

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

**BETWEEN:**

**LAURENTIAN BANK OF CANADA**

Applicant

- and -

**RSV INVESTMENTS INC., BLACK ANGUS FREEZER BEEF (2005) LTD., BLACK  
ANGUS FINE MEATS & GAME INC. and SEAN DEER ENTERPRISES LTD.**

Respondents

**THIRD AND FINAL REPORT OF THE RECEIVER**

**March 8, 2021**

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## I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 18, 2019 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Black Angus Freezer Beef (2005) Ltd. (“**Freezer Beef**”), Black Angus Fine Meats & Game Inc. (“**Fine Meats**”), RSV Investments Inc. (“**RSV**” and together with Freezer Beef and Fine Meats, the “**Black Angus Group**”) and the property municipally known as 21 High Street, MacTier, Ontario (the “**MacTier Property**”), owned by Sean Deer Enterprises Ltd. (“**Sean Deer**”). A copy of the Appointment Order is attached as **Appendix “A”**.
2. Capitalized terms not otherwise defined herein have the definitions ascribed to them in the Appointment Order.
3. On December 11, 2019, the Court issued an Order (the “**Authorization and Approval Order**”) which, among other things:
  - a) directed the Receiver to enter into an auction services agreement with Danbury Global Ltd. (“**Danbury**”) for the sale of the non-real estate assets of the Black Angus Group;
  - b) authorized the Receiver to enter into a real estate listing agreement with CBRE Limited (“**CBRE**”) for the sale of the real property located at 207484 ON-26, Thornbury, Ontario; and
  - c) authorized and directed the Receiver to enter into a real estate listing agreement with CBRE for the sale of the MacTier Property on terms acceptable to the Applicant and to perform its obligations thereunder.

A copy of the Authorization and Approval Order is attached as **Appendix “B”**.

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4. On March 12, 2020, the Court issued an Order (the “**Approval and MacTier Discharge Order**”) which, among other things:
- a) approved the Receiver’s interim statement of receipts and disbursements for the period September 18, 2019 to January 31, 2020;
  - b) discharged RSM as Receiver over the MacTier Property and authorized and directed the Receiver to take such ancillary and administrative steps the Receiver deemed necessary to transfer management of the MacTier Property to Sean Deer; and
  - c) ordered that the Receiver’s Charge with respect to the MacTier Property continue unamended in respect of the reasonable fees and disbursements of the Receiver incurred in respect of the MacTier Property only, as agreed to between the Receiver, the first mortgagee in respect of the MacTier Property and the Applicant.

A copy of the Approval and MacTier Discharge Order is attached as **Appendix “C”**.

5. The Court documents filed in this proceeding have been posted on the Receiver’s website, which can be found at <https://rsmcanada.com/what-we-do/services/consulting/financial-advisory/restructuring-recovery/current-restructuring-recovery-engagements/black-angus-group.html>.

### **Purpose of the Final Report**

6. The purpose of this third and final report of the Receiver (the “**Final Report**”) is to report in respect of:
- a) the activities of the Receiver since the Second Report dated February 19, 2020 as supplemented on February 25, 2020 and March 5, 2020 (collectively, the “**Second Report**”);
  - b) the finalization of the results of the auction of the Black Angus Group’s non-real estate assets and the sale of its perishable inventory;

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- c) the Receiver's finalization of its insurance claim for the theft of certain vehicles from the Thornbury Property (as defined below) and receipt of the related insurance proceeds in respect of same;
  - d) the sale of the MacTier Property and the allocation between Front Desk Ltd. (the "**MacTier First Mortgagee**") and the Receiver of the net sale proceeds;
  - e) the proposed sale of the Thornbury Property;
  - f) request an order of the Court:
    - i. approving the transaction (the "**Transaction**") detailed in the agreement of purchase and sale (the "**APS**") between the Receiver and 1469406 Ontario Inc. (the "**Purchaser**") dated September 28, 2020 and amendments thereto dated November 13, 2020, December 6, 2020, December 22, 2020, January 21, 2021 and February 11, 2021 (together with the APS, the "**Sale Agreement**") and vesting all of the Applicant's, Jennifer Anderson's, the Receiver's and RSV's right, title and interest, if any, in and to the Thornbury Property and to the Purchaser, upon the closing of the Transaction;
    - ii. sealing Confidential Appendix 1 (as defined below);
    - iii. authorizing and directing the Receiver to make a distribution to Laurentian Bank of Canada (the "**Bank**") from the funds held by the Receiver, after payment of all professional fees and costs related to the receivership administration;
    - iv. approving the Receiver's cash receipts and disbursements for the period September 18, 2019 to February 28, 2021 (the "**February 2021 R&D**");
    - v. approving the destruction of certain books and records of Sean Deer Enterprises Ltd.;

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- vi. approving this Final Report and the Receiver's conduct and activities described herein;
  - vii. approving the fees and disbursements of the Receiver and its counsel and the estimated costs to complete the receivership administration;
  - viii. discharging the Receiver upon the filing of a certificate with the Court confirming that the Remaining Duties (defined below) have been completed (the "**Discharge Certificate**"), and authorizing the Receiver to complete certain administrative matters following the discharge of the Receiver; and
  - ix. directing that RSM, in its capacity as former Receiver (i) pay to the Bank any funds the Receiver receives following the date of the Order made in connection with the Receiver's discharge, provided that the amounts paid do not exceed the Black Angus Group's indebtedness to the Bank or (ii) apply to the Court for further direction if the Receiver is of the view that the direction of the Court is required.

### **Terms of Reference**

7. In preparing this Final Report and making the comments herein, the Receiver has relied upon information from the books and records of the Black Angus Group and third-party sources (collectively, the "**Information**"). Certain of the information contained in this Final Report may refer to, or is based on, the Information. As the Information has been obtained from the Black Angus Group's books and records, provided by other parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants Canada Handbook*

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and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

8. Unless otherwise stated, all dollar amounts contained in the Final Report are expressed in Canadian dollars.

## II. BACKGROUND

9. As at the date of the Appointment Order, Freezer Beef and Fine Meats operated a butcher shop business, selling meat and ancillary products online and through three “Black Angus” retail outlets, located at the MacTier Property, the Thornbury Property and at leased premises located at 360 Revus Avenue, Unit 10, Mississauga, Ontario.
10. Sean Deer was, until the sale of that property by the MacTier First Mortgagee, the registered owner of the MacTier Property which contained three third-party tenants. RSV is the registered owner of the RSV Property, which comprises a portion of the Thornbury Property. The MacTier Property and the Thornbury Property are situated in relatively remote locations in Ontario.
11. Mr. Sean Kelly is the sole director and officer of each member of the Black Angus Group. Mr. Kelly and his spouse, Jennifer Anderson, are directors of Sean Deer.
12. The Bank is the primary secured creditor of the Black Angus Group and Sean Deer. The security held by the Bank is outlined in the affidavit of Christopher Corcoran sworn September 9, 2019 (the “**Corcoran Affidavit**”) in respect of the initial application, a copy of which is attached hereto as **Appendix “D”**.

## III. RECEIVER’S ACTIVITIES SINCE THE SECOND REPORT

13. In addition to the activities described in detail in this Final Report, the Receiver has conducted the following activities since the Second Report:
  - a) corresponded with the Receiver’s insurance broker regarding required extensions of insurance over the MacTier Property and the Thornbury Property;



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- b) corresponded with the Receiver's property manager, Richmond Advisory Services ("**RAS**"), a third party contractor engaged by the Receiver, and tenants of the MacTier Property regarding the Receiver's discharge in respect of the MacTier Property and cessation of the repair of a sewage issue that occurred at the MacTier Property immediately prior to the Receiver's discharge over that property;
  - c) finalized all matters relating to the discharge of the Receiver over the MacTier Property;
  - d) prepared documentation related to a Canada Revenue Agency ("**CRA**") audit with regard to the Receiver's HST account in respect of the MacTier Property;
  - e) completed and filed documentation at the request of CRA;
  - f) corresponded with the Black Angus Group's external IT provider for the continued back up and hosting of data of the electronic books and records of the Black Angus Group and subsequent turnover of same;
  - g) finalized and obtained the remaining proceeds of sale from Danbury with respect to the auction of the Black Angus Group's non-real estate assets;
  - h) attended to the return of various point of sale terminals to First Data Corporation;
  - i) reconciled and filed documentation related to the Wage Earner Protection Program and paid super priority claims in relation thereto; and
  - j) prepared the Receiver's reports pursuant to Section 246(2) of the Bankruptcy and Insolvency Act and filing same with the Office of the Superintendent of Bankruptcy.

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## **Non-Real Estate Assets and Perishable Inventory**

14. Since the Second Report, the Receiver obtained the remaining proceedings of the auction of the Black Angus Group's tangible non-real estate assets and has received its final commission payments in respect of the perishable inventory.
15. In June 2020, the Receiver negotiated the sale of the name Black Angus Fine Meats & Game Inc. and the domain name used by same for a nominal amount.

## **Insurance Proceeds**

16. As previously reported, a homemade trailer and GMC Savanna 2500 Cargo van were stolen from the Thornbury Property on September 30, 2019 and October 2, 2019 (the "**Stolen Vehicles**").
17. After reporting the theft of the Stolen Vehicles and completing the necessary insurance documentation, the Receiver obtained proceeds totaling \$16,500 in respect of the Stolen Vehicles from the insurance company.

## **IV. SALE OF THE MACTIER PROPERTY**

18. Pursuant to the terms of the Approval and MacTier Discharge Order, the Receiver was discharged in respect of the MacTier Property. Notwithstanding the discharge, the Receiver's Charge was ordered to continue in respect of the MacTier Property until such time as the MacTier Property was liquidated and the proceeds could be distributed.
19. The MacTier First Mortgagee sold the MacTier Property pursuant to power of sale proceedings on February 1, 2021. The Receiver and the MacTier First Mortgagee negotiated and agreed on a distribution of the net proceeds between the indebtedness to the MacTier First Mortgagee and the Receiver which provided for the payment of \$156,881.04 in respect of the Receiver's Charge. This amount has been paid to the Receiver's counsel and the Appointment Order has been discharged from title to the MacTier Property.

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## V. SALE OF THE THORNBURY PROPERTY

### Background

20. The Receiver commenced a sales process on October 15, 2019 for the furniture, equipment, vehicles, brand rights, and customer lists of Freezer Beef and Fine Meats as well as the Thornbury Property and the MacTier Property (the “**Sales Process**”).
21. During that process, the Receiver was informed by a potential purchaser that the Thornbury Property was severed in May 2019 into two parcels. One parcel comprised approximately 4 acres and continued to be owned by RSV (the “**RSV Property**”), and the second parcel comprised approximately 2 acres, which was transferred to Ms. Anderson (the “**Transferred Thornbury Property**” and together with the RSV Property, the “**Thornbury Property**”) for no consideration. The Transferred Thornbury Property was transferred without notice to, or the consent of, the Bank in contravention of the terms of the Bank’s security, and it is the Bank’s position that the Transferred Thornbury Property remains subject to the Bank’s security.
22. On November 26, 2019, the Bank initiated power of sale proceedings in respect of the Transferred Thornbury Property, by delivering to Ms. Anderson a Notice of Sale under Charge/Mortgage of Land in respect of the Bank’s security, in accordance with the *Mortgages Act* (Ontario) (the “**Notice of Sale**”). Together with the Notice of Sale, the Bank delivered to Ms. Anderson a (i) Notice of Intention to Enforce Security under the *Bankruptcy and Insolvency Act* (Canada) (the “**NITES**”), which set out the Bank’s intention to enforce its security against the Transferred Thornbury Property, and (ii) a Consent form for Ms. Anderson to execute if she consented to the Bank taking immediate enforcement steps against the Transferred Thornbury Property (the “**Consent**”).
23. Ms. Anderson returned a signed copy of the Consent to the Bank, witnessed by her counsel. The signed copy of the Consent, together with copies of the NITES and

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Notice of Sale, including proof of delivery thereof, are attached hereto as **Appendix “E”**. The notice period under the Notice of Sale has expired.

24. The only offer received for the Thornbury Property during the Sales Process was not acceptable to the Bank. As a result, the Receiver proceeded to obtain listing proposals from various real estate brokers and, pursuant to the Approval and Authorization Order, entered into a listing agreement with CBRE Ltd. on January 14, 2020 to market the Thornbury Property for sale.

*The Purchaser’s Offer*

25. In or about September 2020, the Receiver received an offer from the Purchaser for the Thornbury Property (which included the Transferred Thornbury Property). The offer was negotiated and ultimately resulted in the executed APS, which is supported by the Bank. A condition of the APS required that the Receiver obtain an Approval and Vesting Order in respect of the Thornbury Property.
26. Because the APS was subject to certain conditions, the terms of the APS were negotiated to permit the Receiver to continue to market the Thornbury Property in the event that a more favourable transaction was presented.
27. On or about November 13, 2020, the Purchaser advised the Receiver that it was waiving all conditions in the APS, except for the conditions related to: (i) the requirement that the Court grant an Approval and Vesting Order in respect of the contemplated Transaction; and (ii) approval of the rezoning of the Thornbury Property (the “**Rezoning Condition**”) from the Town of the Blue Mountains (the “**Town**”).
28. The Purchaser requested several extensions with respect to the Rezoning Condition as the Town took longer than anticipated to address the rezoning of the Thornbury Property. Ultimately, the Receiver and the Purchaser agreed to a waiver of the Rezoning Condition in exchange for a reduction in the selling price. On February 11, 2021, the Receiver and the Purchaser entered into an Amending Agreement to reflect the aforementioned amendment.

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29. Pursuant to the provisions of the Sale Agreement, closing of the Transaction is scheduled to occur on the earlier of (i) 15 days after the issuance of an Approval and Vesting Order, and (ii) March 23, 2021. A copy of the Sale Agreement including the various amendments thereto and other information relating to the Sale Agreement, is attached as **Confidential Appendix “1”**.
30. The Receiver believes that the offer from the Purchaser is the best and highest offer achievable for the sale of the Thornbury property for the following reasons:
- a) no acceptable offers were received for the Thornbury Property from the Sales Process during which the Receiver contacted approximately 244 parties;
  - b) the Thornbury Property has been listed for sale by CBRE since January 2020 and has been exposed to the market in a fair and open manner;
  - c) notwithstanding that the Thornbury Property was continually marketed, no superior offers have been received by the Receiver;
  - d) the Purchaser’s offer is all cash and provides the greatest cash recovery available;
  - e) the Purchaser has paid the deposit due to be paid pursuant to the terms of the Sale Agreement; and
  - f) the Bank is supportive of the Receiver proceeding to complete the Transaction.
31. The Receiver seeks an order sealing Confidential Appendix 1. The Confidential Appendix contains commercially sensitive information about the purchase price obtained for the Thornbury Property. In the Receiver’s view, this information should remain confidential until such time as the Transaction closes. In the event that the Sale Agreement fails to close and the Thornbury Property needs to be re-marketed, the disclosure of the information in Confidential Appendix 1 could be prejudicial to any future sale process that may be required.

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## VI. LEGAL OPINION ON THE BANK'S SECURITY

32. Details regarding the Bank's mortgages and security agreements are set out in the Corcoran Affidavit.
33. According to a statement provided to the Receiver by the Bank (the "**March 3 LBC Statement**"), as at March 3, 2021, the indebtedness of Black Angus Group to the Bank is \$1,438,896.37. A copy of the March 3 LBC Statement is attached hereto as **Appendix "F"**.
34. The Receiver has obtained an independent legal opinion (the "**Legal Opinion**") from Chaitons LLP which sets out, subject to the assumptions and qualifications contained therein, that:
- a) the Bank's security in respect of the personal property of the Respondents is valid and enforceable and has been properly perfected; and
  - b) the Bank has a valid and enforceable registered first-ranking charge over the Thornbury Property.

A copy of the Legal Opinion is attached hereto as **Appendix "G"**.

35. Copies of the electronic PPSA Enquiry Response Certificates from the Ontario Ministry of Government Services and real property sub-searches relating to the Thornbury Property are attached as **Appendix "H"**.

## VII. DISTRIBUTION

36. On the closing of the sale of the Thornbury Property, the Receiver will receive the proceeds of sale, net of any closing expenses (the "**Net Sale Proceeds**") which will be insufficient to fully repay the Black Angus Group's indebtedness to the Bank.
37. The Receiver proposes to distribute the Net Sale Proceeds as follows:
- a) any amount which must be paid in order to close the Transaction;

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- b) any amount having priority over the Bank's security;
  - c) the commission payable to CBRE;
  - d) the fees and disbursements owing under the Receiver's Charge; and
  - e) any remaining balance to the Bank as a permanent reduction of the Respondent's indebtedness to the Bank.

38. The Receiver proposes that any funds received following the date of this Order be paid over to the Bank provided that the amounts paid do not exceed the Black Angus Group's indebtedness to the Bank.

#### **VIII. SEAN DEER BOOKS AND RECORDS**

39. After commencement of the receivership administration in September 2019, the Receiver arranged for an inventory to be conducted of the books and records of the Black Angus Group and various personal belongings of Mr. Kelly. At that time, most of the books and records of the Black Angus Group and personal belongings of Mr. Kelly, were placed in boxes and stored on the RSV Property.

40. In anticipation of the potential sale and closing of the Thornbury Property, the Receiver attended at the Thornbury Property in November 2020 to inventory the remaining books and records.

41. It was determined by the Receiver that the remaining books and records relate to Sean Deer (the "**Sean Deer Books and Records**"). In addition, there were certain items at the RSV Property that appeared to be personal belongings of Mr. Kelly.

42. Mr. Kelly attended at the RSV Property on December 22, 2020. RAS informed the Receiver that, upon Mr. Kelly's attendance, Mr. Kelly picked up his remaining personal belongings and advised RAS that he would not take the Sean Deer Books and Records.

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43. Sean Deer is not a party to these receivership proceedings. Tara Foods Products Limited (“**Tara Foods**”) is a subsidiary of Sean Deer, the directors of which are Mr. Kelly and Mr. David Kitchen (“**Mr. Kitchen**”).
  44. The Receiver contacted Mr. Kitchen to ascertain if he wanted to look through the Sean Deer Books and Records at the RSV Property to determine if any of the books and records related to Tara Foods, in the event that he wanted to retain them. Mr. Kitchen attended at the RSV Property on January 15, 2021 and advised RAS that he did not wish to take any of the Sean Deer Books and Records.
  45. The Sean Deer Books and Records remain at the RSV Property. The Receiver is therefore seeking the Court’s authorization to destroy the Sean Deer Books and Records.

#### **IX. DISCHARGE OF THE RECEIVER**

46. Upon the closing of the sale of the Thornbury Property, the Receiver’s remaining duties to complete the receivership administration (the “**Remaining Duties**”) include, subject to the Court issuing the Order being sought by the Receiver in the within motion:
  - a) making the distributions provided for under the requested Order;
  - b) paying any remaining utility and/or service providers for goods and services rendered and closing the Receiver’s accounts with those providers;
  - c) filing any remaining HST returns and closing the Receiver’s accounts with CRA;  
and
  - d) preparing the Final Statement of Receiver pursuant to section 246(3) of the Bankruptcy and Insolvency Act.
47. The Receiver’s administration is substantially complete. In order to avoid the costs of making a further motion to the Court to obtain the Receiver’s discharge, the



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Receiver is presently seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver (the “**Discharge Order**”) upon the filing of the Discharge Certificate, with the proviso that RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver including, but not limited to, the Remaining Duties.

#### **X. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

48. Attached to this report as **Appendix “I”** is the February 2021 R&D, which sets out the cash receipts and disbursements attributable to each company within the Black Angus Group and for the MacTier Property as well as on a combined basis. As set out on the February 2021 R&D, there were receipts totaling \$814,612, and disbursements totaling \$681,807, resulting in a balance of \$132,805 in the Receiver’s bank accounts.

#### **XI. FEES AND DISBURSEMENTS OF THE RECEIVER AND COUNSEL**

49. Pursuant to paragraph 18 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges. Pursuant to paragraph 19 of the Appointment Order, the Receiver and its counsel are to pass their accounts before the Court.

50. The fees and disbursements of the Receiver and its counsel, Thornton Grout Finnigan LLP, for the period from September 18, 2019 to February 29, 2020 were previously approved by the Court.

51. The total fees and disbursements for the Receiver for the period from March 1, 2020 to February 28, 2021 were \$88,963.00, plus disbursements of \$2,409.43, plus HST of \$11,878.42, for a total of \$103,250.85 (the “**Receiver’s Invoices**”). The Receiver estimates that its fees for the period March 1, 2021 to completion of the receivership administration will be up to \$30,000.00 plus HST of \$3,900 for a total of \$33,900 (the “**Provision**”). The Receiver is therefore requesting approval of its fees in the amount

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of \$137,150.85, inclusive of HST, representing the Receiver's Invoices plus the Provision (collectively, the "**Receiver's Accounts**"). The Receiver's Invoices are included in the Affidavit of Arif Dhanani sworn March 8, 2021, which is attached hereto and marked as **Appendix "J"**.

52. The total fees of TGF for the period from March 1, 2020 to February 28, 2021, were \$43,087.50 plus disbursements of \$233.02, plus taxes of \$5,626.71, for a total of \$48,947.23. The time spent by TGF is more particularly described in the Affidavit of Puya Fesharaki sworn March 8, 2021, which is attached hereto as **Appendix "K"**. TGF anticipates that it will incur an additional \$30,000 plus HST from March 1, 2021 to the closing of this proceeding.

## **XII. CONCLUSION**

53. Based on the foregoing, the Receiver respectfully requests that the Court grant the order described in paragraph 6 f) above.

All of which is respectfully submitted to this Court as of this 8<sup>th</sup> day of March, 2021.

**RSM CANADA LIMITED**, in its capacity as Court-appointed Receiver and Manager of Black Angus Fine Meats & Game Inc., Black Angus Freezer Beef (2005) Ltd., and RSV Investments Inc. and not in its personal or corporate capacity

Per:



Arif Dhanani, CPA, CA, CIRP, LIT  
Vice-President

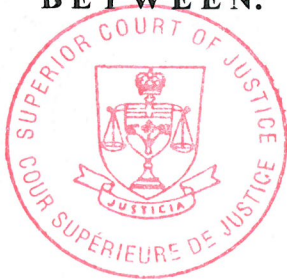
# **APPENDIX A**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) WEDNESDAY, THE 18TH DAY  
)  
JUSTICE GLENN A. HAINEY ) DAY OF SEPTEMBER, 2019

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43,  
as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended

BETWEEN:



LAURENTIAN BANK OF CANADA

Applicant

- and -

RSV INVESTMENTS INC., BLACK ANGUS FREEZER BEEF (2005) LTD.,  
BLACK ANGUS FINE MEATS & GAME INC. and SEAN DEER ENTERPRISES LTD.

Respondents

ORDER  
(Appointing Receiver)

THIS APPLICATION made by Laurentian Bank of Canada (the "Applicant") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the "CJA"), appointing RSM Canada Limited ("RSM") as receiver and manager (in such capacities, the "Receiver") without security, of those assets, undertakings and properties of Black Angus Beef (2005) Ltd. ("Black Angus Beef"), Black Angus Fine Meats & Game Inc. ("Black Angus Meats"), RSV Investments Inc. ("RSV" and together with Black Angus Beef and Black Angus Meats, the "Debtors") and Sean Deer Enterprises Ltd. ("SD Enterprises") as provided for herein, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Affidavit of Christopher Corcoran sworn September 9, 2019 and the Exhibits thereto, the Supplementary Affidavit of Christopher Corcoran sworn September 17, 2019 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, counsel for the Respondents and other counsel in attendance as listed on the Counsel Slip, no one else appearing although duly served as it appears from the Affidavit of Service of Roxana G. Manea sworn September 9, 2019, and the Affidavit of Service of Puya Fesharaki sworn September 17, 2019, respectively, and on reading the Consent of RSM to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM is hereby appointed as Receiver, without security of:

- (a) all of the assets, undertakings and properties of the Debtors, including all proceeds thereof, including but not limited to,
  - (i) the real property registered in the name of RSV and municipally known as 207484 Highway 26, Thornbury, Ontario, more specifically described as: PIN37129-0199(LT): PART OF LOT 36, CONCESSION 11 COLLINGWOOD DESIGNATED AS PARTS 1, 2, 3 & 4, 16R-3221; PART OF ROAD ALLOWANCE BETWEEN LOTS 36 & 37, COLLINGWOOD CLOSED BY R102245 DESIGNATED AS PARTS 5, 6 & 7, 16R-3221; SAVE & EXCEPT PARTS 1 & 2, 16R-11180; TOWN OF THE BLUE MOUNTAINS;
  - (ii) any meat and ancillary inventory held by the Debtors that is perishable and likely to depreciate rapidly in value (the “**Perishable Property**”);

(iii) all of the books, records and documents of the Debtors acquired for, or used in relation to any business carried on by Debtors;

(collectively, the “**Debtors’ Property**”); and

(b) the real property registered in the name of SD Enterprises and municipally known as 21 High Street, MacTier, Ontario, more specifically described as: PIN48006-0247(LT): PCL 13891 SEC MUSKOKA; PT LT 2 CON 5 FREEMAN AS IN LT139263, LT130267; GEORGIAN BAY; THE DISTRICT MUNICIPALITY OF MUSKOKA (the “**MacTier Property**” and collectively with the Debtors’ Property, the “**Property**”).

