upon repossession by or return to the Debtor of any such goods, the Debtor will forthwith give written notice to the Bank of full particulars (including the serial number) of the same. The Debtor will not permit goods now or hereafter comprised in the Collateral to become fixtures unless they are, or are to be, affixed or attached to the Premises described in Schedule "A" hereto and unless the goods are described in Schedule "B" hereto so that they may be readily identified.

## ARTICLE 5 EVENTS OF DEFAULT AND REMEDIES

### 5.1 Events of Default

Agreement: The occurrence of any of the following events shall constitute an Event of Default under this

- 5.1.1 if default occurs in payment or performance of any Obligation (whether arising herein or otherwise);
- 5.1.2 if any representation or warranty made by the Debtor herein or in any other Loan Document or in any certificate, statement or report furnished in connection with or pursuant to the Offer of Finance is found to be false or incorrect in any way so as to make it materially misleading when made or when deemed to have been made;
- 5.1.3 if default occurs in payment or performance of any obligation in favour of any person to whom the Debtor is indebted except obligations to trade creditors incurred in the ordinary course of business which do not materially and adversely affect the financial condition of the Debtor;

- 5.1.7 if the Debtor ceases to carry on its business or makes or proposes to make any sale of its assets in bulk or any sale of its assets out of the usual course of its business;
- 5.1.8 if any proposal is made or any petition is filed by the Debtor under any law having for its purpose the extension of time for payment, composition or compromise of the liabilities of the Debtor or other reorganization or arrangement respecting its liabilities or if the Debtor gives notice of its intention to make or file any such proposal or petition including an application to any court for an order to stay or suspend any proceedings of creditors pending the making or filing of any such proposal or petition;
- 5.1.9 if any receiver, administrator or manager of the property, assets or undertaking of the Debtor or a substantial part thereof is appointed pursuant to the terms of any trust deed, trust indenture, debenture or similar instrument or by or under any judgment or order of any court;
- 5.1.10 if any balance sheet or other financial statement provided by the Debtor to the Bank pursuant to the provisions hereof is false or misleading in any material respect;
- 5.1.11 if the Debtor permits any sum which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, an Encumbrance upon any of the Collateral in priority to, or pari passu with, the charge created by this Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same as such charge;
- 5.1.12 if any proceedings are taken to enforce any Encumbrance affecting any of the Collateral;
- 5.1.13 if the validity of any Loan Document is brought into question or disputed in whole or in part where the effect of any such invalidity would materially adversely affect the interests of the Bank hereunder or in connection with the Offer of Finance;
- 5.1.14 if any action is taken or power or right be exercised by any Governmental Authority or if any claim or proceeding is pending or threatened by any person which may have a material adverse effect on the Debtor, its business or operations, its properties or its prospects;
- 5.1.15 if in the opinion of the Bank a material adverse change has occurred in the financial condition or business of the Debtor which may impair the ability or willingness of the Debtor to perform its obligations hereunder, under the Offer of Finance or under any other Loan Document or if the Bank considers that the Collateral is in jeopardy or that the Bank is insecure; and
- 5.1.16 if any event occurs with respect to any Guarantor which if a like event had occurred with respect to the Debtor would have constituted an Event of Default.

## **5.2 Consequences of an Event of Default**

Upon the occurrence of an Event of Default, any obligation of the Bank to make further loans or advances or extend other credit to the Debtor shall immediately terminate and all Obligations and all monies secured hereby shall at the option of the Bank become forthwith due and payable whereupon the floating charge hereby created shall crystallize, all of the rights and remedies hereby conferred in respect of the Collateral shall become immediately enforceable and any and all additional and collateral securities for payment of this Agreement shall become immediately enforceable.

## **5.3 Enforcement**

Upon the happening of any Event of Default the Bank shall have the following rights and powers:

- 5.3.1 to enter into possession of all or any part of the Collateral;
- 5.3.2 to preserve and maintain the Collateral and make such replacements thereof and additions thereto as it deems advisable;
- 5.3.3 to borrow money in the Debtor's name or in the Bank's name or on the security of the Collateral or to advance the Bank's own money to the Debtor, in any case upon such terms as the Bank may deem reasonable and upon the security hereof;
- 5.3.4 to pay or otherwise satisfy in whole or in part any Encumbrances which, in the Bank's opinion, rank in priority to the security hereof;
- 5.3.5 after entry by its officers or agents or without entry to sell, lease or otherwise dispose in any way



- 5.3.9 to bring proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the Collateral.

The security of this Agreement may be realized and the rights enforced by any remedy or in any manner authorized or permitted by this Agreement or by law or equity and no remedy for the realization of the security hereof shall be exclusive of or dependent upon any other remedy and all or any remedies may from time to time be exercised independently or in any combination.

#### 5.4 Disposition

Without limiting the generality of the foregoing it shall be lawful for the Bank:

- 5.4.1 to make any sale, lease or other disposition of the Collateral either for cash or upon credit or partly for one and partly for the other upon such conditions as to terms of payment as it in its absolute discretion may deem proper;
- 5.4.2 to rescind or vary any contract for sale, lease or other disposition that the Bank may have entered into pursuant hereto and resell, release or redispense of the Collateral with or under any of the powers conferred herein; and
- 5.4.3 to stop, suspend or adjourn any sale, lease or other disposition from time to time and to hold the same as adjourned without further notice.

Upon any such sale, lease or other disposition the Bank shall be accountable only for money actually received by it. The Debtor shall be accountable for any deficiency and the Bank shall distribute any surplus as required by law. The Bank may deliver to the purchaser or purchasers of the Collateral or any part thereof good and sufficient conveyances or deeds for the same free and clear of any claim by the Debtor. The purchaser or lessee receiving any disposition of the Collateral or any part thereof need not inquire whether default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Bank, which declaration shall be conclusive evidence as between the Debtor and any such purchaser or lessee, and the purchaser or lessee need not look to the application of the purchase money, rent or other consideration given upon such sale, lease or other disposition, which shall not be affected by any irregularity of any nature or kind relating to the crystallizing or enforcing of the security hereof or the taking of possession of the Collateral or the sale, lease or other disposition thereof.

#### 5.5 Powers of Receiver

Any Receiver appointed as aforesaid shall have the power without legal process:

- 5.5.1 to take possession of the Collateral or any part thereof wherever the same may be found;
- 5.5.2 to carry on the business of the Debtor or any part thereof in the name of the Debtor or of the Receiver; and
- 5.5.3 to exercise on behalf of the Bank all of the rights and remedies herein granted to the Bank,

and without in any way limiting the foregoing the Receiver shall have all the powers of a receiver appointed by a court of competent jurisdiction. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor, and the Bank shall not be in any way responsible for any misconduct or negligence on the part of any Receiver or any loss resulting therefrom.

#### 5.6 Application of Moneys

All moneys actually received by the Bank or by the Receiver in enforcing the security of this Agreement shall be applied, subject to the proper claims of any other person:

- 5.6.1 first, to pay or reimburse the Bank and any Receiver the costs, charges, expenses and advances payable by the Debtor in accordance herewith;
- 5.6.2 second, in or toward the payment to the Bank of all other moneys owing hereunder or secured hereby in such order as the Bank in its sole discretion may determine; and
- 5.6.3 third, any surplus shall be distributed as required by law.

#### 5.7 Powers of Directors and Officers

by any such sale or other dealing or for any failure to sell or so act, nor will it be responsible for any failure to take necessary steps to preserve rights against others in respect of such Collateral, nor will it be responsible for any loss occasioned by the failure to exercise any rights in respect of Collateral within the time limited for the exercise thereof. Neither the Bank nor the Receiver will be obligated to keep Collateral separate or identifiable.

#### 5.9 Urgency

If an Event of Default occurs, the Debtor agrees that the exercise by the Bank of any of its rights and remedies constitutes an urgent insolvency matter which shall be heard by a judge at Toronto presiding over the Commercial List and, if necessary for such purpose, the Debtor consents to transfer all proceedings to such a judge.