### **RECEIVER’S POWERS**

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

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

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

- (ii) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
- (iii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- (k) and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property on title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (q) to make an assignment in bankruptcy on behalf of any or all of the Respondents;  
and



- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

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

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

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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

**NO EXERCISE OF RIGHTS OR REMEDIES**

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

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or with respect to the Property or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors or relating to the Property are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the

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

### **RECEIVER TO HOLD FUNDS**

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

### **EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employee. Nothing in this Order requires that the Receiver be the successor employer of the employees of the Debtors and that the Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of any obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations, if any, under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06, specifically including but not limited to section 14.06(2), of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

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

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

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

## **FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

## **RETENTION OF LAWYERS**

25. **THIS COURT ORDERS** that the Receiver may retain solicitors, including the Applicant’s solicitors, to represent and advise the Receiver in connection with the exercise of the Receiver’s powers and duties, including without limitation, those conferred by this Order. Such

solicitors may include the solicitors for the Applicant herein, in respect of any aspect where the Receiver is satisfied that there is no actual or potential conflict of interest.

### **SERVICE AND NOTICE**

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

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Respondents’ creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

### **GENERAL**

28. **THIS COURT ORDERS** that the Receiver may, from time to time, apply to this Court for advice and directions in the discharge of its powers and duties hereunder, or to seek any additional powers that it deems appropriate for carrying out the purpose of this Order.

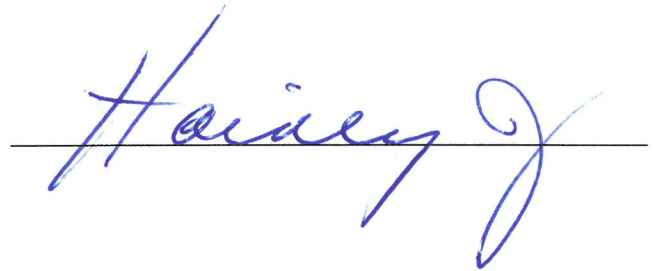
29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents.



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

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

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



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LE / DANS LE REGISTRE NO:

SEP 18 2019

PER / PAR: 

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties of [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 11th day of September, 2019 (the "Order") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Montreal, Quebec.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 2019.

RSM Canada Limited, solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

LAURENTIAN BANK OF CANADA

- and -

RSV INVESTMENTS INC., BLACK ANGUS FREEZER BEEF (2005) LTD., BLACK ANGUS FINE MEATS & GAME INC. and SEAN DEER ENTERPRISES LTD.

Applicant

Respondents

Court File No. CV-19-626953-00CL

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

Proceedings commenced at Toronto, Ontario

**ORDER  
(Appointing Receiver)**

**Thornton Grout Finnigan LLP**  
TD West Tower, Toronto-Dominion Centre  
100 Wellington Street West, Suite 3200  
Toronto, ON M5K 1K7  
Fax: (416) 304-1313

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Email: [pfesharaki@tgf.ca](mailto:pfesharaki@tgf.ca)  
Tel: (416) 304-7979

Lawyers for the Applicant, Laurentian Bank of Canada

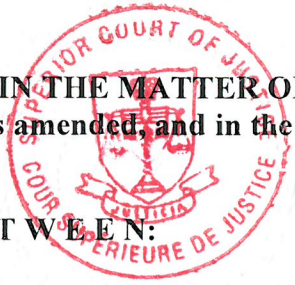
# **APPENDIX B**

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

THE HONOURABLE ) WEDNESDAY, THE 11TH DAY  
JUSTICE *CONWAY* )  
DAY OF DECEMBER, 2019

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43,  
as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended**

**B E T W E E N:**



**LAURENTIAN BANK OF CANADA**

Applicant

- and -

**RSV INVESTMENTS INC., BLACK ANGUS FREEZER BEEF (2005) LTD.,  
BLACK ANGUS FINE MEATS & GAME INC. and SEAN DEER ENTERPRISES LTD.**

Respondents

**ORDER  
(Approval of Sale of Assets and Other Relief)**

**THIS MOTION** made by RSM Canada Limited (“**RSM**”), in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of Black Angus Freezer Beef (2005) Ltd. (“**Freezer Beef**”), Black Angus Fine Meats & Game Inc. (“**Fine Meats**”), RSV Investments Inc. (“**RSV**” and together with Freezer Beef and Fine Meats, the “**Black Angus Group**”) and certain real property owned by Sean Deer Enterprises Ltd. (“**Sean Deer**”), for an order approving the activities and fees of the Receiver and its counsel, Thornton Grout Finnigan LLP (“**TGF**”), among other relief described herein, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Receiver's Motion Record, including the First Report of the Receiver dated December 3, 2019 (the "**First Report**"), the Supplemental Report of the Receiver dated December 9, 2019 (the "**Supplemental Report**"), and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, *Mr. Kelly and Don and Maureen Henderson in attendance and* no one else appearing for any other person on the service list, although duly served as it appears from the Affidavit of Service of Roxana G. Manea sworn December 9, 2019 and the Affidavit of Service of Puya Fesharaki sworn December 10, 2019, filed,

### **SERVICE**

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

### **APPROVAL OF AUCTION AGREEMENT**

2. **THIS COURT ORDERS AND DIRECTS** the Receiver to enter into the Danbury Agreement (as defined in the First Report) and to perform its obligations thereunder.

### **APPROVAL OF ACTIVITIES AND PROFESSIONAL FEES**

3. **THIS COURT ORDERS** that the First Report, the Supplemental Report and all of the conduct and activities of the Receiver described therein are hereby ratified and approved.

4. **THIS COURT ORDERS** that the professional fees and disbursements of the Receiver for (i) the period ending October 15, 2019 in the amount of \$124,193.68 plus HST of \$16,146.19 for a total of \$140,339.87 as set out in the Affidavit of Arif Dhanani sworn December 3, 2019

and attached as Appendix “R” to the First Report, and (ii) for the period from October 16, 2019 to November 15, 2019 in the amount of \$111,144.73 plus HST of \$14,448.82 for a total of \$125,593.55 as set out in the Affidavit of Arif Dhanani dated December 9, 2019 and attached as Appendix “A” to the Supplemental Report, are hereby approved.

5. **THIS COURT ORDERS** that the professional fees and disbursements of TGF for the period ending November 15, 2109, being \$59,765.00 in fees, \$1,391.48 in disbursements and \$7,917.63 in taxes for a total of \$69,074.11 as set out in the Affidavit of Puya Fesharaki sworn December 3, 2019 and attached as Appendix “S” to the First Report, are hereby approved.

#### **APPROVAL OF CBRE LISTING AGREEMENTS**

6. **THIS COURT AUTHORIZES AND DIRECTS** the Receiver to enter into a real estate listing agreement with CBRE Limited for the sale of the Thornbury Property (as defined in the First Report) and to perform its obligations thereunder.

7. **THIS COURT AUTHORIZES** the Receiver to enter into a real estate listing agreement with CBRE Limited for the sale of the MacTier Property (as defined in the First Report) on terms acceptable to the Applicant and to perform its obligations thereunder.

#### **SEALING OF CONFIDENTIAL APPENDICES**

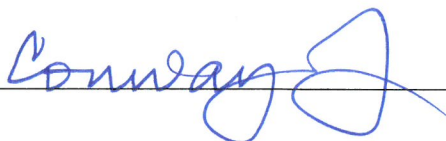
8. **THIS COURT ORDERS** that Confidential Appendices 1 through 4 to the First Report and Confidential Appendices 1 through 3 to the Supplemental Report shall be and are hereby sealed, kept confidential and shall not form part of the public record pending further Order of this Court.



**MISCELLANEOUS RELIEF**

9. **THIS COURT ORDERS AND DIRECTS** Storage on Site to immediately return any Property (as defined in the Order of this Court dated September 18, 2019, the “**Appointment Order**”) of the Black Angus Group in its possession or control to the Receiver.

10. **THIS COURT ORDERS** that the reference to “Black Angus Beef (2005) Ltd.” in the preamble of the Appointment Order be deleted in its entirety and replaced with “Black Angus Freezer Beef (2005) Ltd.”.

  
\_\_\_\_\_

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IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

**LAURENTIAN BANK OF CANADA**

- and -

Applicant

**RSV INVESTMENTS INC., BLACK ANGUS FREEZER BEEF (2005) LTD., BLACK ANGUS FINE MEATS & GAME INC. and SEAN DEER ENTERPRISES LTD.**

Respondents

Court File No. CV-19-626953-00CL

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

Proceedings commenced at Toronto, Ontario

**ORDER  
(Approval of Sale of Assets and Other Relief)**

**Thornton Grout Finnigan LLP**

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100 Wellington Street West, Suite 3200  
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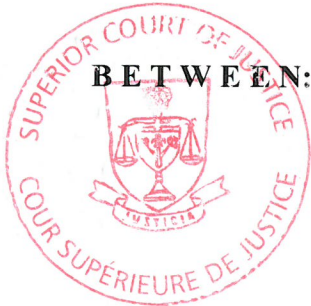
Lawyers for the Receiver

# **APPENDIX C**

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

THE HONOURABLE )  
JUSTICE CONWAY ) THURSDAY, THE 12TH DAY  
DAY OF MARCH, 2020

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43,  
as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended**



**BETWEEN:**

**LAURENTIAN BANK OF CANADA**

Applicant

- and -

**RSV INVESTMENTS INC., BLACK ANGUS FREEZER BEEF (2005) LTD.,  
BLACK ANGUS FINE MEATS & GAME INC. and SEAN DEER ENTERPRISES LTD.**

Respondents

**ORDER  
(Approval of Receiver's Activities, Discharge of Receiver over  
Certain Property, and other Relief)**

**THIS MOTION** made by RSM Canada Limited ("**RSM**"), in its capacity as Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Black Angus Freezer Beef (2005) Ltd. ("**Freezer Beef**"), Black Angus Fine Meats & Game Inc. ("**Fine Meats**"), RSV Investments Inc. ("**RSV**" and, together with Freezer Beef and Fine Meats, the "**Black Angus Group**") and certain real property owned by Sean Deer Enterprises Ltd. ("**Sean Deer**") situated in MacTier, Ontario (the "**MacTier Property**"), for an order (i) discharging the Receiver over the

MacTier Property, and (ii) approving the activities and fees of the Receiver and its counsel, Thornton Grout Finnigan LLP (“TGF”), among other relief described herein, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Receiver’s Motion Record, including the Second Report of the Receiver dated February 19, 2020 (the “**Second Report**”), the Supplement to the Second Report of the Receiver dated February 25, 2020 (the “**First Supplement**”) and the Second Supplement to the Second Report of the Receiver dated March 5, 2020 (the “**Second Supplement**” and, together with the Second Report and the First Supplement, the “**Receiver’s Reports**”) and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, Mr. Sean Kelly in attendance, no one else appearing for any other person on the service list, although duly served as it appears from the Affidavits of Service of Roxana G. Manea sworn February 20, 2020 and March 9, 2020, filed,

## **SERVICE**

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

## **APPROVAL OF RECEIVER’S ACTIVITIES, RECEIPTS AND DISBURSMENTS, AND PROFESSIONAL FEES**

2. **THIS COURT ORDERS** that the Receiver’s Reports and all of the conduct and activities of the Receiver described therein are hereby ratified and approved.

3. **THIS COURT ORDERS** that the Receiver’s Interim Statement of Receipts and Disbursements for the period from September 18, 2019 to January 31, 2020, comprising of total

receipts of \$397,023, total disbursements of \$236,903, and a net cash surplus of \$160,120 for that period and attached as Appendix "I" to the Second Report, are hereby approved.

4. **THIS COURT ORDERS** that the professional fees and disbursements of the Receiver for the period from November 16, 2019 to January 31, 2020, being the amount of \$89,535.04, plus HST of \$11,639.56, for a total of \$101,174.60 as set out in the Affidavit of Arif Dhanani sworn February 19, 2020 and attached as Appendix "J" to the Second Report, and for the period from February 1, 2020 to February 29, 2020, being \$31,109.50, plus HST of \$4,044.24, for a total of \$35,153.74 as set out in the Affidavit of Arif Dhanani sworn March 4, 2020 and attached as Appendix "A" to the Second Supplement, are hereby approved.

5. **THIS COURT ORDERS** that the professional fees and disbursements of TGF for the period from November 16, 2019 to January 31, 2020, being the amount of \$69,718.10, plus HST of \$9,021.75, for a total of \$78,739.85 as set out in the Affidavit of Puya Fesharaki sworn February 19, 2020 and attached as Appendix "K" to the Second Report, and for the period from January 22, 2020 to February 29, 2020, being fees in the amount of \$38,115.00, disbursements in the amount of \$545.27, and taxes in the amount of \$4,984.24, for a total of \$43,644.51 as set out in the Affidavit of Puya Fesharaki sworn March 5, 2020 and attached as Appendix "B" to the Second Supplement, are hereby approved.

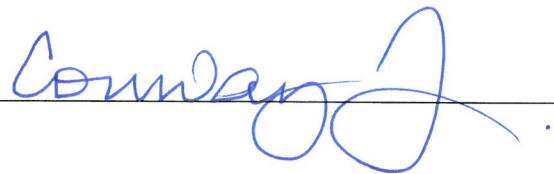
#### **DISCHARGE OF RECEIVER OVER MACTIER PROPERTY**

6. **THIS COURT ORDERS** that, immediately upon the issuance of this Order, the Receiver is hereby discharged as Receiver over the MacTier Property such that possession of the MacTier Property shall revert to Sean Deer, provided that the Receiver is authorized and directed to take any and all administrative and ancillary steps it deems necessary to, among other things, transfer

the management of the MacTier Property to Sean Deer, including communicating with interested third-parties and stakeholders to advise them of such transfer and to complete any repairs underway at the MacTier Property at the time of the making of this Order and engaging any persons necessary to assist with the Receiver's powers and duties set out herein. Effective immediately upon the issuance of this Order, the Receiver, its counsel and agents shall have no further obligation or liability to any Person, as defined in the Order of Justice Hailey in these proceedings dated September 18, 2019 (the "**Appointment Order**"), in any way relating to the ongoing management, upkeep or maintenance of the MacTier Property.

**CONTINUATION OF RECEIVER'S CHARGE OVER MACTIER PROPERTY**

7. **THIS COURT ORDERS** that notwithstanding anything else, the Receiver's Charge, as defined in the Appointment Order, shall continue unamended with respect to the MacTier Property in respect of the reasonable fees and disbursements of the Receiver incurred in respect of the MacTier Property only, as agreed to between the Receiver, the first mortgagee in respect of the MacTier Property and the Applicant. The Receiver is further authorized and permitted to register a copy of this Order against title to the MacTier Property.



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ON / BOOK NO:  
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PER / PAR: 

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

LAURENTIAN BANK OF CANADA

- and -

RSV INVESTMENTS INC., *et al*

Applicant

Respondents

Court File No.: CV-19-626953-00CL

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

Proceedings commenced at Toronto, Ontario

**ORDER**

**(Approval of Receiver's Activities, Discharge of Receiver over  
Certain Property, and other Relief)**

**Thornton Grout Finnigan LLP**

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Lawyers for the Court-appointed Receiver



# APPENDIX D

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

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43,  
as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*,  
R.S.C. 1985, c. B-3, as amended**

**B E T W E E N:**

**LAURENTIAN BANK OF CANADA**

Applicant

- and -

**RSV INVESTMENTS INC., BLACK ANGUS FREEZER BEEF (2005) LTD.,  
BLACK ANGUS FINE MEATS & GAME INC. and SEAN DEER ENTERPRISES LTD.**

Respondents

**AFFIDAVIT OF CHRISTOPHER CORCORAN  
(Sworn September 9, 2019)**

I, **Christopher Corcoran**, of the City of Montreal, in the Province of Québec, MAKE  
OATH AND SAY AS FOLLOWS:

1. I am a Manager, Special Loans, at Laurentian Bank of Canada (the “**Bank**”) and, as such, I have knowledge of the matters to which I depose herein and attest to the fact that they are true. Unless I indicate to the contrary, the facts herein are within my personal knowledge. Where I have indicated that I have obtained facts from other sources, I have identified the sources and believe those facts to be true.
2. This affidavit is sworn in support of an application by the Bank for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the

“**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended appointing RSM Canada Limited (“**RSM**”) as receiver and manager (in such capacities, the “**Receiver**”), without security, of:

- (a) all of the assets, undertakings and properties of Black Angus Beef (2005) Ltd. (“**Black Angus Beef**”), Black Angus Fine Meats & Game Inc. (“**Black Angus Meats**”) and together with Black Angus Beef, the “**Black Angus Companies**”) and RSV Investments Inc. (“**RSV**”) including all proceeds thereof; and
- (b) the real property registered in the name of Sean Deer Enterprises Ltd. (“**SD Enterprises**”) known as the MacTier Property (defined below) including all proceeds thereof.

3. The Black Angus Companies and RSV are collectively referred to herein as the “**Debtors**”.

## **Background**

### *RSV Investments Inc.*

4. According to the records maintained by Corporations Canada, RSV was incorporated under the *Canada Business Corporations Act* (the “**CBCA**”) on February 8, 2008. The registered office of RSV is at 207484 Highway 26, Thornbury, Ontario (the “**Thornbury Property**”). The Corporation Profile Report for RSV lists Sean Kelly (“**Kelly**”) as the sole Director of the company. A copy of RSV’s Corporation Profile Report is attached as **Exhibit “A”**.
5. Pursuant to an Offer of Financing dated December 10, 2013 between the Bank and RSV, as amended from time to time (as amended, the “**RSV Offer of Financing**”), the Bank made available to RSV two term loans in the principal amounts of \$1,163,000 and

\$175,000, respectively (collectively, the “**RSV Credit Facilities**”). A copy of the RSV Offer of Financing is attached as **Exhibit “B”**.

6. RSV is the sole registered owner of the Thornbury Property, more specifically described as: PIN37129-0199 (LT): PART OF LOT 36, CONCESSION 11 COLLINGWOOD DESIGNATED AS PARTS 1, 2, 3 & 4, 16R-3221; PART OF ROAD ALLOWANCE BETWEEN LOTS 36 & 37, COLLINGWOOD CLOSED BY R102245 DESIGNATED AS PARTS 5, 6 & 7, 16R-3221; SAVE & EXCEPT PARTS 1 & 2, 16R-11180; TOWN OF THE BLUE MOUNTAINS. A copy of the current sub-search in respect of the Thornbury Property is attached as **Exhibit “C”**.
7. The Bank understands that the primary asset of RSV is the Thornbury Property which it leases to one or both of the Black Angus Companies who operate from the premises. The Bank and the Consultant (defined below) have repeatedly requested particulars in respect of the leasing agreement governing the Thornbury Property, which requests have not been fulfilled by the Debtors.
8. RSV also maintains a bank account with the Bank (the “**RSV Account**”) into which payments under the RSV Credit Facilities are automatically debited. Because sufficient funds have not been deposited into the RSV Account by the Debtors, significant unauthorized overdrafts have resulted in the RSV Account. RSV failed to make the last 3 scheduled payments under the RSV Credit Facilities.
9. As of September 9, 2019, the principal amount outstanding under the RSV Credit Facilities, including the unauthorized overdrafts in the RSV Account, was the aggregate amount of

\$1,218,860.36, together with interest and costs (including, without limitation, legal fees and disbursements).

10. As security for its obligations to the Bank, RSV granted security to the Bank over all of its personal property pursuant to a General Security Agreement dated November 4, 2009 (the “**RSV GSA**”), a copy of which is attached as **Exhibit “D”**. It is a term of the RSV GSA that the Bank may appoint a receiver upon default by RSV of any of its obligations to the Bank.
11. The Bank made a registration against RSV pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) on October 29, 2009 against all classes of collateral, except “consumer goods” (the “**RSV Registration**”). Attached as **Exhibit “E”** is a copy of a certified PPSA Enquiry Response Certificate from the Ontario Ministry of Government Services (the “**Ministry**”) current as of August 14, 2019 in respect of RSV. There are no PPSA registrations against RSV in favour of any other party.
12. RSV also granted to the Bank a first-ranking charge in the principal amount of \$2,085,000 (the “**RSV Charge**”) over the Thornbury Property. The RSV Charge, initially in the principal amount of \$1,800,000, was registered on title to the Thornbury Property on April 11, 2013, and was subsequently amended and increased to \$2,085,000 by Mortgage Amending Agreement dated October 10, 2017, registered on the same date on title to the Thornbury Property under Notice instrument. Copies of the RSV Charge instruments registered on title to the Thornbury Property are attached as **Exhibit “F”**.

*The Black Angus Companies, as Guarantors*

13. According to the records maintained by the Ministry, Black Angus Beef was incorporated under the Ontario *Business Corporations Act* (the “**OBCA**”) on May 25, 2005. The registered office of Black Angus Beef is at 360 Revus Avenue, Unit 10, Mississauga, Ontario (the “**Mississauga Location**”). It is the Bank’s understanding that the Mississauga Location is owned by a third party. The Corporation Profile Report lists Kelly as the sole Director and Officer of Black Angus Beef. A copy of Black Angus Beef’s Corporation Profile Report is attached as **Exhibit “G”**.
14. According to the records maintained by Corporations Canada, Black Angus Meats was incorporated under the CBCA on February 5, 2008. The registered office of Black Angus Meats is at 207484 Highway 26, Thornbury, Ontario (the “**Thornbury Property**”). The Corporation Profile Report for Black Angus Meats lists Kelly as the sole Director of the company. A copy of Black Angus Meats’ Corporation Profile Report is attached as **Exhibit “H”**.
15. The Black Angus Companies operate from three “Black Angus” outlets located at the Thornbury Property, the Mississauga Location and the MacTier Property. As described in greater detail herein, the Bank has registered charges on title to each of the Thornbury Property and the MacTier Property. The Bank was formerly a direct lender to the Black Angus Companies.
16. Black Angus Meats has guaranteed the indebtedness and obligations of Black Angus Beef and RSV to the Bank pursuant to a written guarantee dated November 4, 2009 limited to the principal amount of \$500,000, together with interest accruing from the date of demand.

17. Black Angus Beef has guaranteed the indebtedness and obligations of Black Angus Meats and RSV to the Bank pursuant to a written guarantee dated November 4, 2009 limited to the principal amount of \$500,000, together with interest accruing from the date of demand.
18. As security for their obligations to the Bank, each of the Black Angus Companies granted to the Bank security over all of their personal property pursuant to separate General Security Agreements each dated November 4, 2009 (together, the “**Black Angus GSAs**”), copies of which are attached as **Exhibit “I”**. It is a term of each of the Black Angus GSAs that the Bank may appoint a receiver upon default by either of the Black Angus Companies in any of their obligations to the Bank.
19. The Bank made registrations pursuant to the PPSA against each of Black Angus Beef and Black Angus Meats, both on October 29, 2009, in each case against all classes of collateral, except “consumer goods”. Attached as **Exhibit “J”** are copies of certified PPSA Enquiry Response Certificates from the Ministry current as of August 14, 2019 in respect of each of Black Angus Beef and Black Angus Meats.
20. There are no PPSA registrations against Black Angus Beef prior in time to the Bank’s registration. There is only one other PPSA registration against Black Angus Beef, subsequent in time to the Bank’s registration, made in favour of Mercedes-Benz Financial over collateral categories “equipment” and “other”.
21. There are no PPSA registrations against Black Angus Meats prior in time to the Bank’s registration. There are several other PPSA registrations subsequent in time to the Bank’s registration, all of which relate to equipment collateral.

*Sean Deer Enterprises Ltd., as Guarantor*

22. According to the records maintained by the Ministry, SD Enterprises was incorporated under the OBCA on January 19, 2016. The registered office of SD Enterprises is at the Thornbury Property. SD Enterprises' Corporation Profile Report lists Kelly as Director and Jennifer M. Anderson ("**Anderson**") as Director and Officer of the company. A copy of SD Enterprises' Corporation Profile Report is attached as **Exhibit "K"**.
  
23. SD Enterprises is the registered owner of the real property municipally known as 21 High Street, MacTier, Ontario more specifically described as: PIN48006-0247 (LT): PCL 13891 SEC MUSKOKA; PT LT 2 CON 5 FREEMAN AS IN LT139263, LT130267; GEORGIAN BAY; THE DISTRICT MUNICIPALITY OF MUSKOKA (the "**MacTier Property**"). SD Enterprises leases the MacTier Property to one or both of the Black Angus Companies who operate from the premises. A copy of the sub-search in respect of the MacTier Property is attached as **Exhibit "L"**.
  
24. SD Enterprises has guaranteed the indebtedness and obligations of each of the Debtors to the Bank, on a joint and several basis, pursuant to a written guarantee dated November 13, 2018 limited to the principal amount of \$600,000, together with interest accruing from the date of demand (the "**SD Guarantee**"). A copy of the SD Guarantee is attached as **Exhibit "M"**.
  