### ARTICLE 6 GENERAL

#### 6.1 Waiver

No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the Bank (and by the Debtor, if an amendment), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

#### 6.2 Other Securities

The rights of the Bank hereunder shall not be prejudiced nor shall the liabilities of the Debtor or of any other person be reduced in any way by the taking of any other security of any nature or kind whatsoever whether in addition to, or in substitution for, existing security either at the time of execution of this Agreement or at any time hereafter.

#### 6.3 No Merger or Novation

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liability of the Debtor to pay the moneys hereby secured nor shall the same operate as a merger of any covenant herein contained or of any other Obligation, nor shall the acceptance of any payment or other security constitute or create any novation.

#### 6.4 Amalgamation

The Debtor, if a corporation, acknowledges that if it amalgamates with any other corporation or corporations (a) the Collateral and the lien created hereby shall extend to and include all the property and assets of each of the amalgamating corporations and the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (b) the term, "**Debtor**", where used herein shall extend to and include each of the amalgamating corporations and the amalgamated corporation, and (c) the term, "**Obligations**", where used herein shall extend to and include the Obligations of each of the amalgamating corporations and the amalgamated corporation. Nothing in this Section 6.4 shall be interpreted as permitting the Debtor to amalgamate in violation of any covenant of the Debtor contained herein or in any other agreement binding the Debtor.

#### 6.5 Power of Attorney

The Debtor for valuable consideration irrevocably appoints the Bank and its officers from time to time or any of them to be the attorneys of the Debtor in the name of and on behalf of the Debtor to execute and do any deeds, transfers, conveyances, assignments, assurances and things which the Debtor ought to execute and do under the covenants and provisions herein contained and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Bank, including to receive, endorse and collect all instruments made payable to the Debtor representing any distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

#### 6.6 The Bank May Remedy Default

If the Debtor fails to do anything hereby required to be done by it, the Bank may, but shall not be obliged to, do such thing and all sums thereby expended by the Bank shall be payable forthwith by the Debtor, shall be secured hereby and shall have the benefit of the lien hereby created, but no such performance by the Bank shall be deemed to relieve the Debtor from any default hereunder.

#### 6.7 Purchase Money Security Interest

which shall compensate the Bank for such additional cost or reduction in income. A certificate of the Bank setting forth the amount of such additional compensation and the basis therefor shall be submitted by the Bank to the Debtor and shall be conclusive evidence, in the absence of manifest error, of such amount.

**6.9 Notices**

Any notice or written communication given pursuant to or in connection with this Agreement shall be in writing and shall be given by delivering the same personally or by prepaid courier, prepaid registered mail, telex or telecopier, addressed to the party to be notified at the address of such party set out herein or at such other address of which such party has given notice to the other parties hereto. Any such notice shall be conclusively deemed to have been given and received on the day of actual receipt by the addressee or, if given by prepaid registered mail, on the third Business Day following the mailing date (absent a general disruption in postal service.)

**6.10 Offer of Finance**

This Agreement is being issued by the Debtor to the Bank pursuant to the terms of the Offer of Finance. All terms and conditions of the Offer of Finance shall remain in full force and effect. In the event of a conflict or inconsistency between any provision of this Agreement and any provision of the Offer of Finance the provision of the Offer of Finance shall govern and prevail.

**6.11 Receipt**

The Debtor hereby acknowledges receipt of a true copy of this Agreement and a copy of the financing statement registered in respect of the security created hereby.

**6.12 Successors and Assigns, etc.**

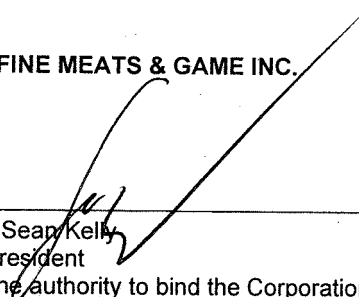
This Agreement and all its provisions shall enure to the benefit of the Bank, its successors and assigns and shall be binding upon the Debtor, its successors and permitted assigns. Every reference to a party hereto shall extend to and include such party's successors and permitted assigns, as if specifically named. Time shall be in all respects of the essence hereof.

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]**

above. **IN WITNESS WHEREOF** the Debtor has duly executed this Agreement as of the date first written

**BLACK ANGUS FINE MEATS & GAME INC.**

Per:

  
\_\_\_\_\_  
Name: Sean Kelly  
Title: President  
I have the authority to bind the Corporation.

**SCHEDULE "A"**  
**PREMISES**  
**(OWNED OR LEASED)**

**(Section 1.1)**

Municipal Address

207484 Highway 26, Thornbury, Ontario N0H 2P0

Legal Description

Part Lot 36, Concession 11, Collingwood, designated as PARTS 1, 2, 3 and 4, Plan 16R3221 and part of the road allowance between Lots 36 and 37, Collingwood, designated as PARTS 5, 6 and 7, Plan 16R3221, closed by R102245, Town of Blue Mountains, County of Grey

**SCHEDULE "B"**  
**SPECIFIED PERSONAL PROPERTY**  
**(Section 2.1.1(l))**

I. The following goods now located at 207484 Highway 26, Thornbury, Ontario N0H 2P0.

(see attached list)

**NONE**

II. The following intellectual property:

**NONE**

**SCHEDULE "C"**  
**PERMITTED ENCUMBRANCES**  
**(Section 1.1)**

PERSONAL PROPERTY SECURITY ACT

<b>Secured Party</b>	<b>Registration Number</b>	<b>Collateral Description</b>	<b>Amount Secured (Current Balance)</b>
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REAL PROPERTY REGISTRATIONS

<b>Party</b>	<b>Registration Number</b>	<b>Amount Secured (Current Balance)</b>
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**SCHEDULE "D"**

**MISCELLANEOUS PARTICULARS**

- 1.1 **Chief Executive Office.** The Debtor's chief executive office is located at the following address:  
207484 Highway 26, Thornbury, Ontario N0H 2P0.
- 1.2 **"Affiliate"** includes the following corporations: Black Angus Freezer Beef (2005) Ltd. and RSV Investments Inc.
- 1.3 **"Normal Business"** means the following activities: Retail sale of meat products
- 1.4 **"Offer of Finance"** means the letter of the Bank to Black Angus Group of Companies dated the 28th day of September, 2009, as accepted by Black Angus Fine Meats & Game Inc., Black Angus Freezer Beef (2005) Ltd. and RSV Investments Inc., as amended, supplemented, restated or replaced from time to time;
- 1.5 **"Share Ownership"** means the direct or indirect beneficial ownership of shares of the Debtor as follows:

<u>Owner</u>	<u>Class of Shares</u>	<u>Number of Shares</u>
Sean Kelly	Common	49



This is **Exhibit "J"**, referred to in the  
Affidavit of Christopher Corcoran,  
sworn before me  
this 9th day of September, 2019.



A Commissioner for taking Affidavits, etc.



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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194335.23

REPORT : PSSR060  
PAGE : 1  
( 5321)

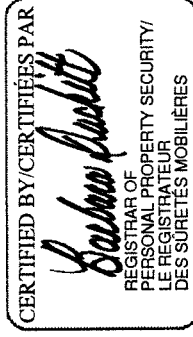
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLACK ANGUS FREEZER BEEF (2005) LTD.  
FILE CURRENCY : 14AUG 2019

ENQUIRY NUMBER 20190815194335.23 CONTAINS 8 PAGE(S), 3 FAMILY(IES).

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

THORNTON GROUT FINNIGAN LLP - ROXANA MANEA  
3200 -100 WELLINGTON STREET WEST  
TORONTO ON M5K 1K7



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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194335.23

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLACK ANGUS FREEZER BEEF (2005) LTD.  
FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 743813352

01 CAUTION FILING NO. OF PAGES 001 2  
TOTAL PAGES 2  
MOTOR VEHICLE SCHEDULE 20180917 1347 1532 3252 P PPSA  
REGISTRATION NUMBER 05  
REGISTERED UNDER P PPSA