25. In support of the SD Guarantee, SD Enterprises has granted to the Bank a charge in the principal amount of \$600,000 (the "**SD Charge**") registered on title to the MacTier Property on November 14, 2018. It is a term of the SD Charge that the Bank may appoint



a receiver over the MacTier Property upon default by SD Enterprises of any of its obligations to the Bank. A copy of the SD Charge is attached as **Exhibit “N”**.

26. The SD Charge ranks second in priority to a charge in the principal amount of \$275,000 registered on title to the MacTier Property in favour of Front Desk Ltd. on March 24, 2016.

*Additional Corporate Guarantors*

27. In addition to SD Enterprises, several other companies (collectively, the “**Additional Corporate Guarantors**”), all of which are directly or indirectly controlled by Kelly, provided guarantees to the Bank, as follows:

- (a) Blue Mountain Fine Foods Corp. (“**Blue Mountain**”) has guaranteed the indebtedness and obligations of each of the Debtors to the Bank, on a joint and several basis, pursuant to a written guarantee dated August 31, 2018, limited to the principal amount of \$750,000 together with interest accruing from the date of demand (the “**Blue Mountain Guarantee**”)
- (b) Tara Food Products Limited (“**Tara Foods**”) has guaranteed the indebtedness and obligations of each of the Debtors to the Bank, on a joint and several basis, pursuant to a written guarantee dated November 13, 2018, limited to the principal amount of \$600,000, together with interest accruing from the date of demand (the “**Tara Foods Guarantee**”); and
- (c) 2506699 Ontario Ltd. (“**2506699**”) has guaranteed the indebtedness and obligations of each of the Debtors to the Bank, on a joint and several basis, pursuant to a written guarantee dated November 13, 2018, limited to the principal amount of \$600,000

together with interest accruing from the date of demand (the “**2506699 Guarantee**”).

28. Copies of the Blue Mountain Guarantee, the Tara Foods Guarantee, and the 2506699 Guarantee are attached as **Exhibit “O”**.
29. 2506699 is the registered owner of the property municipally known as 1151 Highway 141, Parry Sound, Ontario (the “**Parry Sound Property**”). In support of the 2506699 Guarantee, 2506699 granted to the Bank a charge in the principal amount of \$600,000 registered on title to the Parry Sound Property.
30. Tara Foods is the registered owner of the property municipally known as 1346 Lake Joseph Road, Seguin, Ontario (the “**Seguin Property**”). In support of the Tara Foods Guarantee, Tara Foods granted to the Bank a charge in the principal amount of \$600,000 registered on title to the Seguin Property.
31. The Bank does not hold any security from Blue Mountain.

*Personal Guarantors*

32. Kelly delivered to the Bank the following personal guarantees of the Debtors’ indebtedness and obligations to the Bank (collectively, the “**Kelly Guarantees**”):
  - (a) a written unlimited guarantee dated April 4, 2013 of the indebtedness and obligations of RSV to the Bank; and
  - (b) a written unlimited guarantee dated August 2, 2017 of the indebtedness and obligations of the Black Angus Companies, on a joint and several basis, to the Bank.
33. Copies of the Kelly Guarantees are attached as **Exhibit “P”**.

34. Anderson, Kelly's spouse, delivered to the Bank the following personal guarantees of the Debtors' indebtedness and obligations to the Bank (collectively, the "**Anderson Guarantees**"):
- (a) a written unlimited guarantee dated August 28, 2017 of the indebtedness and obligations of RSV to the Bank; and
  - (b) a written unlimited guarantee dated August 31, 2018 of the indebtedness and obligations of the Black Angus Companies, on a joint and several basis, to the Bank.
35. Copies of the Anderson Guarantees are attached as **Exhibit "Q"**.
36. Kelly, Anderson, the Black Angus Companies, the Additional Corporate Guarantors and SD Enterprises are collectively referred to herein as the "**Guarantors**".

#### **Initial Demand Letters and Forbearance Agreement**

37. In August of 2018, as a result of certain defaults committed by the Debtors, including but not limited to outstanding reporting obligations, the Debtors and the Bank discussed entering into a forbearance agreement that would include, as a condition thereto, the appointment of RSM as the Bank's consultant (the "**Consultant**") to perform a review of the Debtors' operations. The Bank presented a forbearance agreement to the Debtors on August 17, 2018, a condition of which was the appointment of the Consultant, and included a sign-back date of August 24, 2018.
38. On August 28, 2018, as a result of the forbearance agreement not having been signed by the Debtors by the sign-back date, the Bank demanded repayment of the Debtors' indebtedness to the Bank.

39. On August 31, 2018, the Bank and the Debtors entered into a forbearance agreement dated as of the same date (as amended from time to time, the “**Forbearance Agreement**”), whereby the Debtors agreed to fully and permanently repay their obligations to the Bank on or before November 30, 2018. RSM was appointed as the Consultant in conjunction with the Forbearance Agreement, a copy of which is attached as **Exhibit “R”**.
40. The Forbearance Agreement contained certain milestones for satisfying outstanding reporting obligations and for the delivery of commitment letters and similar documents evidencing a refinancing transaction.

#### **Repeated Accommodations and Extensions to Forbearance Agreement**

41. The Debtors defaulted under the terms of the Forbearance Agreement. Defaults included, but were not limited to, failing to co-operate fully with the Consultant, failing to provide the outstanding information, and causing repeated unauthorized overdrafts in their accounts with the Bank. The Bank chronicled all such defaults in a comprehensive letter to the Debtors dated October 4, 2018 (the “**October 2018 Letter**”), citing its concerns and requiring the Debtors to co-operate with the Bank and the Consultant. A copy of the October 2018 Letter is attached as **Exhibit “S”**.
42. At the Debtors’ request, the Bank has repeatedly amended the Forbearance Agreement in order to extend the repayment deadline under the Forbearance Agreement first to December 31, 2018, subsequently to February 28, 2019, and finally to April 30, 2019. Each such extension was expressly granted by the Bank pursuant to assurances by the Debtors that their indebtedness to the Bank would be fully repaid prior to the specified deadlines.

43. Since April 30, 2019, there has been no forbearance in place. On May 15, 2019, the Bank again chronicled the numerous continuing defaults by the Debtors in a detailed letter addressed to the Debtors' counsel (the "**May 2019 Letter**"), and required immediate repayment in full of the Debtors' indebtedness to the Bank. A copy of the May 2019 Letter is attached as **Exhibit "T"**.
44. During the term of the Forbearance Agreement, the Debtors delivered to the Bank several letters of interest from alternate financiers in respect of a refinancing transaction with the potential to repay the Debtors' indebtedness to the Bank in full. However, no such letters of interest materialized into a signed, binding commitment letter.

***Refreshed Demands; Enforcement of Security***

45. On June 21, 2019, the Bank re-issued demands to the Debtors and the Guarantors (collectively, the **Refreshed Demand Letters**"), requiring repayment in full of the Debtors' indebtedness to the Bank, and concurrently delivered Notices of Intention to Enforce Security pursuant to Section 244 of the BIA (collectively, the "**Refreshed BIA Notices**"). Copies of the Refreshed Demand Letters and the Refreshed BIA Notices are attached as **Exhibit "U"**.
46. Upon expiry of the notice period under the Refreshed BIA Notices, on July 8, 2019, the Bank initiated power of sale proceedings against the MacTier Property, the Parry Sound Property and the Seguin Property by issuing Notices of Sale Under Mortgage (collectively, the "**Power of Sale Notices**") to each of SD Enterprises, 2506699 and Tara Foods. The deadline for repayment under the Power of Sale Notices expired on August 14, 2019. Copies of the Power of Sale Notices are attached as **Exhibit "V"**.

47. The Refreshed Demand Letters, Refreshed BIA Notices and Power of Sale Notices all failed to prompt any response on the Debtors' part.
48. Since the date of the Refreshed Demand Letters, the Debtors have made minimal deposits into their accounts with the Bank, leading the Bank to suspect that the Debtors are depositing their accounts receivable, which are subject to the Bank's security, or at least a portion thereof, with another financial institution. At the same time, the Black Angus Companies have ceased making lease payments in respect of the Thornbury Property from their accounts with the Bank, thus leading the Bank to believe that the Debtors have either started making deposits with other financial institutions, or have ceased operating. Moreover, RSV has also failed to make its regularly scheduled Bank payments for the months of July, August and September.
49. The notice periods under the Refreshed BIA Notices and the Power of Sale Notices have expired and the Bank is in a position to enforce all of its rights and remedies against the Debtors and the Guarantors, including the right to seek the appointment of a receiver.
50. Pursuant to the terms of the Forbearance Agreement, the Debtors irrevocably consented to the appointment of a receiver, receiver and manager, or an agent of the Bank's choosing over the Debtors' assets, property and undertakings.
51. It is a term of the MacTier Charge that the Bank may appoint a receiver over the MacTier Property upon default by SD Enterprises, which default has occurred.

52. The Bank seeks the appointment of the Receiver over the Debtors and the MacTier Property for the purpose of protecting and ultimately realizing on the assets of the Debtors and the MacTier Property for the benefit of the Debtors' creditors.

#### **The Debtors' Response to the Bank's Intention to Appoint a Receiver**

53. Between September 4, 2019 and September 5, 2019, the Bank informed the Debtors of its concerns about alternate banking arrangements and the Bank's intention to appoint a receiver.
54. Once again, the Debtors furnished an unsigned commitment letter that could repay the Debtors' indebtedness to the Bank in full if such refinancing was to be completed. Notwithstanding that the commitment letter is dated July 11, 2019, it was only provided to the Bank on September 5, 2019, and it was not signed by the Debtors.
55. The Debtors have requested additional time to complete this particular refinancing transaction but the Bank is concerned that, like other proposed refinancing transactions presented by the Debtors to the Bank since the fall of 2018, this refinancing transaction will also not be completed.

#### **Recent Charges Registered Against Properties without Notice to the Bank**

56. The Bank has recently learned that RSV, SD Enterprises, 2506699 and Tara Foods have collectively granted a charge in the amount of \$250,000 in favour of Miltom Services Limited c/o Miller Thomson LLP, in trust ("the **MT Charge**") registered on title to the Thornbury Property, the MacTier Property, the Parry Sound Property and the Seguin Property on August 22, 2019. Copies of the charge instruments registered in favour of

Miltom Services Limited in respect of the Thornbury Property and the MacTier Property are attached as **Exhibit “W”**.

57. The MT Charge was granted and registered without any notice to the Bank, the Bank’s counsel or the Consultant. It is another, and the most recent, example of the Debtors and Guarantors acting unilaterally rather than in cooperation with the Bank and the Consultant.
58. It is the Bank’s view that the MT Charge constitutes a material adverse change which has the effect of diminishing any equity available to existing creditors and significantly hindering the possibility of any refinancing transaction.

#### **Need for a Receiver**

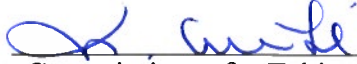
59. The Bank’s need for the appointment of a receiver is apparent based on the current circumstances as set out herein and is necessary to preserve, protect and ultimately realize on the collateral for the benefit of the Debtors’ creditors.
60. The inventory collateral of the Black Angus Companies consists of meat and ancillary food products which are perishable or likely to depreciate rapidly in value (the “**Perishable Collateral**”). Accordingly, the Bank requires that the Receiver have the power to dispose, sell or otherwise transfer any such Perishable Collateral at its discretion without further court order.
61. The appointment of a receiver is necessary and appropriate as a result of the following:
  - (a) the Debtors have routinely failed to adhere to their reporting requirements in strict accordance with the RSV Offer of Financing;



- (b) RSV has failed to make regular payments on the RSV Credit Facilities when due, and has caused unauthorized overdrafts to arise under the RSV Account;
  - (c) the Debtors have failed to cooperate fully with the Consultant, including granting significant mortgages upon property charged in favour of the Bank without notice to the Bank;
  - (d) the Debtors have been unable to refinance their indebtedness to the Bank;
  - (e) the Black Angus Companies appear to be diverting their accounts receivable to another financial institution;
  - (f) the notice periods under the Refreshed BIA Notices have expired;
  - (g) SD Enterprises, as guarantor, has breached the terms of the MacTier Charge;
  - (h) the need to preserve, protect and ultimately realize on the collateral subject to the Bank's security; and
  - (i) it is just and convenient to appoint a receiver.
62. The proposed Order appointing the Receiver permits the Receiver to borrow funds from the Bank for the purpose of financing the receivership proceeding. If necessary, these borrowings will be secured by Receiver's certificates to be issued by the Receiver or by the security held by the Bank upon the Debtors' assets.
63. RSM has consented to act as receiver. A copy of RSM's Consent is attached hereto as **Exhibit "X"**.

64. I swear this affidavit in support of an application by the Bank for the appointment of the Receiver on the terms set out in the draft Order contained in the Application Record, and for no other or improper purpose.

SWORN before me at the City of  
Montreal, in the Province of Québec, this  
9<sup>th</sup> day of September, 2019.



Commissioner for Taking Affidavits, etc.

---

**CHRISTOPHER CORCORAN**



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



A Commissioner for taking Affidavits, etc.





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## Federal Corporation Information - 691972-3

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### **i** Note

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

### **Corporation Number**

691972-3

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

820245413RC0001

### **Corporate Name**

RSV INVESTMENTS INC.

### **Status**

Active

### **Governing Legislation**

*Canada Business Corporations Act - 2008-02-08*

## **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)**

02-08

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

2017-11-04

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

02-08 to 04-08

### **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

2008-02-08 to Present

RSV INVESTMENTS INC.

### Certificates and Filings

#### Certificate of Incorporation

2008-02-08

#### Certificate of Amendment \*

2009-06-17

Amendment details: Province or Territory of Registered Office

\* Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, [contact Corporations Canada](#).

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2019-05-22

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



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







LAURENTIAN  
BANK

December 10, 2013

**CONFIDENTIAL**

RSV Investments Inc.  
207484 Highway 26  
Thornbury, Ontario  
N0H 2P0

Attention: Mr. Sean Kelly

Re: Confirmation of credit facility

Dear Sir,

We are pleased to inform you that Laurentian Bank of Canada (the "**Bank**") agrees to renew your credit facilities in accordance with the terms and conditions provided herein (the "**Offer**"). These terms and conditions modify and replace the ones mentioned in the offer dated February 28, 2013. Unless specifically modified by this Offer, the terms and conditions of all agreements you have previously provided to the Bank, including all security held by the Bank, remain in full force and effect, unamended.

Please take note that all amounts are in Canadian dollars unless otherwise specified.

**Lender:** Laurentian Bank of Canada

**Borrower:** RSV Investments Inc. (the "**Borrower**")

**Guarantors:** Black Angus Freezer Beef (2005) Ltd.  
Black Angus Fine Meats & Game Inc.  
Sean Kelly (the "**Guarantors**")

10 Duke Street West  
Suite 100  
Kitchener Ontario N2H 3W4  
Tel. 519.579.4440 Fax 519.579.2436

## 1. Credit Facilities: Amount and Type

Facility 2B    \$1,164,000    Term loan with 165 months remaining of 172 month Amortization  
                  (\$340,342    period.  
                  yet to be  
                  funded)

## 2. Purpose of the Financing

The credit facilities must be used exclusively for the following purposes:

Facility 2B    To payout previous loan 2A and finance the addition of cold storage and office space to the Thornbury building.

## 3. Interest rate: Applicable Rate

Facility 2B:    Term Loan (variable rate): at the greater of 4.85% or the Bank's Canadian Dollar Prime Lending Rate plus 1.85% per annum with a fixed rate option\*;

\*As an *example only*, the fixed rates as of December 10'13 are:

**(The actual rate will be determined the day of disbursement)**

Term:            1 yr.    2 yrs.    3 yrs.    4 yrs.

Rates:           4.36%    4.79%    5.00%    5.27%

- 3.1            The "Canadian Dollar Prime Lending Rate" is the annual rate of interest announced from time to time by the Bank as its reference rate in effect for Canadian dollar commercial loans granted by the Bank in Canada. For information purposes only, the Bank's Canadian Dollar Prime Lending Rate is 3.00% per annum as at December 10, 2013. The variable rates specified above are automatically adjusted on the day the Bank modifies its Canadian Dollar Prime Lending Rate, without notice to the Borrower.
- 3.2            The Borrower may convert the variable rate advances under Facility 2B upon being fully advanced into fixed rate advances, either in whole or in part, for terms ranging between 1 and 4 years without exceeding the loan's maturity date, subject to the availability of funds for the Bank. The applicable fixed rates will be communicated on request and may vary depending on the terms.
- 3.3            Upon maturity of the fixed rate term, in the event that the Borrower has not negotiated a new fixed term, advances granted up until then will bear interest using the variable rate stipulated above.
- 3.4            Any advance made under the terms and conditions of the credit facilities set forth herein will bear interest both before and after demand, maturity, default and judgment and until full payment, at the relevant annual rate of interest specified above based on the actual number of days elapsed during the interest calculation period, divided by 365. The Borrower will pay accrued interest on a monthly basis, commencing one month after the disbursement. Any interest in arrears will bear interest at the same rate as that applicable to the principal to which it is related and will be payable on demand.

## 4. Terms and Conditions

4.1            Facility 2B – Term Loan

(a) Advances under Facility 2B to be limited to \$1,164,000;

- (b) First Draw of \$740,358.27 to payout Loan 2A and to provide \$120,000 new funds for construction.;
- (c) Remaining draws will be as required as contained in the cost consultant's report;
- (d) Each subsequent monthly draw to be a minimum of \$84,000, with up to a maximum of 5 draws. As of December 10, 2013 there are 4 draws remaining.

## 5. Repayment

Repayments must be made as follows:

**Facility 2B:** \$1,164,00 Term Loan: monthly payments of \$7,013 (principal) plus monthly interest  
Remaining amortization period of 165 months for a remaining term of 59months.

### 5.1 Prepayment

**Term Loan (fixed rate)** No prepayment permitted on Facility 2B.

**Term Loan (variable rate)** Prepayment of Facility 2B in whole or in part is not permitted during the first two years following the final disbursement thereof. Thereafter, if no event of Default has occurred and is continuing, the Borrower may prepay the principal amount, either in whole or once per annum in part, on not less than 30 days prior written notice with payment of the following premium, whichever is greater:

- I. Interest rate differential between the coupon rate on the loan and the corresponding Government of Canada bond rate for the term remaining to maturity; or
- II. An amount equivalent to three months simple interest on the amount of principal being prepaid calculated at the rate applicable to the loan.

## 6. Security

By accepting this Offer, the Borrower confirms and acknowledges that the security already held by the Bank secures advances and/or facilities previously granted by the Bank as well as advances and/or Facility extended or to be extended to the Borrower by the Bank in compliance with this Offer and that all such security remains in full force and effect, unamended, except as may be set forth in this Offer.

The following security, to the extent not already held, must be held by the Bank, the whole in form and substance satisfactory to the Bank:

- 6.1 Collateral mortgage in the amount of \$1,800,000.00 on the real property located at 207484 hwy 26, Town of Blue Mountains, Ontario. No prior encumbrances.
- 6.2 Title Insurance in the amount of \$1,800,000.00 on the real property located at 207484 hwy 26, Town of Blue Mountains, Ontario.
- 6.3 General Security Agreement containing a floating charge on all present and future assets. No prior encumbrances.

- 6.4 General Assignment of Book Debts.
- 6.5 Unlimited Guarantee executed by Sean Kelly dated April 4, 2013.
- 6.6 Guarantee of \$500,000 executed by Black Angus Freezer Beef (2005) Ltd. dated Nov 4, 2009 supported by:
- General Security Agreement for Black Angus Freezer Beef (2005) Ltd. containing a floating charge on all present and future assets. Subject to prior charge in favour of Somerville National Leasing & Rentals over 2008 Ford Escape.
  - General Assignment of Book Debts.
- 6.7 Guarantee of \$500,000 executed by Black Angus Fine Meats & Game Inc. dated Nov 4, 2009 supported by:
- General Security Agreement for Black Angus Fine Meats & Game Inc. containing a floating charge on all present and future assets. Not subject to prior encumbrances.
  - General Assignment of Book Debts.
- 6.8 Postponement of Claim signed by Sean Kelly, dated Nov 4, 2009.
- 6.9 Postponement of Interest from TD Canada Trust re: 207484 hwy 26 Town of Blue Mountains, Ontario.
- 6.10 Assignment of Life Insurance on the life of Sean Kelly in the amount of \$300,000 (shared with Black Angus Freezer Beef (2005) Ltd. and Black Angus Fine Meats & Game Inc.).
- 6.11 Evidence of insurance covering fire and such other risks disclosing the Bank as first loss payee and mortgagee.
- 6.12 Promissory note in the amount of \$1,164,000

## 7. Representations and Covenants

Prior to disbursing any advances and for the duration of the present financing, the Borrower represents, warrants, covenants and agrees with the Bank as follows:

- 7.1 The Borrower shall provide , no later than on the 20<sup>th</sup> day of each month, a combined internal income statement and balance sheet for Black Angus Freezer Beef (2005) Ltd., Black Angus Fine Meats & Game Inc., and RSV Investments Inc. (the "Black Angus Group"), as at the previous month's end;
- 7.2 The Borrower shall provide combined financial statements of Black Angus Group on a Notice to Reader basis duly signed within 120 days of fiscal year-end;
- 7.3 The Borrower shall provide individual financial statements of Black Angus Group on a Review Engagement basis duly signed within 120 days of fiscal year-end;
- 7.4 The Borrower shall provide annually proof of payment of municipal real property taxes, along with the copies of the Borrower's annual financial statements. Upon failure to do so, at the Bank's option, the Borrower shall provide to the Bank on the 1<sup>st</sup> day of every month for as long as the Borrower is indebted to the Bank, in addition to the monthly payments of interest and principal, a monthly tax payment, the amount of which would be determined from time to time by the Bank, and which shall be

sufficient to enable the Bank to build up a tax reserve for the full payment of the municipal real property tax accounts or other taxes due on the property which is charged in favour of the Bank, and such payment shall take place on the respective due dates of the said accounts. Amounts accumulated in accordance with this paragraph are part of the Bank's security and do not earn interest to the Borrower's benefit. It is also understood that the Bank cannot be held responsible should municipal real property taxes fail to be paid on their due dates;

- 7.5 The Borrower shall provide annually, 30 days before the policies expire, a copy of the renewals and proof of payment of the premiums related to insurance policies assigned to the Bank;
- 7.6 The Borrower shall provide the duly signed personal statement affairs of Sean Kelly (next due November 2015);
- 7.7 The Borrower shall provide any other information the Bank may reasonably request from time to time;
- 7.8 The Borrower shall maintain a working capital ratio of at least 1.30:1.00, (based on quarterly and year-end combined financial statements of Black Angus Group);
- For the purposes of this Offer, the working capital ratio is equal to current assets divided by current liabilities.
- 7.9 The Borrower shall maintain a maximum debt/tangible net worth ratio of 2.25: 1.00 (based on combined quarterly statements and combined year-end financial statements); (the "tangible net worth" refers to the total of the paid-up capital stock, retained earnings and postponed debts, excluding, without limitation, (i) advances to shareholders, (ii) advances to affiliates of the Borrower (as said term is defined in the Canada Business Corporations Act), (iii) intangible assets and (iv) leasehold improvements);
- This ratio is based on the accounting policies applied to the combined financial statements of Black Angus Group for the fiscal year ending on May 31<sup>st</sup> ;
- 7.10 The Borrower shall maintain self-generated funds per fiscal year at a level sufficient to cover the current portion of the long-term debt ("self-generated funds" means the net income after tax, plus depreciation less dividends) with a minimum debt service coverage of 120% (based on quarterly and year-end combined financial statements of Black Angus Group);
- 7.11 The Borrower shall not declare nor pay dividends, with respect to any given fiscal year,
- 7.12 The Borrower shall maintain its share ownership, which is currently held as follows: Sean Kelly (100%);
- 7.13 The Borrower shall not make any loans, advances or otherwise provide any financial assistance to any of its affiliates or related parties or make any investments therein or grant them any security or enter into with any of them transactions outside the normal course of business;
- 7.14 The Borrower shall not enter into any Financial Indebtedness;
- 7.15 The Borrower shall pay punctually when due, any and all income taxes, other taxes, contributions, and deductions;
- 7.16 The Borrower is not involved in any proceedings before any civil, criminal or

administrative court or tribunal save as has been disclosed in writing to the Bank and will not be a party to or involved in any proceeding before any civil, criminal or administrative court or tribunal the outcome of which may be materially prejudicial, in the sole and absolute discretion of the Bank, to the Borrower;

- 7.17 The Borrower is not in default under any judgment, order, injunction, decree or decision of any court, office, arbitrator, commission or other similar authority save as has been disclosed in writing to the Bank and will not be in such default the outcome of which may be materially prejudicial, in the sole and absolute discretion of the Bank, to the Borrower;
- 7.18 No further authorization, consent, approval or exemption is necessary to give effect to this Offer or to the security contemplated herein;
- 7.19 The credit facilities made or to be made available to the Borrower by the Bank pursuant to this Offer are for the own use of the Borrower and are not intended to be used by or for the benefit of a third party;
- 7.20 The Borrower shall maintain, if necessary, any license required for running the Borrower's operations;
- 7.21 The Borrower shall keep sufficient insurance in force to cover any damage to the Borrower's business and property;
- 7.22 The Borrower shall maintain and renew all its rights, privileges, powers, contracts, agreements, leases, licenses, franchises, permits and authorizations required for, or used in the course of, the Borrower's operations;
- 7.23 The Borrower shall remain in good standing with laws that can substantially impact on the Borrower's operations in any applicable jurisdiction, and promptly take appropriate and adequate measures to correct any default;
- 7.24 In carrying on the Borrower's business, the Borrower shall comply in all respects with any and all environmental protection laws. Any use of the Borrower's property must be made in accordance with all applicable environmental protection laws and clean-up measures must be performed in compliance with all applicable laws, all at the Borrower's sole expense;
- 7.25 The Borrower shall immediately notify the Bank in writing of any environmentally related problem and any hazardous materials or substances that are being harmful to its property, equipment or operations, and provide the Bank with any information of environmental nature it may request;
- 7.26 The Borrower shall immediately notify the Bank in writing of any situation in which the Borrower holds property on consignment or is not the sole and absolute owner thereof;
- 7.27 The Borrower shall indemnify and hold harmless the Bank, including its directors, officers, employees, counsel, trustees, advisors and agents (each, an "Indemnified Person") against and from all losses, damages, expenses, liabilities, penalties, judgments, suits, claims and disbursements which any Indemnified Person may suffer, sustain or incur by reason of any of the transactions contemplated herein.
- 7.28 The Borrower has the requisite authority and capacity to enter into any of the agreements and covenants contemplated under the present Offer.