02 DEBTOR DATE OF BIRTH  
03 NAME BUSINESS NAME INITIAL SURNAME  
BLACK ANGUS FREEZER BEEF (2005) LTD.  
207484 HWY 26 W RR1 THORNBURY  
ONTARIO CORPORATION NO. N0H2P0

04 DEBTOR DATE OF BIRTH  
05 NAME BUSINESS NAME INITIAL SURNAME  
MERCEDES-BENZ FINANCIAL  
2680 MATHESON BLVD. E. STE 500 MISSISSAUGA  
ONTARIO CORPORATION NO. L4W0A5

06 DEBTOR DATE OF BIRTH  
07 NAME BUSINESS NAME INITIAL SURNAME  
MERCEDES-BENZ FINANCIAL  
2680 MATHESON BLVD. E. STE 500 MISSISSAUGA  
ONTARIO CORPORATION NO. L4W0A5

08 SECURED PARTY / LIEN CLAIMANT  
09 ADDRESS  
MERCEDES-BENZ FINANCIAL  
2680 MATHESON BLVD. E. STE 500 MISSISSAUGA ON L4W0A5

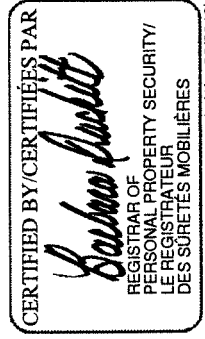
10 COLLATERAL CLASSIFICATION  
CONSUMER X  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X  
MOTOR VEHICLE AMOUNT 50782.00  
DATE OF MATURITY OR NO FIXED MATURITY DATE 06SEP2023

11 MOTOR YEAR MAKE 2018 MERCEDES-B  
12 VEHICLE MODEL METRISC L V.I.N. WD3BG3RA9J3401869

13 GENERAL COLLATERAL DESCRIPTION  
14 D + H LIMITED PARTNERSHIP  
15 REGISTERING AGENT 2 ROBERT SPECK PARKWAY, 15TH FLOOR MISSISSAUGA ON L4J 1H8

16 REGISTERING AGENT 2 ROBERT SPECK PARKWAY, 15TH FLOOR MISSISSAUGA ON L4J 1H8

17 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 3



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : BLACK ANGUS FREEZER BEEF (2005) LTD.  
 FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 743813352  
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES NO. OF PAGES NUMBER UNDER PERIOD  
 002 2 20180917 1347 1532 3252

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

05 DEBTOR DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.  
 06 NAME BUSINESS NAME  
 07 ADDRESS

08 SECURED PARTY / MERCEDES-BENZ FINANCIAL SERVICES CANADA CORPORATION  
 LIEN CLAIMANT 2680 MATHESON BLVD. E. STE 500 MISSISSAUGA ON L4W0A5

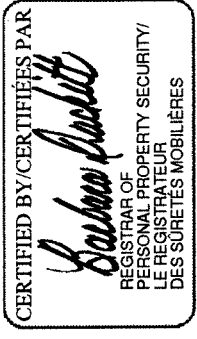
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.  
 12 VEHICLE

13 GENERAL  
 14 COLLATERAL  
 15 DESCRIPTION

16 REGISTERING  
 17 AGENT ADDRESS

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



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : BLACK ANGUS FREEZER BEEF (2005) LTD.  
 FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 657266076

01 CAUTION FILING NO. OF PAGES TOTAL REGISTERED UNDER PERIOD  
 01 001 001 20091029 1940 1531 3712 P PPSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME BLACK ANGUS FREEZER BEEF (2005) LTD. THORNBURY ON N0H 2P0  
 04 ADDRESS 207484 HIGHWAY 26

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 06 NAME BUSINESS NAME LAURENTIAN BANK OF CANADA ON M5H 3P5  
 07 ADDRESS 300-130 ADELAIDE ST. W. LEGAL SERVICES TORONTO

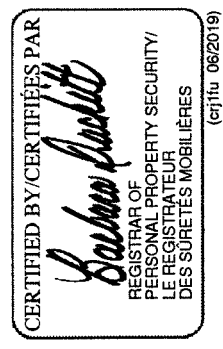
08 SECURED PARTY / LIEN CLAIMANT LAURENTIAN BANK OF CANADA  
 09 ADDRESS 300-130 ADELAIDE ST. W. LEGAL SERVICES TORONTO ON M5H 3P5

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

11 MOTOR YEAR MAKE MODEL V.I.N.  
 12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION  
 14 CANADIAN SECURITIES REGISTRATION SYSTEMS  
 15 4126 NORLAND AVENUE BURNABY BC V5G 3S8

16 REGISTERING AGENT  
 17 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
 CONTINUED... 5



TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLACK ANGUS FREEZER BEEF (2005) LTD.  
FILE CURRENCY : 14AUG 2019

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
001 001 20170825 1358 1862 3192

RECORD FILE NUMBER 657266076  
PAGE AMENDED NO SPECIFIC PAGE AMENDED X  
FIRST GIVEN NAME INITIAL SURNAME  
B RENEWAL B  
RENEWAL PERIOD  
8

REFERENCE DEBTOR/TRANSFEROR BUSINESS NAME BLACK ANGUS FREEZER BEEF (2005) LTD.  
FIRST GIVEN NAME INITIAL SURNAME

OTHER CHANGE REASON/DESCRIPTION DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

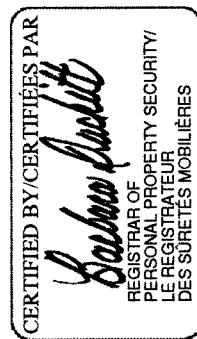
DEBTOR/TRANSFEREE BUSINESS NAME ADDRESS  
ON TARIO CORPORATION NO.

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS  
MOTOR VEHICLE INCLUDED AMOUNT MATURITY OR DATE OF MATURITY DATE

COLLATERAL CLASSIFICATION CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR DATE OF MATURITY DATE  
V-I-N-

MOTOR YEAR MAKE MODEL  
VEHICLE GENERAL COLLATERAL REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT ADDRESS  
SORBARA, SCHUMACHER, MCCANN LLP (KL)  
31 UNION STREET EAST WATERLOO ON N2J 1B8

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



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : BLACK ANGUS FREEZER BEEF (2005) LTD.  
 FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 657266085  
 01 CAUTION FILING NO. OF PAGES TOTAL PAGES MOTOR VEHICLE SCHEDULE REGISTRATION NUMBER REGISTERED UNDER PERIOD REGISTRATION PERIOD  
 01 01 001 001 20091029 1940 1531 3713 P PPSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
 03 NAME BUSINESS NAME BLACK ANGUS FREEZER BEEF (2005) LTD.  
 04 ADDRESS 207484 HIGHWAY 26 THORNBUURY ONTARIO CORPORATION NO. ON N0H 2P0

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
 06 NAME BUSINESS NAME  
 07 ADDRESS ONTARIO CORPORATION NO.

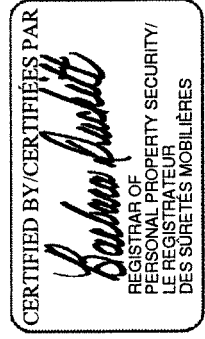
08 SECURED PARTY / LAURENTIAN BANK OF CANADA  
 LIEN CLAIMANT 300-130 ADELAIDE ST. W. LEGAL SERVICES TORONTO ON M5H 3P5

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X X X X X

11 YEAR MAKE MODEL V.I.N.  
 12 MOTOR VEHICLE

13 GENERAL COLLATERAL DESCRIPTION CANADIAN SECURITIES REGISTRATION SYSTEMS  
 14 4126 NORLAND AVENUE BURNABY BC V5G 3S8

15 REGISTERING AGENT  
 16 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
 17 CONTINUED... 7



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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194335.23

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLACK ANGUS FREEZER BEEF (2005) LTD.  
FILE CURRENCY : 14AUG 2019

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01 CAUTION FILING NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER  
001 001 20170829 1358 1862 3193