## **8. Events of Default**

Without limiting the Bank's right to require, when it deems it necessary or desirable, at its sole and entire discretion, the payment of sums payable on demand, the Bank may cancel at any time any commitment it has regarding the granting of credit or advances under the credit facilities, declare due and payable any and all of the Borrower's obligations which may not then be at maturity, and enforce its security and exercise any right, remedy or recourse available to it under its documentation with the Borrower and any Guarantor, should any one or more of the following events occur:

- 8.1 The Borrower or Guarantors default in any payment of principal, interest or any other sum when due ;
- 8.2 The Borrower or Guarantors fail to perform or comply with an obligation, term or condition of this Offer or any other agreement with the Bank (including, without limitation, any security agreement) or with any other lender ;
- 8.3 The Borrower or Guarantors become insolvent or bankrupt, gives a notice of intention to make a proposal to its creditors, or makes a proposal or assignment for the benefit of its creditors, or a petition in bankruptcy is filed against the Borrower or Guarantors, or other proceedings are commenced seeking liquidation, compromise, arrangement or other relief with respect to the Borrower or Guarantors or its debts or Guarantors' debts or seeking the appointment of a receiver, trustee, administrator or other similar official regarding its or Guarantors' assets ;
- 8.4 Any property belonging to the Borrower or Guarantors is seized, unless such seizure is being disputed diligently and in good faith ;
- 8.5 Any document, certificate or other form of writing remitted to the Bank or any representation, warranty, statement or declaration made by the Borrower or Guarantors to the Bank proves to be false or misleading in any material respect ;
- 8.6 Any of the Guarantees or security documents contemplated herein ceases to be in effect ;
- 8.7 In the Bank's reasonable opinion, a significant deterioration of the Borrower's financial position or that of Guarantors occurs ;
- 8.8 The Borrower or Guarantors fail to meet its obligations towards other lenders as they generally become due or fails to pay the principal or interest on any loan.

## **9. Conditions Precedent to Disbursements**

- 9.1 All necessary corporate actions shall have been taken by the Borrower and by the Guarantors to authorize the execution of this Offer, the security documentation, and other agreements contemplated herein, to the Bank's satisfaction;
- 9.2 All security documentation granting first ranking position to the Bank (unless otherwise herein expressly agreed to between the Bank and the Borrower) shall have been executed, delivered, served, registered and published, as applicable, to the Bank's satisfaction ;
- 9.3 As applicable, the Promissory Note, Line of credit agreement, Foreign Exchange Contract, and any other required Facility Agreement shall be executed and to the satisfaction of the Bank;
- 9.4 Disbursement to be made to the order of the lawyer in trust;

- 9.5 Copies of all the invoices and proof of payment to be provided;
- 9.6 LBC to receive a written request signed by the Borrower and the general contractor with the list of accounts paid and accounts to be paid;
- 9.7 LBC to receive from the architect in charge, a written report indicating the status and the construction costs, uncluding associated costs, as of the date of the report justifying the amount of the disbursement required and the progression and conformity of the work in progress as per plans, the schedule and the original budget and with an estimate of the future costs required to complete the project;
- 9.8 LBC to receive an affidavit and/or a solemn declaration from the general contractor confirming that all sub contractors and suppliers have been paid as per the agreements;
- 9.9 All cost overruns identified during the project are to be absorbed by the Borrower;
- 9.10 All the documents received by the Borrower for the release of funds are to be found satisfactory by LBC and its legal advisors;
- 9.11 LBC to receive from its legal advisors a written confirmation that no lien or charge was published against the property since the last verification;
- 9.12 LBC is to hold back on each advance a sum representing 10% of the amount disbursed, each hold back is to be released 45 days after the completion of the project (upon receipt of the architect's certificate confirming that that construction has been completed), as long as the Borrower is not in default;
- 9.13 The Bank reserves the right to suspend any disbursement(s) when, in its opinion, an increase in risk has occurred ;
- 9.14 The Bank shall have obtained any other consents, documents, certificates and opinions it may reasonably require from the Borrower and the Guarantors regarding its security.

## **10. Periodic Review**

The terms and conditions applicable to the foregoing credit facilities will be reviewed annually by the Bank, on or around November 1<sup>st</sup> of each year.

## **11. Fees and Costs: Account Debit Authorization**

- 11.1 Review fees of \$750 are payable annually and will be debited from your account.
- 11.2 An overdue reports fee of \$350 is payable by the Borrower each time the Bank is required to follow up with the Borrower for receipt of reports that are submitted after the timeframe (s) stipulated elsewhere in this Offer, including accounts receivable, inventory figures, interim financial statements and annual statements, etc.
- 11.3 The Borrower agrees to pay, on demand, all costs, fees and expenses related to the preparation, execution, registration, publication and renewal of the credit facilities and of the documentation (security documentation, agreements, or other) related to or required by this Offer, including fees and disbursements of the Bank's legal counsel and other professionals, and all fees and costs incurred in connection with the realization of the Bank's security.



11.4 The Borrower, as the account holder, authorizes Laurentian Bank to debit the following business account number 172-1873566-01 held at Laurentian Bank of Canada, in accordance with the conditions the Borrower agreed upon in this Offer Letter, unless otherwise notified in writing.

A debit in written, electronic, or other form, in the amount of the payment of each of the credit terms, and any periodic fee, can be withdrawn from the account of the Borrower according to the mentioned frequencies within this Offer. These amounts can be increased or decreased at any later date. The Bank shall take all reasonable steps to inform the Borrower of this change within a reasonable timeframe.

The branch of the financial institution where the account is held is not required to verify that the payment is drawn in accordance with this authorization and the Borrower acknowledges that the granting of said authorization to the Bank constitutes notice to the financial institution of said authorization.

The Borrower will notify the Bank in writing of any changes to the account information.

This authorization can be revoked at any time subject to 30 days notice. The Borrower may contact the branch for more information on its rights to cancel this authorization.

The Borrower has certain rights of recourse if a debit is not in accordance with this authorization. For example, the Borrower has the right to be reimbursed for any debit that is not authorized or that is not consistent with this Offer.

For more information on the Borrower's rights of recourse, contact the branch or visit [www.cdnipay.ca](http://www.cdnipay.ca). The Borrower understands that a written statement to this effect must be provided to the Bank.

**The Borrower agrees to waive the requirements of the Canadian Payments Association for advance notice regarding the amount(s) payable, the due dates of debits from the Borrower's account, and each time a change is made to the debit amounts or debit due dates.**

## 12. General Conditions

- 12.1 All financial or accounting terms, determinations, reports and statements referred to or provided for in this Offer shall be made or prepared in accordance with the generally accepted accounting principles of the Canadian Institute of Chartered Accountants, applied in a consistent manner ;
- 12.2 In the absence of manifest error, the books and records held by the Bank will constitute conclusive evidence of the transactions carried out under this Offer and of the Borrower's indebtedness to the Bank ;
- 12.3 The Borrower shall make all payments pursuant to this Offer without set off, compensation or counterclaim, free and clear of, and exempt from , and without any deduction for or on of account of any taxes. All payments received by the Bank will first be applied to any interest in arrears, then to the interest, and finally to the principal ;
- 12.4 The Borrower and Guarantors authorize their legal counsel to communicate to the Bank information it holds or has obtained in relation to the Borrower and Guarantors to the extent that such disclosure is necessary to fulfill the terms and intentions of this Agreement;

- 12.5 The Borrower and Guarantors authorize the Bank to communicate to third parties information it holds or has obtained in relation to the Borrower and Guarantors to the extent that such disclosure is necessary to fulfill the terms and intentions of this Agreement;
- 12.6 The Bank can assign its rights in this Offer, in whole or in part, to one or more of its subsidiaries or to other financial institutions.
- 12.7 Any notice required in connection with this Offer must be in writing and must be sent through a communication means that allows the sender to prove its delivery.
- 12.8 The Bank's standard forms of security, agreements, and other loan documents contain covenants, representations, warranties and events of default to which the Borrower shall be bound, in addition to the covenants, representations, warranties and events of default contained in this Offer.
- 12.9 For any claims or legal proceedings related to this Offer, the parties agree to the non-exclusive jurisdiction of the Courts of the Province of Ontario, Canada.
- 12.10 If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offer, it becomes necessary to convert into the currency of such jurisdiction (herein called the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the business day before the day on which judgment is given. For this purpose, "**rate of exchange**" means the rate at which the Bank is able, on the relevant date, to sell the currency of the amount due hereunder in Canadian dollars or US dollars, as the case may be, against the Judgment Currency. In the event that there is a change in the rate of exchange prevailing between the business day before the day on which the judgment is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due hereunder in Canadian dollars or U.S. dollars, as the case may be. Any additional amount due pursuant to this judgment currency provision will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Offer.
- 12.11 If the Borrower designates more than one person, their obligations are joint and several.
- 12.12 The Bank is authorized (but not obligated) at any time or from time to time, without notice to the Borrower or to any other person, any such notice being expressly waived by the Borrower, to set off, compensate and to apply any and all deposits (general or special) held for or in the name of the Borrower and any indebtedness or liability at any time owing or payable by the Bank to or for the credit of or for the account of the Borrower against and on account of the obligations and liabilities of the Borrower owing or payable to the Bank under this Offer and the security or other agreements contemplated herein or therein, irrespective of currency and of whether or not the Bank has made any demand thereof and whether or not these obligations and liabilities of the Borrower, or any of them, have matured. The Borrower and the Bank further agree that the benefit of any term applicable to any deposit, credit, indebtedness, liability or obligation of the Bank (collectively, the "**Deposit**") shall be lost immediately before the time when the Bank shall exercise its rights pursuant hereto in respect of a relevant Deposit of the Bank.
- 12.13 No waiver of any provision of this Offer nor consent to any departure by the Borrower here from shall be effective unless the same shall be in writing and signed by the

Bank, and then such waiver or consent shall be effective only in the specific instance and the specific purpose for which it is given.


- 12.14 The parties agree that this Offer can be modified from time to time provided that such modification is in writing and executed by the parties.
- 12.15 This Offer is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Borrower's rights under this Offer cannot be assigned without the Bank's prior consent.

### 13. Acceptance

If you are in agreement with the terms and conditions of this Offer, please return the enclosed copy prepared for that purpose, duly signed by the Borrower and by the Guarantors, before December 31, 2013. After this date, the Bank reserves the right to cancel or modify this Offer, without prior notice or liability.

Yours very truly,

LAURENTIAN BANK OF CANADA

  
\_\_\_\_\_  
Brad Freund  
Senior Manager

  
\_\_\_\_\_  
Robert F. Hyde  
Senior Manager

### Acceptance

The Borrower(s) confirm(s) that the above financing is (are) for (its) (their) (his) (her) own use and is not intended to be used by or for the benefit of a third party and acknowledges having read and understood the terms and conditions of this Offer and accepts them.

Accepted on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

### RSV Investments Inc.

Per: \_\_\_\_\_  
Name: Sean Kelly  
Title: President

The Guarantors acknowledge having read and understood all terms and conditions of this Offer and accept(s) them.

The undersigned Guarantors agree that the Bank may until full payment of the amounts due obtain information on the undersigned from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

The undersigned Guarantors agree that the Bank may disclose the information it holds on the undersigned to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the undersigned to any other person who so requests it.

Bank, and then such waiver or consent shall be effective only in the specific instance and the specific purpose for which it is given.


- 12.14 The parties agree that this Offer can be modified from time to time provided that such modification is in writing and executed by the parties.
- 12.15 This Offer is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Borrower's rights under this Offer cannot be assigned without the Bank's prior consent.


### 13. Acceptance

If you are in agreement with the terms and conditions of this Offer, please return the enclosed copy prepared for that purpose duly signed by the Borrower and by the Guarantors, before December 31, 2013. After this date, the Bank reserves the right to cancel or modify this Offer, without prior notice or liability.

Yours very truly,

LAURENTIAN BANK OF CANADA

  
\_\_\_\_\_  
Brad Freund  
Senior Manager

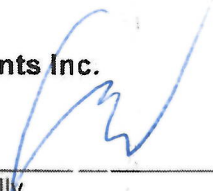
  
\_\_\_\_\_  
Robert F. Hyde  
Senior Manager

### Acceptance

The Borrower(s) confirm(s) that the above financing is (are) for (its) (their) (his) (her) own use and is not intended to be used by or for the benefit of a third party and acknowledges having read and understood the terms and conditions of this Offer and accepts them.

Accepted on the 13<sup>TH</sup> day of DECEMBER 2013.

### RSV Investments Inc.

Per:   
\_\_\_\_\_  
Name: Sean Kelly  
Title: President

The Guarantors acknowledge having read and understood all terms and conditions of this Offer and accept(s) them.

The undersigned Guarantors agree that the Bank may until full payment of the amounts due obtain information on the undersigned from any individual authorized by law as well as from any personal information agent and any other individual named on the credit reports, any financial institution and hypothecary insurer.

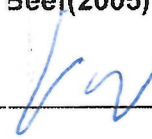
The undersigned Guarantors agree that the Bank may disclose the information it holds on the undersigned to any person authorized by law, personal information agent, financial institution, hypothecary insurer, surety, or with the consent of the undersigned to any other person who so requests it.

Accepted on the 13<sup>TH</sup> day of DECEMBER 2013.


**Sean Kelly**

Signature: \_\_\_\_\_ 

**Black Angus Freezer Beef(2005) Ltd.**

Per: \_\_\_\_\_   
Name: Sean Kelly  
Title: President

Witness:

Signature: \_\_\_\_\_   
Name: MORGAN ANDERSON  
Address: NAPIER ST. THORBURY

**Black Angus Fine Meats Inc.**

Per: \_\_\_\_\_   
Name: Sean Kelly  
Title: President



LAURENTIAN  
BANK

305 King St W  
Suite 401  
Kitchener ON N2G 1B9

Tel.: 519.579.4440  
Fax: 519.579.3992  
laurentianbank.ca

Kitchener, June 27, 2017

RSV Investments Inc.  
207484 Highway 26  
Thornbury, Ontario  
N0H 2P0

Attention: Mr. Sean Kelly

**Re: Amendment of Credit Facilities**

Whereas under the terms and conditions of the agreement entered into between Laurentian Bank of Canada (the "Bank") and RSV Investments Inc. (the "Borrower"), on December 10, 2013, as amended, renewed or replaced from time to time (the "Letter of Offer"), the Bank has extended credit facilities to the Borrower.

For more certainty, and unless specifically modified hereby, all terms and conditions stipulated in agreements signed with the Bank regarding the said credit facilities, their renewal and additions, as the case may be, and all securities held by the Bank remain in full effect, without novation or derogation.

---

Dear Sir:

We are pleased to inform you that review of your credit facilities has been completed and that, subject to your acceptance, the Letter of Offer is modified as follows:

---

Borrower  
Initial



**1. Credit Facilities: Amount and Type**

Facility 2B will now read as follows:

**Facility 2B:** \$1,163,000 Term loan with a new 166 month Amortization period, with a new 60 month term, maturing July 1, 2022;

**2. Purpose of the Financing**

Facility 2B will now read as follows:

**Facility 2B:** To refinance existing Facility 2B and provide additional funds for equity injection to related companies Black Angus Fine Meats & Game Inc. and Black Angus Freezer Beef (2005) Ltd.;

**4. Terms and Conditions**

Paragraph 4.1 will now read as follows:

**4.1 Facility 2B – Term Loan**

- (a) The maximum amount provided under the facility shall be limited to \$1,163,000, consisting of:
  - i. The existing outstanding balance of the facility at the time of refinancing (\$855,428 as at July 1, 2017, and subject to monthly repayments),
  - ii. The remainder provided as new funds ("the New Advance").
- (b) The New Advance is to be used for the equity injection to related companies Black Angus Fine Meats & Game Inc. and Black Angus Freezer Beef (2005) Ltd.
- (c) The New Advance shall be made in a single disbursement.

**5. Repayment**

Facility 2B will now read as follows:

**Facility 2B:** \$1,163,000 Term Loan: This facility is granted for a term of 60 months (the "Term") and is repayable by consecutive monthly instalments as follows: 59 instalments of \$7,012 (principal) plus interest and 1 instalment of \$749,292 (principal) plus interest. All amounts outstanding under this facility must be repaid in full on the last day of the Term. (The amortization period is 166 months);

**6. Security**

By accepting this Offer, the Borrower confirms and acknowledges that the security already held by the Bank secures advances and/or facilities previously granted by the Bank as well as advances and/or Facility extended or to be extended to the Borrower by the Bank in compliance with this Offer and that all such security remains in full force and effect, unamended, except as may be set forth in this Offer.

The following security, to the extent not already held, must be held by the Bank, the whole in form and substance satisfactory to the Bank:

Paragraphs 6.1, 6.2 and 6.12 will now read as follows:

- 6.1 Collateral mortgage in the amount of \$2,085,000 (increased from \$1,800,000) on the real property located at 207484 hwy 26, Town of Blue Mountains, Ontario. No prior encumbrances; (To be obtained, "TBO")
  - 6.2 Title Insurance in the amount of \$2,085,000 (increased from \$1,800,000) on the real property located at 207484 hwy 26, Town of Blue Mountains, Ontario; (TBO)
  - 6.12 Promissory Note to evidence Facility 2B in the amount of \$1,163,000; (TBO)
- Add:
- 6.14 Undertaking to provide by September 1, 2017, a collateral mortgage in the amount of \$500,000 on the real property located at 4810 Concession 4 Road, West Lincoln, Ontario, No prior charges; (TBO)
  - 6.15 Undertaking to provide by September 1, 2017, title insurance in the amount of \$500,000 on the real property located at 4810 Concession 4 Road, West Lincoln, Ontario; (TBO)

#### 9. Conditions Precedent to Disbursement(s)

Section 9 is replaced in its entirety and will now read as follows:

- 9.1 All necessary corporate actions shall have been taken by the Borrower and by the Guarantor(s) (if any) to authorize the execution of this Offer, the security documentation, and other agreements contemplated herein, to the Bank's satisfaction;
- 9.2 All security documentation granting first ranking position to the Bank (unless otherwise herein expressly agreed to between the Bank and the Borrower) shall have been executed, delivered, served, registered and published, as applicable, to the Bank's satisfaction;
- 9.3 As applicable, the Promissory Note, Line of credit agreement, Foreign Exchange Contract, and any other required Facility Agreement shall be executed and to the satisfaction of the Bank;
- 9.4 The Bank shall have received all information necessary in order to comply with legal and internal requirements in respect to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), and Know Your Customer (KYC) legislation;
- 9.5 The Bank reserves the right to suspend any disbursement(s) when, in its opinion, an increase in risk has occurred;
- 9.6 The Bank shall have obtained any other consents, documents, certificates and opinions it may reasonably require from the Borrower and the Guarantor(s) (if any) regarding its security;



**11. Fees and Costs: Account Debit Authorization**

**Add:**

- 11.5 Non-refundable fees of \$1,000 for review and process purposes are payable by the Borrower on the date of acceptance of this Offer.

**12. General Conditions**

**Add:**

- 12.16 Unless the context requires otherwise, words importing the singular shall include the plural and vice versa, and words importing gender shall include all genders;

**ACCEPTANCE**

The Borrower accepts to pay, on demand, all costs, fees and expenses related to the preparation, execution, publication and renewal of the credit facilities and of the documentation (security documentation or other) related to these presents, including fees of legal counsel of the Bank and all fees and costs incurred for the realization of the Bank's security.

All other provisions stipulated in the Letter of Offer, and not modified under the terms and conditions of this letter, remain in effect. The Letter of Offer, as amended, renewed or replaced from time to time, including the modifications herein, form a single agreement. This agreement may not be interpreted as effecting novation with respect to the obligations contained in the Letter of Offer, or derogation to the rights, clauses and conditions stipulated therein.

If you are in agreement with the terms and conditions of these modifications, please return the enclosed copy prepared for this purpose, duly signed before July 11, 2017. After this date, the Bank reserves the right to cancel or modify these amendments, without prior notice or liability.

Best regards,

**LAURENTIAN BANK OF CANADA**

Per:   
Name: Brad Freund  
Title: Senior Manager

Per:   
Name: Aditya Vasudev  
Title: Assistant Vice President

**Borrower and Guarantors acceptance page follows.]**

**ACCEPTANCE**

The Borrower accepts the terms and conditions of these amendments. Furthermore, the Borrower confirms that the credits facilities are for its personal use and are not intended to be used by or for the benefit of a third-party.

Signed in duplicate at Tiptonbury this 4 day of July 2017.

**RSV INVESTMENTS INC.**

Per: [Signature]  
Name: Sean Kelly  
Title: President

The Guarantors acknowledge having read and understood the terms and conditions of these presents and accept them. The Guarantors acknowledge having received all information required to fully understand their obligations. The Guarantors also declare being severally liable for the Borrower's obligations.

Signed in duplicate at Tiptonbury this 4th day of July 2017.

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

Per: [Signature]  
Name: Sean Kelly  
Title: President

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

Per: [Signature]  
Name: Sean Kelly  
Title: President

**SEAN KELLY**

Signature: [Signature]  
Address: [Signature]

**Witness:**

Signature: [Signature]  
Name: B. FRANK  
Address: 305 KINGSTON ROAD, TIPTONBURY, ON



July 24, 2017

Michael Letourneau  
SorbaraLaw  
31 Union Street East,  
Waterloo, ON, N2J 1B8

Dear Michael:

RE: Laurentian Bank Commercial Lending Program -  
RSV Investments Inc. ("the Borrower")

Kindly act on our behalf respecting the preparation and execution of all required documentation for the above-noted Borrower pursuant to this engagement letter and our Offer of Finance (the "Offer") and advise the Bank appropriately in connection with such transactions.

The Lender for the purposes of the credit and security documentation is to be Laurentian Bank of Canada.

Enclosed is a copy of our Offer dated June 27, 2017, which has been accepted without change.

Our financing of the increase to existing Facility 2B will be advanced in a single disbursement. The transaction should close by August 4, 2017, if not sooner.

**Borrower's Solicitor**

The solicitor for the Borrower is to be advised.

**Documentation**

The Bank's standard documentation (which has been previously forwarded to you) is to be utilized as applicable. Please note that it is not our normal practice to negotiate material changes to the standard provisions of such documentation.

**Amendments to the Standard Documentation or to the Offer to Finance**

There may be occasion when amendments to our standard documentation or the terms of the Offer are warranted due to their non-material nature or due to the nature of the financing. When changes are warranted you are to request confirmation of our approval in writing and provide your opinion that the amendments will not affect the validity or rank of the Bank's security contemplated by the Offer or unduly restrict our ability to act under the terms of the credit facility.

Please proceed to complete all documentation, opinions and other matters required to satisfy the terms of the Offer and recommend in writing any additional requirements or documents you believe are necessary or appropriate for a transaction of this nature. Please inform us promptly in writing of any concern you believe we should consider.

**ID Mandate**

Our Borrower has been previously identified in accordance with all regulatory requirements. You are not required to re-identify at this time.

**Note:** Should the signatories have been previously identified you are not required to re-identify as per the above. Simply advise us as to whom the current signatory is and we will confirm the exemption to this requirement in writing. New signatories must be identified.

**Preauthorized Payment (PAP) Mandate**

The Bank will fulfill the required PAP mandate and provide a completed PAP document to be included in your reporting book.

**Searches**

We would ask that you complete all security and title searches that would be appropriate for a transaction of this nature and provide us with your preliminary report (including registrations under the Personal Property Security Act, Bank Act, or against the real property, if applicable,) as quickly as possible via fax so that we may instruct you further. Please act only upon receipt of written confirmation from us regarding existing registrations, prior charges and title issues. **Please include all search results including Complete Articles with the Reporting Books.**

**Registrations**

Our policy for PPSA registrations is to (a) *not* record a General Collateral Description on Financing Statements which detail, if included, might effectively limit our security, (b) file for a registration period of at least ten years, and (c) **indicate the bank as the secured party at the following address: Transit 0852T, 300-130 Adelaide Street West, Toronto, Ontario M5H 3P5.**

**Please note:** The Bank has appointed Davis & Henderson (D+H) as its Agent in all PPSA jurisdictions to register financing statements and accompanying documents at the Personal Property Registry Offices. PPSA registrations must be processed via their website. You will receive an electronic confirmation with hard copy of the transaction, to follow.

All costs associated with the preparation and registration of the above will be the responsibility of the Borrower. We request that you obtain an invoice directly from D+H, deduct the costs from the advance proceeds, and remit payment directly to D+H. When remitting your payments to D+H, on the cheque please show the account number (CNS-LB-#) and the invoice number (located on the invoice provided by D+H). PPSA registration particulars are to be included in your final reporting package.

**Insurance**

In cases where a mortgage is obtained, we require Title Insurance in an amount equal to the registered charge against the property. If Title Insurance is not obtained, we require a survey of the property and your opinion in regard to (a) a Clearance Certificate from the Fire Department, and (b) any deficiencies under the Municipal and Provincial property codes.

**Advances**

Advances are to be made via your trust account once you inform us that you are satisfied with the documentation and will provide the opinion of your firm that our documentation provides a perfected valid security interest with the desired rank and includes the terms and conditions stipulated in our Offer.

**Fees**

As you know, the Bank functions within a system of pre-approved outside counsel. In this regard, if the individual lawyer or lawyers who will be working on this matter are not known to the Bank from previous transactions, kindly provide us, by return fax, with the names, year of call to the Bar and hourly billing rate of such individual[s].

Your fees and disbursements are the responsibility of the Borrower as contemplated in the Offer.

In all cases, you should ensure that the Bank's documentation confirms the identity of the party ultimately responsible for your fees and disbursements. If that party is the Borrower, you should also ensure that the documentation permits you to deduct the amount of your account from the first disbursement of the loan.

**Conflicts of interest**

Obviously, we require immediate disclosure in writing of any conflict of interest that your firm may have in connection with the financing transaction contemplated in this letter.

- **Closing documents**

Please provide your final report and opinion with the original documentation, including a copy of the Offer and our engagement letter to you, **no later than 30 days after closing**. Documentation & Security (130 Adelaide Street, West, Suite 300) will require one original copy of all relevant documents, in a cerlox-bound book, *plus* one version in PDF format via CD-ROM. Any future additions or changes to these documents should also be sent to Documentation & Security via PDF/CD-ROM. We understand that you will permanently keep an original copy of all documents in your file.

Should you have any questions or wish to discuss the details of the Offer, please contact the undersigned.

Yours truly,



Brent Barrett  
Senior Associate, Documentation & Security  
416.865.5995

c.c.: Brad Freund, Senior Manager, Commercial Banking

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



A Commissioner for taking Affidavits, etc.





Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND  
REGISTRY  
OFFICE #16

37129-0199 (LT)

PAGE 1 OF 1  
PREPARED FOR ROXANA MANEA  
ON 2019/09/07 AT 13:59:17

teranet express

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

PROPERTY DESCRIPTION:

PART OF LOT 36, CONCESSION 11 COLLINGWOOD DESIGNATED AS PARTS 1, 2, 3 & 4, 16R-3221; PART OF ROAD ALLOWANCE BETWEEN LOTS 36 & 37, COLLINGWOOD CLOSED BY R102245 DESIGNATED AS PARTS 5, 6 & 7, 16R-3221; SAVE & EXCEPT PARTS 1 & 2, 16R-11180; TOWN OF THE BLUE MOUNTAINS

PROPERTY REMARKS:

RECENTLY:  
DIVISION FROM 37129-0074

PIN CREATION DATE:  
2019/05/23

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

OWNERS' NAMES  
RSV INVESTMENTS INC.

CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT,	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO	LAND TITLES: 2009/03/23 **					
16R3221	1987/11/09	PLAN REFERENCE				C
16R3779	1989/05/16	PLAN REFERENCE				C
R549364	2008/03/27	TRANSFER	\$730,000		RSV INVESTMENTS INC.	C
GY76894	2013/04/11	CHARGE	\$1,800,000		LAURENTIAN BANK OF CANADA	C
GY145035	2017/10/10	NOTICE			LAURENTIAN BANK OF CANADA	C
	REMARKS: GY76894					
GY174541	2019/08/22	CHARGE	\$250,000		MILTOM SERVICES LIMITED	C

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

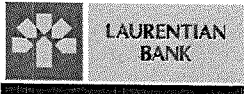
This is **Exhibit "D"**, referred to in the  
Affidavit of Christopher Corcoran,  
sworn before me  
this 9th day of September, 2019.



A Commissioner for taking Affidavits, etc.







## GENERAL SECURITY AGREEMENT

THIS AGREEMENT made the 4th day of November, 2009

**BETWEEN:** **RSV INVESTMENTS 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 RSV Investments 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;

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

- (a) money borrowed, indebtedness represented by notes payable, and drafts accepted representing extensions of credit (including, as regards any note or draft issued at a discount, any amount that could reasonably be regarded as being the amortized portion of such discount as at the date of determination);
- (b) all obligations (whether or not with respect to the borrowing of money) which are evidenced by bonds, debentures, notes or other similar instruments or not so evidenced but which would be considered to be indebtedness for borrowed money;
- (c) all indebtedness upon which interest charges are customarily paid;
- (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;
- (b) easements, rights of way or other similar rights in land existing at the date of this Agreement which individually or in the aggregate 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;
- (c) rights reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition of the continuance thereof;
- (d) any Encumbrance the validity of which is being contested by the Debtor in good faith by appropriate legal proceedings and in respect of which either
  - (i) security adequate in the opinion of the Bank has been provided to it to ensure payment of such liens

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 Agreement which mentions the Debtor shall be applied separately to the partnership, to each of the partners (whether or not signatory hereto but excluding the limited partners, if any) and to all of them (including the partnership) collectively.
- 1.2.4 Except as expressly provided herein, terms which are defined in the PPSA shall have the same meaning where used herein.
- 1.2.5 Words importing the singular number only include the plural and vice versa and words importing gender shall include all genders and words importing persons include individuals, partnerships, corporations, trusts, unincorporated associations, joint ventures, Governmental Authorities and other entities.
- 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

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

- 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 and other industrial property ("**Intangibles**");
- (j) all monies other than trust monies lawfully belonging to others;
- (k) any property in any form (including fixtures) derived directly or indirectly from any dealings with any property herein described (including all products and cash and non-cash proceeds thereof); indemnification or compensation for any such property lost, destroyed, damaged or lawfully or unlawfully taken or injuriously affected; all increases, additions and Accessions thereto and substitutions and replacements thereof;
- (l) all personal property, if any, described in Schedule "B" hereto; and

- 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

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

#### 3.1.1 Status

The Debtor is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation (or, if a partnership, is a validly subsisting partnership) and has the power and capacity to own its properties and assets and to carry on its business as presently carried on by it; and holds all material licences, permits and assets as are required to own its properties and assets and to carry on business in each jurisdiction in which it does so.

#### 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 an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada). No act or proceedings have been taken by or, to the Debtor's knowledge, against or, to the Debtor's knowledge, are pending in connection with, and the Debtor is not in the course of and has not received any notice with respect to, amalgamation, winding-up, surrender of charter, cancellation of charter, dissolution, liquidation, insolvency, bankruptcy, reorganization or a sale of assets out of the ordinary course of business. The Debtor is not in default in complying with the provisions of the *Employer Health Tax Act* (Ontario), the *Retail Sales Tax Act* (Ontario), the *Fuel Tax Act* (Ontario), the *Gasoline Tax Act* (Ontario), the *Tobacco Tax Act* (Ontario) or, if a corporation, the *Corporations Information Act* (Ontario) or the *Corporations Tax Act* (Ontario).

### 3.1.10 No Litigation

There are no actions, suits, judgments, awards or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor before any court or government department, commission, 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.
- 3.2.5 There is no judicial or administrative proceeding or investigation pending and no Environmental Order has been issued or, to the best of the Debtor's knowledge, threatened concerning the possible violation of any Environmental Laws or Environmental Orders by any of the Occupants, by any of the operations of the Occupants or otherwise in relation to the Collateral.
- 3.2.6 To the best of the Debtor's knowledge (after due and diligent inquiry), no condition exists as to any parcel of real property contiguous to or in close proximity with the Premises which would require a qualification to any of the representations or warranties in this Section 3.2 if such condition applied to the Premises.
- 3.2.7 Except for substances necessary to the carrying on of the Normal Business of the Debtor, no Hazardous Substance shall be brought onto or used on or in any part of the Premises without the prior written consent of the Bank and any Hazardous Substance brought onto or into any part of the 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:

#### 4.1.1 To Pay Costs

The Debtor shall pay all costs, charges and expenses of or incurred by the Bank (a) incidental to the preparation, execution and filing of this Agreement and any other Security Documents and any instruments relating thereto or required by the Offer of Finance (including any supplemental security or any instrument amending any of the Security Documents), (b) in inspecting the Collateral or in or about taking, recovering or keeping possession of any of the Collateral or in any other proceedings taken in enforcing the remedies provided herein or otherwise in relation to this Agreement or the Collateral, or by reason of non-payment of the moneys hereby secured, (c) the costs of any sale proceedings hereunder, whether such sale proves abortive or not, and (d) the costs of any Receiver with respect to, and all expenditures made by the Bank or any Receiver in the course of, doing anything hereby permitted to be done by the Bank or such Receiver (including any costs and expenditures relating to compliance with the *Bankruptcy and Insolvency Act* (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 keep the Collateral and the operations of the Debtor insured in such amounts as the Bank may reasonably require against loss or damage by fire and such other risks as the Bank may from time to time specify, with insurers approved by the Bank. The Debtor shall whenever from time to time requested by the Bank provide the Bank with satisfactory evidence of such insurance and any renewal thereof which shall at all times be subject to mortgage clauses in a form approved by the Bank, and shall at the request of the Bank forthwith name the Bank as first loss payee and assign, transfer and deliver unto the Bank the policy or policies of such insurance. Evidence satisfactory to the Bank of the renewal of every policy of insurance shall be provided to the Bank at least seven (7) days before the termination thereof.

4.1.6 To Furnish Proofs

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 otherwise dispose of any of the Collateral; provided that the Debtor may sell, lease or otherwise dispose of Equipment which has become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens or charges, property of at least equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired; and provided further that the Debtor may sell Inventory in the ordinary course of business and for the purpose of carrying on the same.

4.1.15 Not to Make Certain Changes

The Debtor shall not without the prior written consent of the Bank:

- (a) change its financial year end;
- (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;
- 5.1.4 if default occurs in payment or performance of any obligation (whether now existing, presently arising or created in future) of any Affiliate of the Debtor in favour of the Bank;
- 5.1.5 if the Debtor commits an act of bankruptcy or becomes insolvent within the meaning of any bankruptcy or insolvency legislation applicable to it or a petition or other process for the bankruptcy of the Debtor is filed or instituted;
- 5.1.6 if any act, matter or thing is done toward, or any action or proceeding is launched, had or taken for, terminating the corporate existence of the Debtor, whether by winding-up, surrender of charter or otherwise;
- 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 en bloc or separately at public auction or by tender or by private agreement and at such time or times and on such terms and conditions as the Bank in its absolute discretion may determine and without any notice to or concurrence of the Debtor except as may be required by applicable law;
- 5.3.6 by instrument in writing to appoint any person or persons (whether an officer or officers of the Bank or not) the Receiver of all or any part of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead;
- 5.3.7 to exercise any of the rights of a secured party under the PPSA or any other rights available at law or equity;
- 5.3.8 to transfer or require the transfer of any Securities forming part of the Collateral to the Bank and to exercise all rights, including voting rights attached to such Securities; and
- 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

Upon the Bank declaring as aforesaid that the security hereof has become enforceable and crystallized or the Debtor receiving notice from the Bank of the taking of possession of any of the Collateral or of the appointment of a Receiver, all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the property, business and undertaking of the Debtor shall cease except to the extent specifically continued at any time by the Bank in writing, the whole to the extent permitted by law.

#### 5.8 Limitations on Liability

Neither the provisions of this Agreement nor anything done under or pursuant to the rights, remedies and powers conferred upon the Bank and the Receiver, whether hereunder or otherwise, will render the Bank a mortgagee in possession. Neither the Bank nor any Receiver will be bound to collect, dispose of, realize, enforce or sell any Securities, Instruments, Chattel Paper or Intangibles (including any Accounts) comprised in the Collateral or to allow any such Collateral to be sold or disposed of, nor will it be responsible for any loss occasioned 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

The Debtor acknowledges that the security interest in any item of Collateral and its proceeds shall constitute a purchase-money security interest to the extent it secures Obligations incurred by the Debtor to enable the Debtor to acquire rights in such Collateral. The Bank hereby reserves title to any item of Collateral which may be sold by the Bank to the Debtor until satisfaction of the Obligations as aforesaid.

### 6.8 Taxes and Reserve Requirements

In case the Bank is or becomes subject to any tax with respect to payments of principal, interest or other amounts by the Debtor hereunder or in respect of any of the Obligations (except for taxes on the overall net income of the Bank) or to any reserve or similar requirement against assets held by, or deposits in or for the account of, or loans by, an office of the Bank, or to any other condition with respect to this Agreement, and the result of any of the foregoing is to increase the cost to the Bank of making or maintaining any Obligation or to reduce the income receivable by the Bank in respect of any Obligation, then the Debtor shall pay to the Bank on demand that amount 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.**

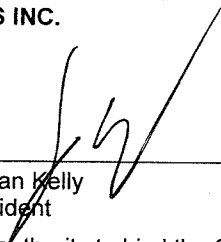
This Agreement and all its provisions shall enure to the benefit of the Bank, its successors and assigns and shall be binding upon the Debtor, its successors and permitted assigns. Every reference to a party hereto shall extend to and include such party's successors and permitted assigns, as if specifically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

**RSV INVESTMENTS 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 Los 36 and 36, 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(I))

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**

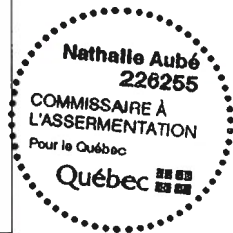
- 1.1 **Chief Executive Office.** The Debtor's chief executive office is located at the following address:  
207484 Highway 26, Thornbury, Ontario N0H 2P0.
- 1.2 **"Affiliate"** includes the following corporations:      Black Angus Freezer Beef (2005) Ltd. and Black  
Angus Fine Meats & Game Inc.
- 1.3 **"Normal Business"** means the following activities:      Ownership and lease of commercial premises
- 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:

Owner	Class of Shares	Number of Shares
Sean Kelly	Common	49

This is **Exhibit "E"**, 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 : 20190815194227.86

REPORT : PSSR060  
PAGE : 1  
( 5298 )

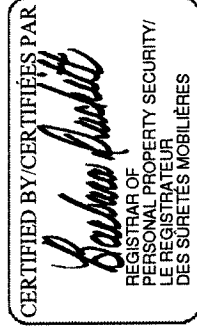
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RSV INVESTMENTS INC.  
FILE CURRENCY : 14AUG 2019

ENQUIRY NUMBER 20190815194227.86 CONTAINS 6 PAGE(S), 2 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



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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194227.86

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RSV INVESTMENTS INC.  
FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 657266058  
01 CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING SCHEDULE NUMBER UNDER PERIOD  
01 001 20091029 1940 1531 3710 P PPSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME THORNBURY ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME RSV INVESTMENTS INC. 207484 HIGHWAY 26  
04 ADDRESS 207484 HIGHWAY 26

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 ON M5H 3P5  
09 LIEN CLAIMANT ADDRESS 300-130 ADELAIDE ST. W. LEGAL SERVICES TORONTO

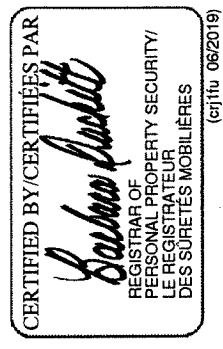
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
X X X

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

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

16 REGISTERING AGENT  
17

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



RUN NUMBER : 227  
 RUN DATE : 2019/08/15  
 ID : 20190815194227.86

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : RSV INVESTMENTS INC.  
 FILE CURRENCY : 14AUG 2019

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01 CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER  
 FILING NO. 001 001 20170829 1359 1862 3194

21 RECORD FILE NUMBER 657266058  
 REFERENCED PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD  
 X B RENEWAL 8

22 FIRST GIVEN NAME INITIAL SURNAME  
 BUSINESS NAME RSV INVESTMENTS INC.

23 REFERENCE

24 DEBTOR/ TRANSFEROR

25 OTHER CHANGE

26 REASON/

27 DESCRIPTION

28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

05 DEBTOR/

03/ TRANSFEREE BUSINESS NAME

06

04/07 ADDRESS

ONTARIO CORPORATION NO.

29 ASSIGNOR

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

09 ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURETY OR MATURITY DATE

YEAR MAKE MODEL V.I.N.

11 MOTOR

12 VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING AGENT OR

17 SECURED PARTY/ ADDRESS

LIEN CLAIMANT

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

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

CONTINUED . . . 4





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

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194227.86

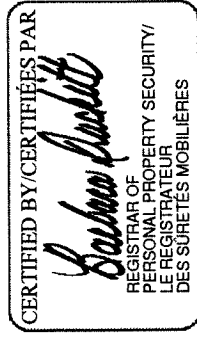
TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RSV INVESTMENTS INC.  
FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEV

00	FILE NUMBER	657266067
01	CAUTION FILING	TOTAL PAGE NO. OF PAGES 01 001
	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER 20091029 1940 1531 3711
	REGISTERED UNDER	P PPSA 10
02	DEBTOR NAME	RSV INVESTMENTS INC.
03	BUSINESS NAME	RSV INVESTMENTS INC.
04	ADDRESS	207484 HIGHWAY 26 THORNBURY ONTARIO CORPORATION NO. ON N0H 2P0
05	DATE OF BIRTH	
06	BUSINESS NAME	
07	ADDRESS	
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	
	GOODS	X
	INVENTORY	X
	EQUIPMENT	X
	ACCOUNTS OTHER	X
	MOTOR VEHICLE	X
	AMOUNT	
	DATE OF MATURITY	
	OR DATE	
	NO FIXED	
11	MOTOR YEAR MAKE	
12	VEHICLE MODEL	
13	GENERAL DESCRIPTION	
14	COLLATERAL DESCRIPTION	
15	REGISTERING AGENT	
16	ADDRESS	CANADIAN SECURITIES REGISTRATION SYSTEMS
17	ADDRESS	4126 NORLAND AVENUE BURNABY BC V5G 3S8

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

CONTINUED... 5



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

REPORT : PSSR060  
PAGE : 5  
( 5302)

RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194227.86

TYPE OF SEARCH : BUSINESS DEFOR  
SEARCH CONDUCTED ON : RSV INVESTMENTS INC.  
FILE CURRENCY : 14AUG 2019

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01	CAUTION FILING	PAGE NO.	TOTAL MOTOR VEHICLE SCHEDULE NUMBER	REGISTRATION NUMBER	REGISTERED UNDER
21	RECORD REFERENCED	001	001	20170829 1359 1862 3195	
		FILE NUMBER	657266067		
22		PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	CORRECT PERIOD
			X	B RENEWAL	RENEWAL YEARS
				8	
			FIRST GIVEN NAME	INITIAL SURNAME	

BUSINESS NAME : RSV INVESTMENTS INC.

ONTARIO CORPORATION NO.

25 OTHER CHANGE  
26 REASON/  
27 DESCRIPTION  
28

02/ DATE OF BIRTH : FIRST GIVEN NAME : INITIAL SURNAME

05 DEBTOR/  
03/ TRANSFEREE : BUSINESS NAME :  
06 : ADDRESS :

29 ASSIGNOR :  
08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

09 COLLATERAL CLASSIFICATION :  
CONSUMER

10	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE	DATE OF MATURITY OR MATURITY DATE

YEAR MAKE : MODEL : V.I.N.

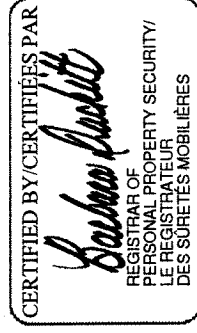
11 MOTOR VEHICLE  
12 GENERAL  
13 COLLATERAL  
14 DESCRIPTION  
15 REGISTERING AGENT OR  
16 SECURED PARTY/  
17 LIEN CLAIMANT

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

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

CONTINUED . . .

6



REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(crj2u 06/2019)



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

REPORT : PSSR060  
PAGE : 6  
( 5303)

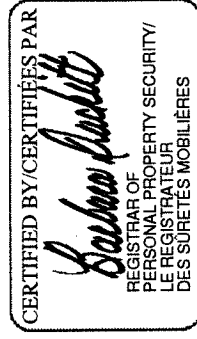
RUN NUMBER : 227  
RUN DATE : 2019/08/15  
ID : 20190815194227.86

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RSV INVESTMENTS INC.  
FILE CURRENCY : 14AUG 2019

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
657266058	20091029 1940 1531 3710	20170829 1359 1862 3194	
657266067	20091029 1940 1531 3711	20170829 1359 1862 3195	

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



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



A Commissioner for taking Affidavits, etc.



**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. acting for Chargor Signed 2013 04 11  
 Kitchener (s)  
 N2H 6R9

Tel 5195760460

Fax 5195763234

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

**Submitted By**

SORBARA, SCHUMACHER, MCCANN LLP 300 Victoria St. N. 2013 04 11  
 Kitchener  
 N2H 6R9

Tel 5195760460

Fax 5195763234

**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

Tel 519-576-0460

Fax 519-576-3234

**Fees/Taxes/Payment**

*Statutory Registration Fee* \$63.35

*Total Paid* \$63.35

**File Number**

*Party To Client File Number :* 78861



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: \_\_\_\_\_  
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 ~~August~~ 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: \_\_\_\_\_  
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

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

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: 2

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**

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  
Time Report Produced: 15:21:55  
Page: 3

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**

1650778

**Corporation Name**

BLACK ANGUS FREEZER BEEF (2005) LTD.

**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**

OFFICER

**Officer Type**

PRESIDENT

**Resident Canadian**

Y

**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**

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

Date Report Produced: 2019/08/16  
Time Report Produced: 15:21:55  
Page: 4

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

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

[Home](#) → [Innovation, Science and Economic Development Canada](#) → [Corporations Canada](#)  
→ [Search for a Federal Corporation](#)

## 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

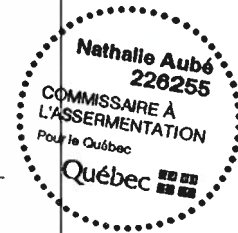
[Buy copies of corporate documents](#)[Start New Search](#)[Return to Search Results](#)**Date Modified:**

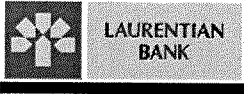
2019-05-22

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:

- (a) money borrowed, indebtedness represented by notes payable, and drafts accepted representing extensions of credit (including, as regards any note or draft issued at a discount, any amount that could reasonably be regarded as being the amortized portion of such discount as at the date of determination);
- (b) all obligations (whether or not with respect to the borrowing of money) which are evidenced by bonds, debentures, notes or other similar instruments or not so evidenced but which would be considered to be indebtedness for borrowed money;
- (c) all indebtedness upon which interest charges are customarily paid;
- (d) net amounts payable pursuant to interest swap arrangements;

- (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;
- (b) easements, rights of way or other similar rights in land existing at the date of this Agreement which individually or in the aggregate 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;
- (c) rights reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition of the continuance thereof;
- (d) any Encumbrance the validity of which is being contested by the Debtor in good faith by appropriate legal proceedings and in respect of which either
  - (i) security adequate in the opinion of the Bank has been provided to it to ensure payment of such liens

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 Agreement which mentions the Debtor shall be applied separately to the partnership, to each of the partners (whether or not signatory hereto but excluding the limited partners, if any) and to all of them (including the partnership) collectively.
- 1.2.4 Except as expressly provided herein, terms which are defined in the PPSA shall have the same meaning where used herein.
- 1.2.5 Words importing the singular number only include the plural and vice versa and words importing gender shall include all genders and words importing persons include individuals, partnerships, corporations, trusts, unincorporated associations, joint ventures, Governmental Authorities and other entities.