21 RECORD REFERENCED FILE NUMBER 657266085

22 PAGE AMENDED NO SPECIFIC PAGE AMENDED X CHANGE REQUIRED B RENEWAL 8 RENEWAL PERIOD CORRECT

23 REFERENCE FIRST GIVEN NAME INITIAL SURNAME

24 DEBTOR/ TRANSFEROR BUSINESS NAME BLACK ANGUS FREEZER BEEF (2005) LTD.

25 OTHER CHANGE

26 REASON/ DESCRIPTION

27

28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

05 DEBTOR/ TRANSFEREE BUSINESS NAME

06 ADDRESS

04/07 ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08

09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO FIXED AMOUNT MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL

14 COLLATERAL

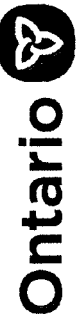
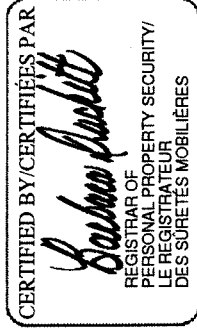
15 DESCRIPTION

16 REGISTERING AGENT OR ADDRESS

17 SECURED PARTY/ LIEN CLAIMANT

SORBARA, SCHUMACHER, MCCANN LLP (KL)  
31 UNION STREET EAST  
WATERLOO ON N2J 1B8

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 8





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

REPORT : PSSR060  
PAGE : 8  
( 5328)

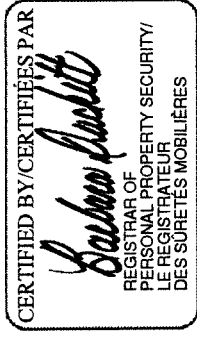
RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194335.23

TYPE OF SEARCH : BUSINESS DEPTOR  
SEARCH CONDUCTED ON : BLACK ANGUS FREEZER BEEF (2005) LTD.  
FILE CURRENCY : 14AUG 2019

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
743813352	20180917 1347 1532 3252		
657266076	20091029 1940 1531 3712	20170829 1358 1862 3192	
657266085	20091029 1940 1531 3713	20170829 1358 1862 3193	

5 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194301.43

REPORT : PSSR060  
PAGE : 1  
( 5304)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

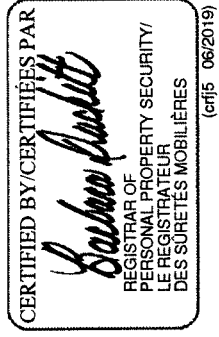
SEARCH CONDUCTED ON : BLACK ANGUS FINE MEATS & GAME INC.

FILE CURRENCY : 14AUG 2019

ENQUIRY NUMBER 20190815194301.43 CONTAINS 17 PAGE(S), 7 FAMILY(IES).

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

THORNTON GROUT FINNIGAN LLP - ROXANA MANEA  
3200-100 WELLINGTON STREET WEST  
TORONTO ON M5K 1K7



CONTINUED... 2



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : BLACK ANGUS FINE MEATS & GAME INC.  
 FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 749291958

01 CAUTION FILING 001 PAGE NO. OF PAGES 2 TOTAL PAGES 2  
 MOTOR VEHICLE SCHEDULE 20190321 1221 6005 9423 P PPSA REGISTERED UNDER P PPSA REGISTRATION PERIOD 04

02 DEBTOR DATE OF BIRTH INITIAL SURNAME THORNBURY  
 03 NAME BUSINESS NAME BLACK ANGUS FINE MEATS & GAME INC. ONTARIO CORPORATION NO. N0H 2P0  
 04 ADDRESS 207484 HIGHWAY 26 #1 W

05 DEBTOR DATE OF BIRTH INITIAL SURNAME  
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.  
 07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT CWB NATIONAL LEASING INC.  
 09 ADDRESS 1525 BUFFALO PLACE (29266078) WINNIPEG MB R3T 1L9

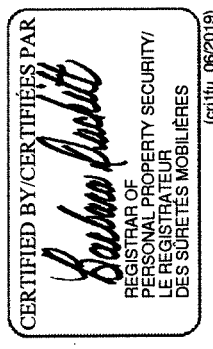
10 COLLATERAL CLASSIFICATION CONSUMER X  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE NO FIXED