- 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 and other industrial property ("**Intangibles**");
  - (j) all monies other than trust monies lawfully belonging to others;
  - (k) any property in any form (including fixtures) derived directly or indirectly from any dealings with any property herein described (including all products and cash and non-cash proceeds thereof); indemnification or compensation for any such property lost, destroyed, damaged or lawfully or unlawfully taken or injuriously affected; all increases, additions and Accessions thereto and substitutions and replacements thereof;
  - (l) all personal property, if any, described in Schedule "B" hereto; and



- 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

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

#### 3.1.1 Status

The Debtor is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation (or, if a partnership, is a validly subsisting partnership) and has the power and capacity to own its properties and assets and to carry on its business as presently carried on by it; and holds all material licences, permits and assets as are required to own its properties and assets and to carry on business in each jurisdiction in which it does so.

### 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 an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada). No act or proceedings have been taken by or, to the Debtor's knowledge, against or, to the Debtor's knowledge, are pending in connection with, and the Debtor is not in the course of and has not received any notice with respect to, amalgamation, winding-up, surrender of charter, cancellation of charter, dissolution, liquidation, insolvency, bankruptcy, reorganization or a sale of assets out of the ordinary course of business. The Debtor is not in default in complying with the provisions of the *Employer Health Tax Act* (Ontario), the *Retail Sales Tax Act* (Ontario), the *Fuel Tax Act* (Ontario), the *Gasoline Tax Act* (Ontario), the *Tobacco Tax Act* (Ontario) or, if a corporation, the *Corporations Information Act* (Ontario) or the *Corporations Tax Act* (Ontario).

### 3.1.10 No Litigation

There are no actions, suits, judgments, awards or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor before any court or government department, commission,

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.
- 3.2.5 There is no judicial or administrative proceeding or investigation pending and no Environmental Order has been issued or, to the best of the Debtor's knowledge, threatened concerning the possible violation of any Environmental Laws or Environmental Orders by any of the Occupants, by any of the operations of the Occupants or otherwise in relation to the Collateral.
- 3.2.6 To the best of the Debtor's knowledge (after due and diligent inquiry), no condition exists as to any parcel of real property contiguous to or in close proximity with the Premises which would require a qualification to any of the representations or warranties in this Section 3.2 if such condition applied to the Premises.
- 3.2.7 Except for substances necessary to the carrying on of the Normal Business of the Debtor, no Hazardous Substance shall be brought onto or used on or in any part of the Premises without the prior written consent of the Bank and any Hazardous Substance brought onto or into any part of the

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:

#### 4.1.1 To Pay Costs

The Debtor shall pay all costs, charges and expenses of or incurred by the Bank (a) incidental to the preparation, execution and filing of this Agreement and any other Security Documents and any instruments relating thereto or required by the Offer of Finance (including any supplemental security or any instrument amending any of the Security Documents), (b) in inspecting the Collateral or in or about taking, recovering or keeping possession of any of the Collateral or in any other proceedings taken in enforcing the remedies provided herein or otherwise in relation to this Agreement or the Collateral, or by reason of non-payment of the moneys hereby secured, (c) the costs of any sale proceedings hereunder, whether such sale proves abortive or not, and (d) the costs of any Receiver with respect to, and all expenditures made by the Bank or any Receiver in the course of, doing anything hereby permitted to be done by the Bank or such Receiver (including any costs and expenditures relating to compliance with the *Bankruptcy and Insolvency Act*

(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 keep the Collateral and the operations of the Debtor insured in such amounts as the Bank may reasonably require against loss or damage by fire and such other risks as the Bank may from time to time specify, with insurers approved by the Bank. The Debtor shall whenever from time to time requested by the Bank provide the Bank with satisfactory evidence of such insurance and any renewal thereof which shall at all times be subject to mortgage clauses in a form approved by the Bank, and shall at the request of the Bank forthwith name the Bank as first loss payee and assign, transfer and deliver unto the Bank the policy or policies of such insurance. Evidence satisfactory to the Bank of the renewal of every policy of insurance shall be provided to the Bank at least seven (7) days before the termination thereof.

#### 4.1.6 To Furnish Proofs

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 otherwise dispose of any of the Collateral; provided that the Debtor may sell, lease or otherwise dispose of Equipment which has become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens or charges, property of at least equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired; and provided further that the Debtor may sell Inventory in the ordinary course of business and for the purpose of carrying on the same.

#### 4.1.15 Not to Make Certain Changes

The Debtor shall not without the prior written consent of the Bank:

- (a) change its financial year end;

- (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;
- 5.1.4 if default occurs in payment or performance of any obligation (whether now existing, presently arising or created in future) of any Affiliate of the Debtor in favour of the Bank;
- 5.1.5 if the Debtor commits an act of bankruptcy or becomes insolvent within the meaning of any bankruptcy or insolvency legislation applicable to it or a petition or other process for the bankruptcy of the Debtor is filed or instituted;
- 5.1.6 if any act, matter or thing is done toward, or any action or proceeding is launched, had or taken for, terminating the corporate existence of the Debtor, whether by winding-up, surrender of charter or otherwise;

- 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 en bloc or separately at public auction or by tender or by private agreement and at such time or times and on such terms and conditions as the Bank in its absolute discretion may determine and without any notice to or concurrence of the Debtor except as may be required by applicable law;
- 5.3.6 by instrument in writing to appoint any person or persons (whether an officer or officers of the Bank or not) the Receiver of all or any part of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead;
- 5.3.7 to exercise any of the rights of a secured party under the PPSA or any other rights available at law or equity;
- 5.3.8 to transfer or require the transfer of any Securities forming part of the Collateral to the Bank and to exercise all rights, including voting rights attached to such Securities; and



- 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**

Upon the Bank declaring as aforesaid that the security hereof has become enforceable and crystallized or the Debtor receiving notice from the Bank of the taking of possession of any of the Collateral or of the appointment of a Receiver, all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the property, business and undertaking of the Debtor shall cease except to the extent specifically continued at any time by the Bank in writing, the whole to the extent permitted by law.

#### **5.8 Limitations on Liability**

Neither the provisions of this Agreement nor anything done under or pursuant to the rights, remedies and powers conferred upon the Bank and the Receiver, whether hereunder or otherwise, will render the Bank a mortgagee in possession. Neither the Bank nor any Receiver will be bound to collect, dispose of, realize, enforce or sell any Securities, Instruments, Chattel Paper or Intangibles (including any Accounts) comprised in the Collateral or to allow any such Collateral to be sold or disposed of, nor will it be responsible for any loss occasioned

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

The Debtor acknowledges that the security interest in any item of Collateral and its proceeds shall constitute a purchase-money security interest to the extent it secures Obligations incurred by the Debtor to enable the Debtor to acquire rights in such Collateral. The Bank hereby reserves title to any item of Collateral which may be sold by the Bank to the Debtor until satisfaction of the Obligations as aforesaid.

#### 6.8 Taxes and Reserve Requirements

In case the Bank is or becomes subject to any tax with respect to payments of principal, interest or other amounts by the Debtor hereunder or in respect of any of the Obligations (except for taxes on the overall net income of the Bank) or to any reserve or similar requirement against assets held by, or deposits in or for the account of, or loans by, an office of the Bank, or to any other condition with respect to this Agreement, and the result of any of the foregoing is to increase the cost to the Bank of making or maintaining any Obligation or to reduce the income receivable by the Bank in respect of any Obligation, then the Debtor shall pay to the Bank on demand that amount

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.

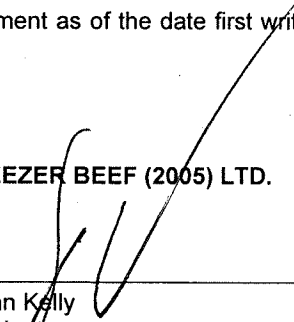
**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]**

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;

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

- (a) money borrowed, indebtedness represented by notes payable, and drafts accepted representing extensions of credit (including, as regards any note or draft issued at a discount, any amount that could reasonably be regarded as being the amortized portion of such discount as at the date of determination);
- (b) all obligations (whether or not with respect to the borrowing of money) which are evidenced by bonds, debentures, notes or other similar instruments or not so evidenced but which would be considered to be indebtedness for borrowed money;
- (c) all indebtedness upon which interest charges are customarily paid;
- (d) net amounts payable pursuant to interest swap arrangements;

- (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;
- (b) easements, rights of way or other similar rights in land existing at the date of this Agreement which individually or in the aggregate 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;
- (c) rights reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or other periodic payments as a condition of the continuance thereof;
- (d) any Encumbrance the validity of which is being contested by the Debtor in good faith by appropriate legal proceedings and in respect of which either
  - (i) security adequate in the opinion of the Bank has been provided to it to ensure payment of such liens

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 Agreement which mentions the Debtor shall be applied separately to the partnership, to each of the partners (whether or not signatory hereto but excluding the limited partners, if any) and to all of them (including the partnership) collectively.
- 1.2.4 Except as expressly provided herein, terms which are defined in the PPSA shall have the same meaning where used herein.
- 1.2.5 Words importing the singular number only include the plural and vice versa and words importing gender shall include all genders and words importing persons include individuals, partnerships, corporations, trusts, unincorporated associations, joint ventures, Governmental Authorities and other entities.

- 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 including, but not limited to, choses in action, goodwill, patents, trademarks, copyrights and other industrial property ("**Intangibles**");
- (j) all monies other than trust monies lawfully belonging to others;
- (k) any property in any form (including fixtures) derived directly or indirectly from any dealings with any property herein described (including all products and cash and non-cash proceeds thereof); indemnification or compensation for any such property lost, destroyed, damaged or lawfully or unlawfully taken or injuriously affected; all increases, additions and Accessions thereto and substitutions and replacements thereof;
- (l) all personal property, if any, described in Schedule "B" hereto; and

- 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

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

#### 3.1.1 Status

The Debtor is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation (or, if a partnership, is a validly subsisting partnership) and has the power and capacity to own its properties and assets and to carry on its business as presently carried on by it; and holds all material licences, permits and assets as are required to own its properties and assets and to carry on business in each jurisdiction in which it does so.

### 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 an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada). No act or proceedings have been taken by or, to the Debtor's knowledge, against or, to the Debtor's knowledge, are pending in connection with, and the Debtor is not in the course of and has not received any notice with respect to, amalgamation, winding-up, surrender of charter, cancellation of charter, dissolution, liquidation, insolvency, bankruptcy, reorganization or a sale of assets out of the ordinary course of business. The Debtor is not in default in complying with the provisions of the *Employer Health Tax Act* (Ontario), the *Retail Sales Tax Act* (Ontario), the *Fuel Tax Act* (Ontario), the *Gasoline Tax Act* (Ontario), the *Tobacco Tax Act* (Ontario) or, if a corporation, the *Corporations Information Act* (Ontario) or the *Corporations Tax Act* (Ontario).

### 3.1.10 No Litigation

There are no actions, suits, judgments, awards or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor before any court or government department, commission,

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.

3.2.5 There is no judicial or administrative proceeding or investigation pending and no Environmental Order has been issued or, to the best of the Debtor's knowledge, threatened concerning the possible violation of any Environmental Laws or Environmental Orders by any of the Occupants, by any of the operations of the Occupants or otherwise in relation to the Collateral.

3.2.6 To the best of the Debtor's knowledge (after due and diligent inquiry), no condition exists as to any parcel of real property contiguous to or in close proximity with the Premises which would require a qualification to any of the representations or warranties in this Section 3.2 if such condition applied to the Premises.

3.2.7 Except for substances necessary to the carrying on of the Normal Business of the Debtor, no Hazardous Substance shall be brought onto or used on or in any part of the Premises without the prior written consent of the Bank and any Hazardous Substance brought onto or into any part of the

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:

#### 4.1.1 To Pay Costs

The Debtor shall pay all costs, charges and expenses of or incurred by the Bank (a) incidental to the preparation, execution and filing of this Agreement and any other Security Documents and any instruments relating thereto or required by the Offer of Finance (including any supplemental security or any instrument amending any of the Security Documents), (b) in inspecting the Collateral or in or about taking, recovering or keeping possession of any of the Collateral or in any other proceedings taken in enforcing the remedies provided herein or otherwise in relation to this Agreement or the Collateral, or by reason of non-payment of the moneys hereby secured, (c) the costs of any sale proceedings hereunder, whether such sale proves abortive or not, and (d) the costs of any Receiver with respect to, and all expenditures made by the Bank or any Receiver in the course of, doing anything hereby permitted to be done by the Bank or such Receiver (including any costs and expenditures relating to compliance with the *Bankruptcy and Insolvency Act*



(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 keep the Collateral and the operations of the Debtor insured in such amounts as the Bank may reasonably require against loss or damage by fire and such other risks as the Bank may from time to time specify, with insurers approved by the Bank. The Debtor shall whenever from time to time requested by the Bank provide the Bank with satisfactory evidence of such insurance and any renewal thereof which shall at all times be subject to mortgage clauses in a form approved by the Bank, and shall at the request of the Bank forthwith name the Bank as first loss payee and assign, transfer and deliver unto the Bank the policy or policies of such insurance. Evidence satisfactory to the Bank of the renewal of every policy of insurance shall be provided to the Bank at least seven (7) days before the termination thereof.

#### 4.1.6 To Furnish Proofs

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 otherwise dispose of any of the Collateral; provided that the Debtor may sell, lease or otherwise dispose of Equipment which has become worn out or damaged or otherwise unsuitable for their purposes on condition that it shall substitute therefor, subject to the lien hereof and free from prior liens or charges, property of at least equal value so that the security hereby constituted shall not thereby be in any way reduced or impaired; and provided further that the Debtor may sell Inventory in the ordinary course of business and for the purpose of carrying on the same.

4.1.15 Not to Make Certain Changes

The Debtor shall not without the prior written consent of the Bank:

- (a) change its financial year end;

- (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;
- 5.1.4 if default occurs in payment or performance of any obligation (whether now existing, presently arising or created in future) of any Affiliate of the Debtor in favour of the Bank;
- 5.1.5 if the Debtor commits an act of bankruptcy or becomes insolvent within the meaning of any bankruptcy or insolvency legislation applicable to it or a petition or other process for the bankruptcy of the Debtor is filed or instituted;
- 5.1.6 if any act, matter or thing is done toward, or any action or proceeding is launched, had or taken for, terminating the corporate existence of the Debtor, whether by winding-up, surrender of charter or otherwise;

- 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 en bloc or separately at public auction or by tender or by private agreement and at such time or times and on such terms and conditions as the Bank in its absolute discretion may determine and without any notice to or concurrence of the Debtor except as may be required by applicable law;
- 5.3.6 by instrument in writing to appoint any person or persons (whether an officer or officers of the Bank or not) the Receiver of all or any part of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead;
- 5.3.7 to exercise any of the rights of a secured party under the PPSA or any other rights available at law or equity;
- 5.3.8 to transfer or require the transfer of any Securities forming part of the Collateral to the Bank and to exercise all rights, including voting rights attached to such Securities; and

- 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

Upon the Bank declaring as aforesaid that the security hereof has become enforceable and crystallized or the Debtor receiving notice from the Bank of the taking of possession of any of the Collateral or of the appointment of a Receiver, all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the property, business and undertaking of the Debtor shall cease except to the extent specifically continued at any time by the Bank in writing, the whole to the extent permitted by law.

#### 5.8 Limitations on Liability

Neither the provisions of this Agreement nor anything done under or pursuant to the rights, remedies and powers conferred upon the Bank and the Receiver, whether hereunder or otherwise, will render the Bank a mortgagee in possession. Neither the Bank nor any Receiver will be bound to collect, dispose of, realize, enforce or sell any Securities, Instruments, Chattel Paper or Intangibles (including any Accounts) comprised in the Collateral or to allow any such Collateral to be sold or disposed of, nor will it be responsible for any loss occasioned

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

The Debtor acknowledges that the security interest in any item of Collateral and its proceeds shall constitute a purchase-money security interest to the extent it secures Obligations incurred by the Debtor to enable the Debtor to acquire rights in such Collateral. The Bank hereby reserves title to any item of Collateral which may be sold by the Bank to the Debtor until satisfaction of the Obligations as aforesaid.

#### 6.8 Taxes and Reserve Requirements

In case the Bank is or becomes subject to any tax with respect to payments of principal, interest or other amounts by the Debtor hereunder or in respect of any of the Obligations (except for taxes on the overall net income of the Bank) or to any reserve or similar requirement against assets held by, or deposits in or for the account of, or loans by, an office of the Bank, or to any other condition with respect to this Agreement, and the result of any of the foregoing is to increase the cost to the Bank of making or maintaining any Obligation or to reduce the income receivable by the Bank in respect of any Obligation, then the Debtor shall pay to the Bank on demand that amount

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.**

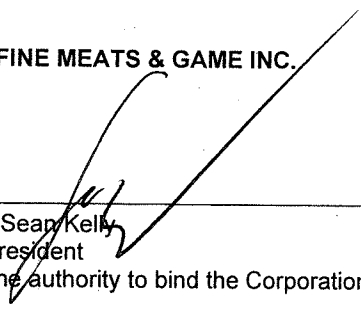
This Agreement and all its provisions shall enure to the benefit of the Bank, its successors and assigns and shall be binding upon the Debtor, its successors and permitted assigns. Every reference to a party hereto shall extend to and include such party's successors and permitted assigns, as if specifically 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(I))**

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

Secured Party	Registration Number	Collateral Description	Amount Secured (Current Balance)
---------------	---------------------	------------------------	-------------------------------------

REAL PROPERTY REGISTRATIONS

Party	Registration Number	Amount Secured (Current Balance)
-------	---------------------	-------------------------------------

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 )

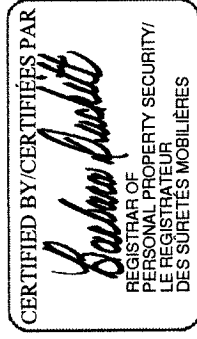
THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

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(LIES).

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



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

RUN NUMBER : 227  
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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 05  
REGISTRATION NUMBER UNDER PERIOD  
REGISTRATION PERIOD 05

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

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

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

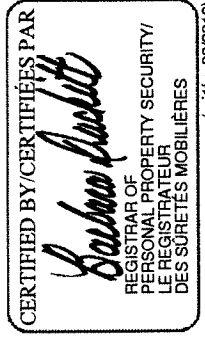
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
X X X 50782.00 06SEP2023

11 YEAR MAKE 2018 MERCEDES - B V.I.N. WD3BG3EA9J3401869  
12 MOTOR 2018 MERCEDES - B METRISC L

13 GENERAL D + H LIMITED PARTNERSHIP  
14 COLLATERAL 2 ROBERT SPECK PARKWAY, 15TH FLOOR MISSISSAUGA ON L4J 1H8  
15 DESCRIPTION \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

16 REGISTERING D + H LIMITED PARTNERSHIP  
17 AGENT 2 ROBERT SPECK PARKWAY, 15TH FLOOR MISSISSAUGA ON L4J 1H8

CONTINUED... 3



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 PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER REGISTRATION PERIOD  
002 2 20180917 1347 1532 3252

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

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

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

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL

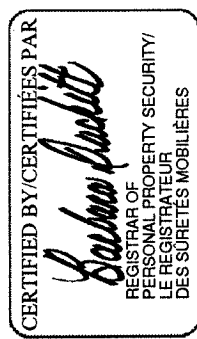
14 COLLATERAL

15 DESCRIPTION

16 REGISTERING AGENT ADDRESS

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

CONTINUED...





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

REPORT : PSSR060  
 PAGE : 4  
 ( 5324)

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 657266076

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 01 001 20091029 1940 1531 3712 P PPSA 10

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 03 NAME BUSINESS NAME BLACK ANGUS FREEZER BEEF (2005) LTD.  
 04 ADDRESS 207484 HIGHWAY 26

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

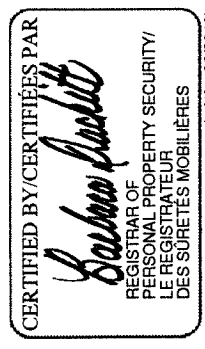
08 SECURED PARTY / LAURENTIAN BANK OF CANADA ONTARIO CORPORATION NO.  
 09 LIEN CLAIMANT ADDRESS 300-130 ADELAIDE ST. W. LEGAL SERVICES TORONTO ON M5H 3P5

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

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

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

16 REGISTERING AGENT  
 17



CONTINUED... 5



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

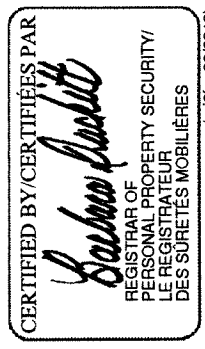
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22		PAGE AMENDED	NO. SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS
			X	B RENEWAL	8
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	CORRECT PERIOD
24	DEBTOR/TRANSFEROR	BUSINESS NAME	BLACK ANGUS FREEZER BEEF (2005) LTD.		
25	OTHER CHANGE				
26	REASON/DESCRIPTION				
27					
28					
02/	DEBTOR/TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
03/		BUSINESS NAME			
06		ADDRESS			
04/07					

ONTARIO CORPORATION NO.

29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ADDRESS
08			
09			
10	COLLATERAL CLASSIFICATION	CONSUMER	ADDRESS
		GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE DATE OF MATURITY OR MATURITY DATE
		YEAR MAKE MODEL	V.I.N.
11	MOTOR VEHICLE GENERAL COLLATERAL		
12			
13			
14			
15	REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT	SORBARA, SCHUMACHER, MCCANN LLP (KL)	WATERLOO
16		31 UNION STREET EAST	ON N2J 1B8
17			

\*\*\* 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 : 01 PAGE NO. OF PAGES : 01 TOTAL PAGES : 001  
 MOTOR VEHICLE SCHEDULE : 20091029 1940 1531 3713 P PPSA 10  
 REGISTERED UNDER : P PPSA 10  
 REGISTRATION PERIOD : 10

02 DEBTOR : BLACK ANGUS FREEZER BEEF (2005) LTD.  
 03 BUSINESS NAME : BLACK ANGUS FREEZER BEEF (2005) LTD.  
 04 ADDRESS : 207484 HIGHWAY 26 THORNBURY ONTARIO CORPORATION NO. N0H 2P0

05 DEBTOR : LAURENTIAN BANK OF CANADA  
 06 BUSINESS NAME : LAURENTIAN BANK OF CANADA  
 07 ADDRESS : 300-130 ADELAIDE ST. W. LEGAL SERVICES TORONTO ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT : LAURENTIAN BANK OF CANADA  
 09 ADDRESS : 300-130 ADELAIDE ST. W. LEGAL SERVICES TORONTO ONTARIO CORPORATION NO. M5H 3P5

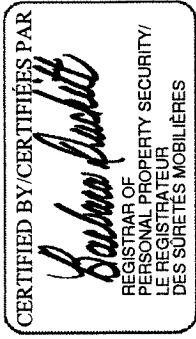
10 COLLATERAL CLASSIFICATION : CONSUMER  
 MOTOR VEHICLE INCLUDED : X  
 DATE OF MATURITY : X  
 NO FIXED MATURITY DATE : X  
 INVENTORY EQUIPMENT ACCOUNTS OTHER : X  
 DATE OF MATURITY : X  
 NO FIXED MATURITY DATE : X

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

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

16 REGISTERING AGENT :  
 17 ADDRESS : 4126 NORLAND AVENUE BURNABY BC V5G 3S8

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
 CONTINUED... 7



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	PAGE NO. 001	TOTAL MOTOR VEHICLE SCHEDULE 20170829 1358 1862 3193	REGISTRATION NUMBER	REGISTERED UNDER
21	RECORD REFERENCED	FILE NUMBER 657266085	PAGE AMENDED 001	NO SPECIFIC PAGE AMENDED X	RENEWAL YEARS 8
22	REFERENCE	DEBTOR/TRANSFEROR	FIRST GIVEN NAME	CHANGE REQUIRED B RENEWAL	CORRECT PERIOD
23	REFERENCE	DEBTOR/TRANSFEROR	BUSINESS NAME	INITIAL SURNAME	
24	REFERENCE	DEBTOR/TRANSFEROR	BUSINESS NAME	INITIAL SURNAME	
25	OTHER CHANGE	REASON/DESCRIPTION	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
26	OTHER CHANGE	REASON/DESCRIPTION	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
27	OTHER CHANGE	REASON/DESCRIPTION	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
28	OTHER CHANGE	REASON/DESCRIPTION	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
02/05	DEBTOR/TRANSFEREE	BUSINESS NAME	ADDRESS		
03/06	DEBTOR/TRANSFEREE	BUSINESS NAME	ADDRESS		
04/07	DEBTOR/TRANSFEREE	BUSINESS NAME	ADDRESS		

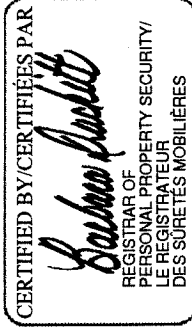
ONTARIO CORPORATION NO.

29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ADDRESS
08	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ADDRESS
09	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ADDRESS
10	COLLATERAL CLASSIFICATION	CONSUMER	ADDRESS
11	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MOTOR VEHICLE DATE OF MATURITY OR MATURITY DATE
12	YEAR	MAKE	MODEL
13	MOTOR VEHICLE	GENERAL	V.I.N.
14	COLLATERAL	DESCRIPTION	
15	REGISTRING AGENT OR	ADDRESS	
16	SECURED PARTY/LIEN CLAIMANT	ADDRESS	
17	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... 8



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

REPORT : PSSR060  
 PAGE : 8  
 ( 5328 )

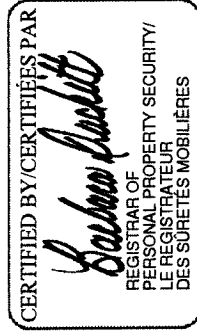
RUN NUMBER : 227  
 RUN DATE : 2019/08/15  
 ID : 20190815194335.23

TYPE OF SEARCH : BUSINESS DEBTOR  
 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 REGISTRATIONS 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.

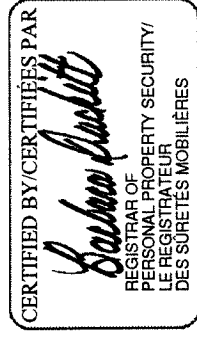
FILE CURRENCY : 14AUG 2019

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



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

02 DEBTOR : BLACK ANGUS FINE MEATS & GAME INC.  
 NAME : BLACK ANGUS FINE MEATS & GAME INC.  
 ADDRESS : 207484 HIGHWAY 26 #1 W THORNBURY  
 ONTARIO CORPORATION NO. : ON N0H 2P0

03 BUSINESS NAME : BLACK ANGUS FINE MEATS & GAME INC.  
 ADDRESS : 207484 HIGHWAY 26 #1 W THORNBURY

04 BUSINESS NAME : BLACK ANGUS FINE MEATS & GAME INC.  
 ADDRESS : 207484 HIGHWAY 26 #1 W THORNBURY

05 DEBTOR : CWB NATIONAL LEASING INC.  
 NAME : CWB NATIONAL LEASING INC.  
 ADDRESS : 1525 BUFFALO PLACE (2926078) WINNIPEG MB R3T 1L9

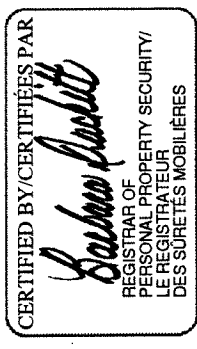
06 BUSINESS NAME : CWB NATIONAL LEASING INC.  
 ADDRESS : 1525 BUFFALO PLACE (2926078) WINNIPEG MB R3T 1L9

07 COLLATERAL CLASSIFICATION : CONSUMER  
 COLLATERAL CLASSIFICATION : CONSUMER  
 MOTOR VEHICLE AMOUNT : NO FIXED  
 INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED : MATURETY OR MATURITY DATE

10 YEAR MAKE :  
 MOTOR MAKE :  
 VEHICLE MAKE :  
 MODEL :  
 V.I.N. :

11 GENERAL DESCRIPTION : ALL SHELIVING/RACKING OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT  
 NUMBER 2926078, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED  
 FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND

12 REGISTERING AGENT :  
 ADDRESS :  
 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*



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

REPORT : PSSR060  
 PAGE : 3  
 ( 5306 )

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

01 DATE OF BIRTH INITIAL SURNAME ONTARIO CORPORATION NO.  
 BUSINESS NAME ADDRESS

02 DEBTOR FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME ADDRESS  
 04 ADDRESS

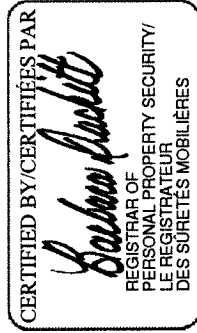
05 DEBTOR FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 06 NAME BUSINESS NAME ADDRESS  
 07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT ADDRESS  
 09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
 YEAR MAKE MODEL V.I.N.

11 MOTOR VEHICLE  
 12 GENERAL COLLATERAL SUBSTITUTIONS.  
 13 COLLATERAL DESCRIPTION  
 14 REGISTERING AGENT ADDRESS  
 15  
 16  
 17

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





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

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

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

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.

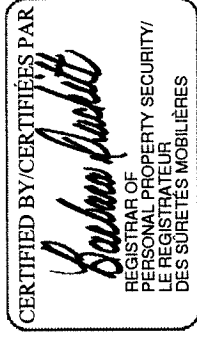
12 VEHICLE

13 GENERAL 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 DESCRIPTION FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND

16 REGISTERING ADDRESS  
 17 AGENT

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

CONTINUED...



(c)19 06/2019

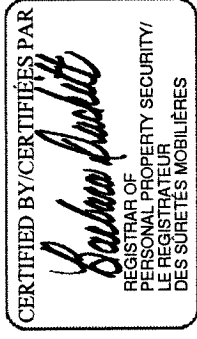


TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : BLACK ANGUS FINE MEATS & GAME INC.  
 FILE CURRENCY : 14AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

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

\*\*\* 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 704602359  
01 CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER PERIOD FILING 001 3 20150327 1611 1793 3507 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME BLACK ANGUS FINE MEATS AND GAME INC. THORNBURY ON N0H2P0  
04 ADDRESS 207484 HIGHWAY 26

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME REISER (CANADA) CO. BURLINGTON ON L7P5B7  
07 ADDRESS 1549 YORKTON COURT, UNIT 4

08 SECURED PARTY / LIEN CLAIMANT REISER (CANADA) CO.  
09 ADDRESS 1549 YORKTON COURT, UNIT 4 BURLINGTON ON L7P5B7

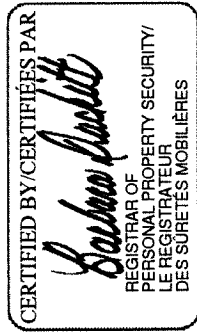
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 61875 27MAR2020  
X X

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

13 GENERAL ONE VEMAG TM-203 LINK CUTTER.  
14 COLLATERAL ALL EQUIPMENT SUPPLIED BY THE SECURED PARTY IN CONNECTION WITH ANY  
15 DESCRIPTION

16 REGISTERING REISER (CANADA) CO.  
17 AGENT ADDRESS 1549 YORKTON COURT, UNIT 4 BURLINGTON ON L7P5B7

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 7



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 704602359  
 CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING 002 3 002 SCHEDULE NUMBER UNDER PERIOD  
 01 20150327 1611 1793 3507

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

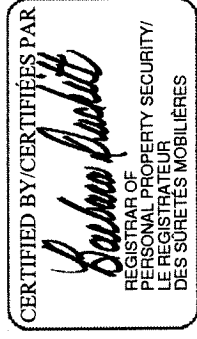
08 SECURED PARTY / LIEN CLAIMANT ADDRESS  
 09 ADDRESS

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

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

13 GENERAL OF THE FOREGOING EQUIPMENT, INCLUDING ALL PARTS, ATTACHMENTS,  
 14 COLLATERAL ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND  
 15 DESCRIPTION IMPROVEMENTS IN RESPECT OF ANY OF THE FOREGOING COLLATERAL, AND

16 REGISTERING ADDRESS  
 17 AGENT ADDRESS



CONTINUED...



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 704602359  
 01 CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER REGISTRATION PERIOD  
 003 3 20150327 1611 1793 3507

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

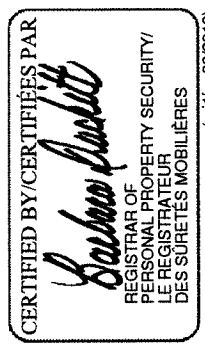
08 SECURED PARTY / LIEN CLAIMANT ADDRESS  
 09

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

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

13 GENERAL INCLUDING ALL PROCEEDS THEREOF.  
 14 COLLATERAL DESCRIPTION  
 15

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 700096887  
01 CAUTION FILING NO. OF PAGES 001 2  
TOTAL REGISTRATION NUMBER 20140924 1413 6005 5625 P PPSA  
MOTOR VEHICLE SCHEDULE 20140924 1413 6005 5625 P PPSA  
REGISTRATION UNDER PERIOD 06  
REGISTRATION PERIOD 06

02 DEBTOR NAME BLACK ANGUS FINE MEATS & GAMES INC.  
03 BUSINESS NAME BLACK ANGUS FINE MEATS & GAMES INC.  
04 ADDRESS 207484 HIGHWAY 26 WEST N THORN BURY ONTARIO CORPORATION NO. N0H 2P0

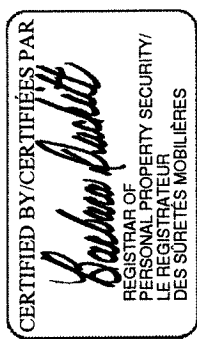
05 DEBTOR NAME SEAN KELLY  
06 DATE OF BIRTH 13SEP1958  
07 BUSINESS NAME NATIONAL LEASING GROUP INC.  
08 ADDRESS 207484 HIGHWAY 26 WEST N THORN BURY ONTARIO CORPORATION NO. N0H 2P0

09 SECURED PARTY / LIEN CLAIMANT NATIONAL LEASING GROUP INC.  
10 ADDRESS 1525 BUFFALO PL WINNIPEG MB R3T 1L9

COLLATERAL CLASSIFICATION X  
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
YEAR MAKE MODEL V.I.N.  
MOTOR VEHICLE  
11 MOTOR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL DESCRIPTION ALL PACKAGING MACHINE OF EVERY NATURE OR KIND DESCRIBED IN LEASE  
14 COLLATERAL NUMBER 2674488, BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR  
15 AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL  
16 REGISTERING AGENT  
17 ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 10



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 : 14 AUG 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 700096887  
 01 CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER REGISTRATION PERIOD  
 002 2 20140924 1413 6005 5625

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

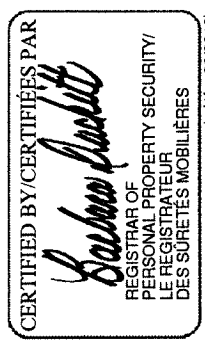
08 SECURED PARTY / LIEN CLAIMANT ADDRESS  
 09 ADDRESS

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

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

13 GENERAL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.  
 14 COLLATERAL DESCRIPTION  
 15 DESCRIPTION

16 REGISTERING AGENT ADDRESS  
 17 ADDRESS



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 690119379  
 01 CAUTION NO. OF PAGES 2  
 FILING SCHEDULE 001  
 MOTOR VEHICLE REGISTRATION NUMBER 20130909 1256 1901 7840  
 REGISTERED UNDER P PPSA  
 REGISTRATION PERIOD 06

02 DEBTOR NAME BLACK ANGUS FINE MEATS & GAME INC.  
 DATE OF BIRTH 207484 HWY 26  
 INITIAL SURNAME THORNBURY  
 ONTARIO CORPORATION NO. ON N0H 2P0

03 DEBTOR NAME BLACK ANGUS FINE MEATS & GAME INC.  
 DATE OF BIRTH 207484 HWY 26  
 INITIAL SURNAME THORNBURY  
 ONTARIO CORPORATION NO. ON N0H 2P0

04 DEBTOR NAME BLACK ANGUS FINE MEATS & GAME INC.  
 DATE OF BIRTH 207484 HWY 26  
 INITIAL SURNAME THORNBURY  
 ONTARIO CORPORATION NO. ON N0H 2P0

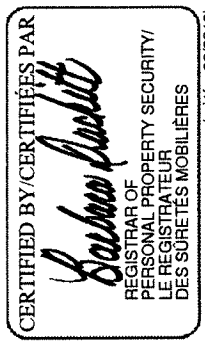
05 SECURED PARTY / LIEN CLAIMANT ROYNAT INC.  
 ADDRESS SUITE 1500, 4710 KINGSWAY ST. BURNABY BC V5H 4M2  
 ONTARIO CORPORATION NO.

06 COLLATERAL CLASSIFICATION CONSUMER  
 MOTOR VEHICLE INCLUDED X  
 DATE OF MATURITY OR NO FIXED MATURITY DATE

07 YEAR MAKE MODEL V.I.N.  
 2011 GMC SAVANA 2500 1GTW7GCA9B1164444

08 GENERAL DESCRIPTION TRUCK(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ADDITIONS AND IMPROVEMENTS THERETO AND ALL REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE

09 REGISTERING AGENT AVS SYSTEMS INC.  
 ADDRESS 201 - 1325 POLSON DR. VERNON BC V1T 8H2  
 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
 CONTINUED... 12





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 690119379  
 01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 002 2 20130909 1256 1901 7840

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

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

08 SECURED PARTY /  
 LIEN CLAIMANT ADDRESS

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

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

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

16 REGISTERING AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE  
 17 AGENT ADDRESS

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

CONTINUED... 13



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 657266094

01 CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE SCHEDULE REGISTRATION NUMBER UNDER P PPSA REGISTRATION PERIOD  
 01 001 20091029 1940 1531 3714 10

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

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

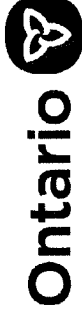
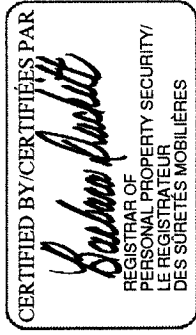
08 SECURED PARTY / LIEN CLAIMANT  
 09 ADDRESS

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

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... 14



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

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
001 001 20170829 1356 1862 3190

21 RECORD FILE NUMBER 657266094  
PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD  
001 001 X B RENEWAL 8

22 FIRST GIVEN NAME INITIAL SURNAME  
BLACK ANGUS FINE MEATS & GAME INC.

23 DEBTOR/ TRANSFEROR BUSINESS NAME  
24 BLACK ANGUS FINE MEATS & GAME INC.

25 OTHER CHANGE  
26 REASON/  
27 DESCRIPTION  
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
05 DEBTOR/  
03/ TRANSFEREE BUSINESS NAME  
06 ADDRESS  
04/07

ONTARIO CORPORATION NO.

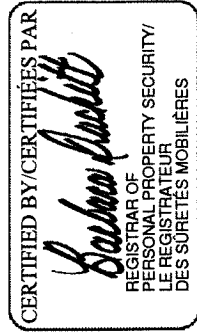
29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08 ADDRESS  
09

10 COLLATERAL CLASSIFICATION  
CONSUMER MOTOR VEHICLE DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED 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 SORBARA, SCHUMACHER, MCCANN LLP (KL) ON N2J 1B8  
17 SECURED PARTY/ ADDRESS WATERLOO  
LIEN CLAIMANT 31 UNION STREET EAST

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 15



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 657266103  
01 CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE SCHEDULE 20091029 1940 1531 3715 P PPSA 10 REGISTERED UNDER PERIOD 10

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

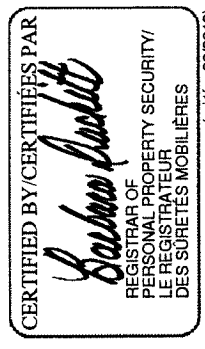
05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME  
07 ADDRESS ONTARIO CORPORATION NO.

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

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

16 REGISTERING CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 AGENT ADDRESS 4126 NORLAND AVENUE BURNABY BC V5G 3S8  
\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 16



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

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01 CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER  
FILING 001 001 20170829 1357 1862 3191

21 RECORD FILE NUMBER 657266103  
PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL PERIOD  
X B RENEWAL 8  
FIRST GIVEN NAME INITIAL SURNAME

22 REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME BLACK ANGUS FINE MEATS & GAME INC.

25 OTHER CHANGE  
26 REASON/  
27 DESCRIPTION  
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
05 DEBTOR/  
03/ TRANSFEREE BUSINESS NAME  
06 ADDRESS  
04/07

ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

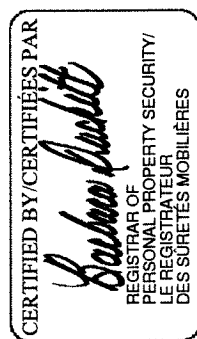
08 ADDRESS  
09

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

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 ADDRESS WATERLOO ON N2J 1B8

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

CONTINUED... 17



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

REPORT : PSSR060  
 PAGE : 17  
 ( 5320)

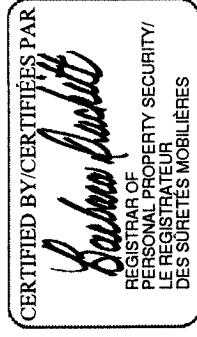
RUN NUMBER : 227  
 RUN DATE : 2019/08/15  
 ID : 20190815194301.43

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

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
749291958	20190321	1221 6005 9423	
718545717	20160712	1622 6005 9087	
704602359	20150327	1611 1793 3507	
700096887	20140924	1413 6005 5625	
690119379	20130909	1256 1901 7840	
657266094	20091029	1940 1531 3714	20170829 1356 1862 3190
657266103	20091029	1940 1531 3715	20170829 1357 1862 3191

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



This is **Exhibit "K"**, 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: 022067428  
Transaction ID: 69171239  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/08/30  
Time Report Produced: 14:18:38  
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

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2500752	SEAN DEER ENTERPRISES LTD.	2016/01/19
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>	<b>Date Amalgamated</b>	<b>Amalgamation Ind.</b>
207484 HIGHWAY 26	NOT APPLICABLE	NOT APPLICABLE
	<b>New Amal. Number</b>	<b>Notice Date</b>
THORNBURY	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		<b>Letter Date</b>
CANADA N0H 2P0		NOT APPLICABLE
<b>Mailing Address</b>	<b>Revival Date</b>	<b>Continuation Date</b>
207484 HWY 26	NOT APPLICABLE	NOT APPLICABLE
	<b>Transferred Out Date</b>	<b>Cancel/Inactive Date</b>
THORNBURY	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		<b>EP Licence Eff.Date</b>
CANADA N0H 2P0		NOT APPLICABLE
	<b>EP Licence Term.Date</b>	<b>EP Licence Term.Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	<b>Minimum</b> <b>Maximum</b>	<b>in Ontario</b>
	00001 00010	NOT APPLICABLE
<b>Activity Classification</b>		<b>Date Ceased</b>
NOT AVAILABLE		<b>in Ontario</b>
		NOT APPLICABLE



Request ID: 022067428  
Transaction ID: 69171239  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/08/30  
Time Report Produced: 14:18:38  
Page: 2

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**

2500752

**Corporation Name**

SEAN DEER ENTERPRISES LTD.

**Corporate Name History**

SEAN DEER ENTERPRISES LTD.

**Effective Date**

2016/01/19

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

NO

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

NO

**Administrator:  
Name (Individual / Corporation)**

JENNIFER  
M.  
ANDERSON

**Address**

151 ALFRED STREET  
  
THORNBURY  
ONTARIO  
CANADA N0H 2P0

**Date Began**

2016/01/19

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

Request ID: 022067428  
Transaction ID: 69171239  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/08/30  
Time Report Produced: 14:18:38  
Page: 3

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**

2500752

**Corporation Name**

SEAN DEER ENTERPRISES LTD.

**Administrator:**

**Name (Individual / Corporation)**

JENNIFER  
M.  
ANDERSON

**Address**

151 ALFRED STREET

THORNBURY  
ONTARIO  
CANADA N0H 2P0

**Date Began**

2016/01/19

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

SECRETARY

**Resident Canadian**

Y

**Administrator:**

**Name (Individual / Corporation)**

JENNIFER  
M.  
ANDERSON

**Address**

151 ALFRED STREET

THORNBURY  
ONTARIO  
CANADA N0H 2P0

**Date Began**

2016/01/19

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

TREASURER

**Resident Canadian**

Y

Request ID: 022067428  
Transaction ID: 69171239  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/08/30  
Time Report Produced: 14:18:38  
Page: 4

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**

2500752

**Corporation Name**

SEAN DEER ENTERPRISES LTD.

**Administrator:**

**Name (Individual / Corporation)**

SEAN  
T.  
KELLY

**Address**

151 ALFRED STREET

THORNBURY  
ONTARIO  
CANADA N0H 2P0

**Date Began**

2016/01/19

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

**Administrator:**

**Name (Individual / Corporation)**

SEAN  
T.  
KELLY

**Address**

151 ALFRED STREET

THORNBURY  
ONTARIO  
CANADA N0H 2P0

**Date Began**

2016/01/19

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

PRESIDENT

**Resident Canadian**

Y

Request ID: 022067428  
Transaction ID: 69171239  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2018/08/30  
Time Report Produced: 14:18:38  
Page: 5

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

2500752

SEAN DEER ENTERPRISES LTD.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

2018/04/10 (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 "L"**, referred to in the  
Affidavit of Christopher Corcoran,  
sworn before me  
this 9th day of September, 2019.



A Commissioner for taking Affidavits, etc.





Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND  
REGISTRY  
OFFICE #35

48006-0247 (LT)

PAGE 1 OF 1  
PREPARED FOR ROXANA MANEA  
ON 2019/09/07 AT 14:01:56

teranet eXpress

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

PROPERTY DESCRIPTION: PCL 13891 SEC MUSKOKA; PT LT 2 CON 5 FREEMAN AS IN LT139263, LT130267; GEORGIAN BAY ; THE DISTRICT MUNICIPALITY OF MUSKOKA

PROPERTY REMARKS: CROWN GRANT SEE PM1440.

ESTATE/QUALIFIER: RECENTLY:  
FEE SIMPLE FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
2004/05/25

OWNERS' NAMES  
SEAN DEER ENTERPRISES LTD.  
CAPACITY SHARE  
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **				
35R21671	2007/04/17	PLAN REFERENCE				C
MT165008	2016/03/24	TRANSFER	\$355,500	FRONT DESK LTD.	SEAN DEER ENTERPRISES LTD.	C
		REMARKS: PLANNING ACT STATEMENTS.				
MT165009	2016/03/24	CHARGE	\$275,000	SEAN DEER ENTERPRISES LTD.	FRONT DESK LTD.	C
MT206545	2018/11/14	CHARGE	\$600,000	SEAN DEER ENTERPRISES LTD.	LAURENTIAN BANK OF CANADA	C
MT217192	2019/08/22	CHARGE	\$250,000	SEAN DEER ENTERPRISES LTD.	MILTOM SERVICES LIMITED	C

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

This is **Exhibit "M"**, referred to in the

Affidavit of Christopher Corcoran,  
sworn before me

this 9th day of September, 2019.



A Commissioner for taking Affidavits, etc.





## GUARANTEE

TO: LAURENTIAN BANK OF CANADA

IN CONSIDERATION of LAURENTIAN BANK OF CANADA (the "Bank") dealing with Black Angus Fine Meats & Game Inc., Black Angus Freezer Beef (2005) Ltd. and RSV Investments Inc. (collectively, the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee to the Bank of all debts and liabilities, present and future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Customer and the Bank or from any other dealings by which the Customer may become in any manner whatever liable to the Bank either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Bank with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "Guaranteed Liabilities")

(Delete this paragraph if not required)

provided that the liability of the undersigned and of each of them, if more than one, is limited to the sum of SIX HUNDRED THOUSAND dollars \$ 600,000.00 together with interest accruing from date of demand for payment at the Prime Lending Rate plus 2.50% % per annum. The Prime Lending Rate means the annual rate of interest which the Bank establishes and quotes from time to time as the reference rate of interest to determine interest rates it will charge at such time for variable rate commercial loans in Canadian dollars to its customers in Canada and to which it may refer as its "prime rate" or "prime lending rate"; upon any change in the Prime Lending Rate, the rate of interest hereunder shall be adjusted automatically and without the necessity of any notice to the undersigned.

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be continuing guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Bank, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Bank's right to demand payment at any time, upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be *prima facie* evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.
6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may apply all money received from the Customer or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Bank may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Bank from the Customer or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.



- 9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Customer which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Customer" shall include each such resulting partnership and corporation.
- 10. The Guarantor represents and warrants to the Bank that it is fully aware of the financial condition of the Customer and agrees to monitor changes in the financial condition of the Customer. The Guarantor acknowledges that the Bank has made no representations or warranties regarding the financial condition of the Customer, that the Bank expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Customer and hereby releases the Bank from any liability arising therefrom.
- 11. All advances, renewals and credits made or granted by the Bank to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Bank by or on behalf of the Customer shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Bank had knowledge thereof, and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand.
- 12. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force an effect until repayment in full to the Bank of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.
- 13. The undersigned or any of them, if more than one, or his, its or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank, at which the main account of the Customer is kept, may terminate his, its or their liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be deemed to form part of the Guaranteed Liabilities and shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.
- 14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.
- 15. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.
- 16. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.
- 17. This guarantee shall be governed in all respects by laws of the Province of ONTARIO (complete name of Province) and the laws of Canada applicable therein.
- 18. The undersigned is domiciled at 207484 HIGHWAY 28, Thornbury, ON N0H2P0 (insert complete address) and will not change such domicile without providing the Bank with prior written notice setting forth its new domicile and the effective date of change.
- 19. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing charge statement or verification statement file at anytime in connection with this guarantee.

SIGNED by the Guarantor at Messissauga, this 13 day of November, 2018.