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL ALL SHELVING/RACKING OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT  
 14 COLLATERAL NUMBER 2926078, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED  
 15 DESCRIPTION FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND

16 REGISTERING AGENT ADDRESS  
 17 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*



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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194301.43

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLACK ANGUS FINE MEATS & GAME INC.  
FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 749291958  
01 CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE SCHEDULE REGISTRATION NUMBER REGISTERED UNDER REGISTRATION PERIOD  
002 2 20190321 1221 6005 9423

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME ADDRESS  
04 ADDRESS  
05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME ADDRESS  
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT ADDRESS  
09 ADDRESS

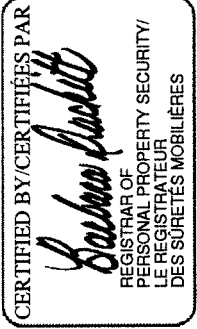
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL SUBSTITUTIONS.  
14 COLLATERAL DESCRIPTION  
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS  
17 ADDRESS

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



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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194301.43

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLACK ANGUS FINE MEATS & GAME INC.  
FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 718545717  
01 CAUTION FILING : 001 PAGE NO. OF PAGES : 001 TOTAL PAGES : 2  
MOTOR VEHICLE SCHEDULE : 20160712 1622 6005 9087 P PPSA REGISTERED UNDER PERIOD : 06  
REGISTRATION NUMBER : 20160712 1622 6005 9087 P PPSA

02 DEBTOR NAME : BLACK ANGUS FINE MEATS AND GAME INC.  
03 BUSINESS NAME : BLACK ANGUS FINE MEATS AND GAME INC.  
04 ADDRESS : 207484 HIGHWAY 26 WEST #1, THORNBURY ONTARIO CORPORATION NO. ON N0H 2P0

05 DEBTOR NAME : NATIONAL LEASING GROUP INC.  
06 BUSINESS NAME : NATIONAL LEASING GROUP INC.  
07 ADDRESS : 1525 BUFFALO PLACE, WINNIPEG MB R3T 1L9

08 SECURED PARTY / LIEN CLAIMANT : NATIONAL LEASING GROUP INC.  
09 ADDRESS : 1525 BUFFALO PLACE, WINNIPEG MB R3T 1L9

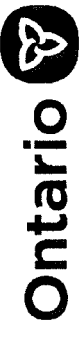
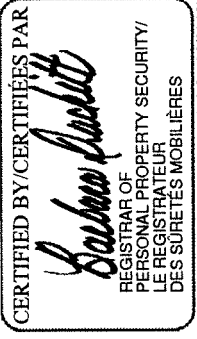
10 COLLATERAL CLASSIFICATION : CONSUMER  
MOTOR VEHICLE AMOUNT : DATE OF MATURITY OR MATURITY DATE : NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED : X

11 MOTOR YEAR MAKE :  
12 VEHICLE MODEL : V.I.N. :

13 GENERAL DESCRIPTION : ALL SHELVINGS/RACKINGS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT  
14 COLLATERAL NUMBER : 2761581, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED  
15 FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND

16 REGISTERING AGENT :  
17 ADDRESS :

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



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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194301.43

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : BLACK ANGUS FINE MEATS & GAME INC.  
FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	718545717											
01	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD						
		002	2	20160712	1622 6005	9087							
02	DEBTOR NAME	DATE OF BIRTH	BUSINESS NAME	ADDRESS	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.					
03													
04													
05	DEBTOR NAME	DATE OF BIRTH	BUSINESS NAME	ADDRESS	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.					
06													
07													
08	SECURED PARTY / LIEN CLAIMANT												
09	ADDRESS												
10	COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	OR	NO. FIXED
11	MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.								
12													
13	GENERAL COLLATERAL DESCRIPTION	SUBSTITUTIONS.											
14													
15													
16	REGISTERING AGENT	ADDRESS											
17													

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

CONTINUED...