**For use by individual guarantors**

Witness signature Print name: Address:	Guarantor signature Print name: Address:
Witness signature Print name: Address:	Guarantor signature Print name: Address:

**For use by corporate guarantors**

**SEAN DEER ENTERPRISES LTD.**

Name of Corporation  
Address: 207484 HIGHWAY 26  
Thornbury, ON N0H2P0

Per: \_\_\_\_\_ (s/s)  
Name:  
Title: *owner*

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

**For use by partnership guarantors**

Name of partnership: \_\_\_\_\_  
Address: \_\_\_\_\_

*(if partner is an individual)*

Witness signature Print name: Address:	Partner signature Print name: Address:
Witness signature Print name: Address:	Partner signature Print name: Address:
Witness signature Print name: Address:	Partner signature Print name: Address:
Witness signature Print name: Address:	Partner signature Print name: Address:

*Or (if partner is a corporation)*

Name of Corporate Partner  
Address:

Per: \_\_\_\_\_ (s/s)  
Name:  
Title:

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

Name of Corporate Partner  
Address:

Per: \_\_\_\_\_ (s/s)  
Name:  
Title:

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

**Delete one alternative :** We have authority to bind the Partnership. OR We are all the partners of the Partnership.

To be completed by Branch							
This documents has been used for (tick one box only)							
YT	BC	AB	SK	MB	ON	NB	NS
Not for use in any other province or territory							

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



A Commissioner for taking Affidavits, etc.



**Properties**

*PIN* 48006 - 0247 LT *Interest/Estate* Fee Simple  
*Description* PCL 13891 SEC MUSKOKA; PT LT 2 CON 5 FREEMAN AS IN LT139263, LT130267;  
 GEORGIAN BAY ; THE DISTRICT MUNICIPALITY OF MUSKOKA  
*Address* 21 HIGH ST  
 MACTIER

**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* SEAN DEER ENTERPRISES LTD.  
*Address for Service* 207484 Highway 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* c/o Thornton Grout Finnigan LLP  
 Canadian Pacific Tower  
 Toronto-Dominion Centre  
 100 Wellington Street West  
 Suite 3200  
 Toronto, ON M5K 1K7

**Statements**

Schedule: This charge is given as collateral security pursuant to a Forbearance Agreement between the Chargors and Chargee dated August 31, 2018.

**Provisions**

*Principal* \$600,000.00 *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*

**Additional Provisions**

See Schedules

**Signed By**

Andrew Samuel Roth 295 Hagey Blvd., Suite 300 acting for Signed 2018 11 14  
 Waterloo Chargor(s)  
 N2L 6R5

Tel 519-579-3660

Fax 519-743-2540

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

**Submitted By**

MILLER THOMSON LLP  
295 Hagey Blvd., Suite 300  
Waterloo  
N2L 6R5  
2018 11 14

Tel 519-579-3660  
Fax 519-743-2540

**Fees/Taxes/Payment**

Statutory Registration Fee \$64.40  
Total Paid \$64.40

**File Number**

Chargor Client File Number : 122395.17

## **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.

This is **Exhibit "O"**, referred to in the

Affidavit of Christopher Corcoran,  
sworn before me

this 9th day of September, 2019.



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





## GUARANTEE

TO: LAURENTIAN BANK OF CANADA

IN CONSIDERATION of LAURENTIAN BANK OF CANADA (the "Bank") dealing with Black Angus Fine Meats & Game Inc., Black Angus Freezer Beef (2005) Ltd. and RSV Investments Inc. (collectively, the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee to the Bank of all debts and liabilities, present and future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Customer and the Bank or from any other dealings by which the Customer may become in any manner whatever liable to the Bank either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Bank with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "Guaranteed Liabilities")

(Delete this paragraph if not required)

provided that the liability of the undersigned and of each of them, if more than one, is limited to the sum of ===== SEVEN HUNDRED AND FIFTY THOUSAND dollars \$750,000.00===== together with interest accruing from date of demand for payment at the Prime Lending Rate plus 2.50% % per annum. The Prime Lending Rate means the annual rate of interest which the Bank establishes and quotes from time to time as the reference rate of interest to determine interest rates it will charge at such time for variable rate commercial loans in Canadian dollars to its customers in Canada and to which it may refer as its "prime rate" or "prime lending rate"; upon any change in the Prime Lending Rate, the rate of interest hereunder shall be adjusted automatically and without the necessity of any notice to the undersigned.

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be continuing guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Bank, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Bank's right to demand payment at any time, upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be *prima facie* evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.
6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may apply all money received from the Customer or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Bank may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Bank from the Customer or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.



5, 9 85 & 8511

9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Customer which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Customer" shall include each such resulting partnership and corporation.
10. The Guarantor represents and warrants to the Bank that it is fully aware of the financial condition of the Customer and agrees to monitor changes in the financial condition of the Customer. The Guarantor acknowledges that the Bank has made no representations or warranties regarding the financial condition of the Customer, that the Bank expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Customer and hereby releases the Bank from any liability arising therefrom.
11. All advances, renewals and credits made or granted by the Bank to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Bank by or on behalf of the Customer shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Bank had knowledge thereof, and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand.
12. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force an effect until repayment in full to the Bank of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.
13. The undersigned or any of them, if more than one, or his, its or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank, at which the main account of the Customer is kept, may terminate his, its or their liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be deemed to form part of the Guaranteed Liabilities and shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.
14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.
15. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.
16. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall endure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.
17. This guarantee shall be governed in all respects by laws of the Province of ONTARIO (complete name of Province) and the laws of Canada applicable therein.
18. The undersigned is domiciled at 207484 HIGHWAY 26, THORNBURY, ONTARIO, N0H 2P0 (insert complete address) and will not change such domicile without providing the Bank with prior written notice setting forth its new domicile and the effective date of change.
19. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing change statement or verification statement file at anytime in connection with this guarantee.

SIGNED by the Guarantor at MESSESSAUA this 31 day of July, 2018.

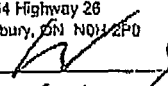
**For use by individual guarantors**

Witness signature Print name: Address:	Guarantor signature Print name: Address:
Witness signature Print name: Address:	Guarantor signature Print name: Address:

**For use by corporate guarantors**

**BLUE MOUNTAIN FINE FOODS CORP.**

Name of Corporation  
Address: 207484 Highway 26  
Thornbury, ON N0H 2P0

Per:  (18)

Name:  
Title: **SENIOR MANAGER**

Per: **DWANE**

Name:  
Title:

*We have authority to bind the Corporation.*

**For use by partnership guarantors**

Name of partnership: \_\_\_\_\_

Address: \_\_\_\_\_

*(If partner is an individual)*

Witness signature Print name: Address:	Partner signature Print name: Address:
Witness signature Print name: Address:	Partner signature Print name: Address:
Witness signature Print name: Address:	Partner signature Print name: Address:
Witness signature Print name: Address:	Partner signature Print name: Address:

*Or (If partner is a corporation)*

Name of Corporate Partner  
Address:

Per: \_\_\_\_\_ (19)

Name:  
Title:

Per: \_\_\_\_\_

Name:  
Title:

*We have authority to bind the Corporation.*

Name of Corporate Partner  
Address:

Per: \_\_\_\_\_ (20)

Name:  
Title:

Per: \_\_\_\_\_

Name:  
Title:

*We have authority to bind the Corporation.*

Delete one alternative: We have authority to bind the Partnership. OR We are all the partners of the Partnership.

To be completed by Branch							
This document has been used for (for one box only)							
YT	BC	AB	SK	MB	ON	ND	NS
Not for use in any other province or territory							



## GUARANTEE

TO: LAURENTIAN BANK OF CANADA

IN CONSIDERATION of LAURENTIAN BANK OF CANADA (the "Bank") dealing with Black Angus Fine Meats & Game Inc., Black Angus Freezer Beef (2005) Ltd. and RSV Investments Inc. (collectively, the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee to the Bank of all debts and liabilities, present and future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Customer and the Bank or from any other dealings by which the Customer may become in any manner whatever liable to the Bank either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Bank with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "Guaranteed Liabilities")

(Delete this paragraph if not required)

provided that the liability of the undersigned and of each of them, if more than one, is limited to the sum of ===== **SIX HUNDRED THOUSAND** dollars \$ 600,000.00===== together with interest accruing from date of demand for payment at the Prime Lending Rate plus 2.50% % per annum. The Prime Lending Rate means the annual rate of interest which the Bank establishes and quotes from time to time as the reference rate of interest to determine interest rates it will charge at such time for variable rate commercial loans in Canadian dollars to its customers in Canada and to which it may refer as its "prime rate" or "prime lending rate"; upon any change in the Prime Lending Rate, the rate of interest hereunder shall be adjusted automatically and without the necessity of any notice to the undersigned.

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be continuing guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Bank, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Bank's right to demand payment at any time, upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be *prima facie* evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.
6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may apply all money received from the Customer or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Bank may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Bank from the Customer or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Customer which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Customer" shall include each such resulting partnership and corporation.
10. The Guarantor represents and warrants to the Bank that it is fully aware of the financial condition of the Customer and agrees to monitor changes in the financial condition of the Customer. The Guarantor acknowledges that the Bank has made no representations or warranties regarding the financial condition of the Customer, that the Bank expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Customer and hereby releases the Bank from any liability arising therefrom.
11. All advances, renewals and credits made or granted by the Bank to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Bank by or on behalf of the Customer shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand.
12. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force an effect until repayment in full to the Bank of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.
13. The undersigned or any of them, if more than one, or his, its or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank, at which the main account of the Customer is kept, may terminate his, its or their liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be deemed to form part of the Guaranteed Liabilities and shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.
14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.
15. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.
16. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.
17. This guarantee shall be governed in all respects by laws of the Province of ONTARIO (complete name of Province) and the laws of Canada applicable therein.
18. The undersigned is domiciled at 207484 HIGHWAY 26, Thornbury, ON N0H2P0 (insert complete address) and will not change such domicile without providing the Bank with prior written notice setting forth its new domicile and the effective date of change.
19. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing charge statement or verification statement file at anytime in connection with this guarantee.

SIGNED by the Guarantor at MISSISSAUGA this 13 day of NOVEMBER, 2018.

**For use by individual guarantors**

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Guarantor signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Guarantor signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

**For use by corporate guarantors**

**TARA FOOD PRODUCTS LIMITED**

Name of Corporation \_\_\_\_\_  
Address: 207484 HIGHWAY 26  
Thornbury, ON N0H2P0

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
*OW as Corp*

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

We have authority to bind the Corporation.

**For use by partnership guarantors**

Name of partnership: \_\_\_\_\_

Address: \_\_\_\_\_

*(if partner is an individual)*

*Or (if partner is a corporation)*

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Partner signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Name of Corporate Partner \_\_\_\_\_  
Address: \_\_\_\_\_

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

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Partner signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

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

We have authority to bind the Corporation.

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Partner signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Name of Corporate Partner \_\_\_\_\_  
Address: \_\_\_\_\_

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

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Partner signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

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

We have authority to bind the Corporation.

**Delete one alternative :** We have authority to bind the Partnership. OR We are all the partners of the Partnership.

To be completed by Branch							
This documents has been used for (tick one box only)							
YT	BC	AB	SK	MB	ON	NB	NS
Not for use in any other province or territory							



## GUARANTEE

TO: LAURENTIAN BANK OF CANADA

IN CONSIDERATION of LAURENTIAN BANK OF CANADA (the "Bank") dealing with Black Angus Fine Meats & Game Inc., Black Angus Freezer Beef (2005) Ltd. and RSV Investments Inc. (collectively, the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee to the Bank of all debts and liabilities, present and future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Customer and the Bank or from any other dealings by which the Customer may become in any manner whatever liable to the Bank either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Bank with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "Guaranteed Liabilities")

(Delete this paragraph if not required)

provided that the liability of the undersigned and of each of them, if more than one, is limited to the sum of ~~=====~~ **SIX HUNDRED THOUSAND** dollars ~~\$ 600,000.00=====~~ together with interest accruing from date of demand for payment at the Prime Lending Rate plus 2.50% % per annum. The Prime Lending Rate means the annual rate of interest which the Bank establishes and quotes from time to time as the reference rate of interest to determine interest rates it will charge at such time for variable rate commercial loans in Canadian dollars to its customers in Canada and to which it may refer as its "prime rate" or "prime lending rate"; upon any change in the Prime Lending Rate, the rate of interest hereunder shall be adjusted automatically and without the necessity of any notice to the undersigned.

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be continuing guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Bank, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Bank's right to demand payment at any time, upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be *prima facie* evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.
6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may apply all money received from the Customer or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Bank may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Bank from the Customer or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

- 9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Customer which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Customer" shall include each such resulting partnership and corporation.
- 10. The Guarantor represents and warrants to the Bank that it is fully aware of the financial condition of the Customer and agrees to monitor changes in the financial condition of the Customer. The Guarantor acknowledges that the Bank has made no representations or warranties regarding the financial condition of the Customer, that the Bank expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Customer and hereby releases the Bank from any liability arising therefrom.
- 11. All advances, renewals and credits made or granted by the Bank to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Bank by or on behalf of the Customer shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand.
- 12. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force an effect until repayment in full to the Bank of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.
- 13. The undersigned or any of them, if more than one, or his, its or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank, at which the main account of the Customer is kept, may terminate his, its or their liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be deemed to form part of the Guaranteed Liabilities and shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.
- 14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.
- 15. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.
- 16. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.
- 17. This guarantee shall be governed in all respects by laws of the Province of ONTARIO (complete name of Province) and the laws of Canada applicable therein.
- 18. The undersigned is domiciled at 207484 HIGHWAY 28, Thornbury, ON N0H2P0 (insert complete address) and will not change such domicile without providing the Bank with prior written notice setting forth its new domicile and the effective date of change.
- 19. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing charge statement or verification statement file at anytime in connection with this guarantee.

SIGNED by the Guarantor at M ESSISSA, this 13 day of NOVEMBER, 2018.

**For use by individual guarantors**

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Guarantor signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Guarantor signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

**For use by corporate guarantors**

~~2506699~~ ONTARIO LTD.

Name of Corporation \_\_\_\_\_  
Address: 207484 HIGHWAY 26  
Thornbury ON N9M2P0

Per: \_\_\_\_\_ (c/s)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
*Owls*

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

We have authority to bind the Corporation.

**For use by partnership guarantors**

Name of partnership: \_\_\_\_\_

Address: \_\_\_\_\_

*(if partner is an individual)*

*Or (if partner is a corporation)*

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Partner signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Name of Corporate Partner \_\_\_\_\_  
Address: \_\_\_\_\_

Per: \_\_\_\_\_ (c/s)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Partner signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

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

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Partner signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Name of Corporate Partner \_\_\_\_\_  
Address: \_\_\_\_\_

Per: \_\_\_\_\_ (c/s)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Witness signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

Partner signature \_\_\_\_\_  
Print name: \_\_\_\_\_  
Address: \_\_\_\_\_

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

**Delete one alternative :** We have authority to bind the Partnership. OR We are all the partners of the Partnership.

To be completed by Branch							
This document has been used for (tick one box only)							
YT	BC	AB	SK	MB	ON	NB	NS
Not for use in any other province or territory							



This is **Exhibit "P"**, referred to in the

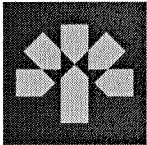
Affidavit of Christopher Corcoran,  
sworn before me

this 9th day of September, 2019.



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





LAURENTIAN  
BANK

## GUARANTEE

TO: LAURENTIAN BANK OF CANADA

IN CONSIDERATION of LAURENTIAN BANK OF CANADA (the "Bank") dealing with RSV INVESTMENTS INC. (the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Customer and the Bank or from any other dealings by which the Customer may become in any manner whatever liable to the Bank either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Bank with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "Guaranteed Liabilities").

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Bank, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Bank's right to demand payment at any time, upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be *prima facie* evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.
6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may apply all money received from the Customer or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Bank may see fit and charge any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Bank from the Customer or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.
9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Customer which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Customer" shall include each such resulting partnership and corporation.
10. The Guarantor represents and warrants to the Bank that it is fully aware of the financial condition of the Customer and agrees to monitor changes in the financial condition of the Customer. The Guarantor acknowledges that the Bank has made no representations or warranties regarding the financial condition of the Customer, that the

Bank expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Customer and hereby releases the Bank from any liability arising therefrom.

11. All advances, renewals and credits made or granted by the Bank to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Bank by or on behalf of the Customer shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand.

12. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

13. The undersigned or any of them, if more than one, or his, its or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his, its or their liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be deemed to form part of the Guaranteed Liabilities and shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.

15. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.

16. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.

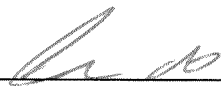
17. This guarantee shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein.

18. The undersigned is domiciled at 207484 Hwy 26, Thornbury, Ontario, N0H 2P0 and will not change such domicile without providing the Bank with prior written notice setting forth its new domicile and the effective date of the change.

19. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing change statement or verification statement filed at anytime in connection with this guarantee.

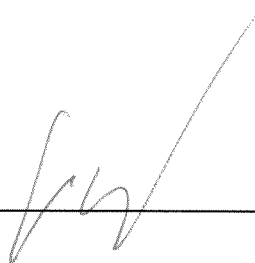
SIGNED by the Guarantor at Waterloo, this 4<sup>th</sup> day of April, 2013.

WITNESS:

  
\_\_\_\_\_

Name: Andrew Roth

Address: 300 - 295 Hungary Blvd  
Waterloo, ON

  
\_\_\_\_\_ Is

Sean Kelly



## GUARANTEE

TO: LAURENTIAN BANK OF CANADA

IN CONSIDERATION of LAURENTIAN BANK OF CANADA (the "Bank") dealing with Black Angus Fine Meats & Game Inc. and Black Angus Freezer Beef (2006) Ltd. (the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Customer and the Bank or from any other dealings by which the Customer may become in any manner whatever liable to the Bank either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Bank with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "Guaranteed Liabilities")

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Bank, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Bank's right to demand payment at any time, upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be *prima facie* evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.
6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may apply all money received from the Customer or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Bank may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Bank from the Customer or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.
9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Customer which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Customer" shall include each such resulting partnership and corporation.
10. The Guarantor represents and warrants to the Bank that it is fully aware of the financial condition of the Customer and agrees to monitor changes in the financial condition of the Customer. The Guarantor acknowledges

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that the Bank has made no representations or warranties regarding the financial condition of the Customer, that the Bank expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Customer and hereby releases the Bank from any liability arising therefrom.

11. All advances, renewals and credits made or granted by the Bank to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Bank by or on behalf of the Customer shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand.

12. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

13. The undersigned or any of them, if more than one, or his, its or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his, its or their liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be deemed to form part of the Guaranteed Liabilities and shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.

15. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.

16. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.


17. This guarantee shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein.

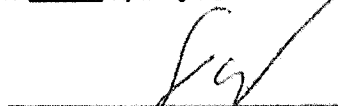
18. The undersigned is domiciled at 387397 114 LIND  
TILDENBY OSTARIA NORTH 2PO  
(insert complete address)

and will not change such domicile without providing the Bank with prior written notice setting forth its new domicile and the effective date of the change.

19. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing charge statement or verification statement filed at anytime in connection with this guarantee.

SIGNED by the Guarantor at TILDENBY this 20 day of August 2017.

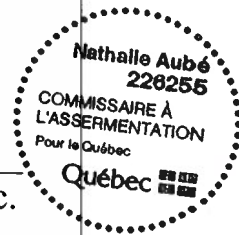
  
\_\_\_\_\_  
Witness signature  
Print Name:  
Address:

  
\_\_\_\_\_  
Guarantor signature  
Print Name: Sean Kelly  
Address:

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



A Commissioner for taking Affidavits, etc.



Loan No. Facility 2B

TO: LAURENTIAN BANK OF CANADA

IN CONSIDERATION of LAURENTIAN BANK OF CANADA (the "Bank") dealing with RSV Investments Inc. (the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Bank of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Customer and the Bank or from any other dealings by which the Customer may become in any manner whatever liable to the Bank either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Bank with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "Guaranteed Liabilities")

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agrees with the Bank as follows:

1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Bank, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Bank's right to demand payment at any time, upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be *prima facie* evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.
6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may apply all money received from the Customer or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Bank may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Bank from the Customer or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.
9. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in

the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Customer which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Customer" shall include each such resulting partnership and corporation.

10. The Guarantor represents and warrants to the Bank that it is fully aware of the financial condition of the Customer and agrees to monitor changes in the financial condition of the Customer. The Guarantor acknowledges that the Bank has made no representations or warranties regarding the financial condition of the Customer, that the Bank expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Customer and hereby releases the Bank from any liability arising therefrom.

11. All advances, renewals and credits made or granted by the Bank to or for the Customer after the death, loss of capacity, bankruptcy or insolvency of the Customer, but before the Bank has received notice thereof shall be deemed to form part of the Guaranteed Liabilities and all advances, renewals and credits obtained from the Bank by or on behalf of the Customer shall be deemed to form part of the Guaranteed Liabilities notwithstanding any lack or limitation of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the obtaining of such advances, renewals or credits, whether or not the Bank had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from the undersigned as guarantor(s) shall be recoverable from the undersigned and each of them, if more than one, jointly and severally as principal debtor(s) in respect thereof and shall be paid to the Bank on demand.

12. All debts and liabilities, present and future, of the Customer to the Guarantor are hereby assigned to the Bank and postponed to the Guaranteed Liabilities and all money received by the Guarantor in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way lessening or limiting the liability of the Guarantor under this guarantee; and this assignment and postponement is independent of the guarantee and shall remain in full force and effect until repayment in full to the Bank of all the Guaranteed Liabilities, notwithstanding that the liability of the undersigned or any of them under this guarantee may have been discharged or terminated.

13. The undersigned or any of them, if more than one, or his, its or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank at which the main account of the Customer is kept, may terminate his, its or their liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days even though not then matured: provided that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be deemed to form part of the Guaranteed Liabilities and shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.

14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.

15. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.


16. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.

17. This guarantee shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein.

18. The undersigned is domiciled at the Town of Blue Mountains. and will not change such domicile without providing the Bank with prior written notice setting forth its new domicile and the effective date of the change.

19. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing change statement or verification statement filed at anytime in connection with this guarantee.

SIGNED by the Guarantor at MEAFORD, this 25<sup>TH</sup> day of August, 2017

  
\_\_\_\_\_

Witness signature  
Print Name: Brian A. Renken  
Address: 39 Nelson St. W.  
Meaford, ON  
N4L 1A5

  
\_\_\_\_\_

JENNIFER ANDERSON





GUARANTEE

TO: LAURENTIAN BANK OF CANADA

IN CONSIDERATION of LAURENTIAN BANK OF CANADA (the "Bank") dealing with Black Angus Fine Meats & Game Inc. and Black Angus Freezer Beef (2006) Ltd. (collectively, the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee to the Bank of all debts and liabilities, present and future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Customer to the Bank or remaining unpaid by the Customer to the Bank, whether arising from dealings between the Customer and the Bank or from any other dealings by which the Customer may become in any manner whatever liable to the Bank either alone or jointly with any other corporation, person or persons or otherwise including all costs and disbursements incurred by the Bank with a view to recovering or attempting to recover said debts and liabilities (such debts and liabilities being herein called the "Guaranteed Liabilities")

(Delete this paragraph if not required)

provided that the liability of the undersigned and of each of them, if more than one, is limited to the amount of the debt or liability guaranteed by them and shall not exceed the amount of the debt or liability guaranteed by them. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.

AND THE UNDERSIGNED and each of them, if more than one, hereby, jointly and severally agree with the Bank as follows:

- 1. In this guarantee the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be continuing guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Bank and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank.
3. The Bank shall not be bound to exhaust its recourse against the Customer or others or any security or other guarantees before being entitled to payment from the Guarantor of the Guaranteed Liabilities and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Bank, on the third business day following posting if sent by regular mail, postage prepaid, to such address, or on the business day next following if sent by facsimile transmission.
5. In addition to the Bank's right to demand payment at any time, upon default in payment of any sum owing by the Customer to the Bank at any time, the Bank may treat all Guaranteed Liabilities as due and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Liabilities or may place it to the credit of a special account. A written statement of a Manager or Acting Manager of a branch of the Bank at which an account of the Customer is kept or of a General Manager of the Bank as to the amount remaining unpaid to the Bank at any time by the Customer shall, if agreed to by the Customer, be conclusive evidence and shall, in any event, be prima facie evidence against the Guarantor as to the amount remaining unpaid to the Bank at such time by the Customer.
6. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities and the Bank shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any moneys or other assets which the Bank may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Bank may now or hereafter hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the Guarantor's liability.
7. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Bank may discontinue, reduce, increase or otherwise vary the credit of the Customer, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Customer and others, including the Guarantor and any other guarantor as the Bank may see fit, and the Bank may apply all money received from the Customer or others or from security or guarantees upon such parts of the Guaranteed Liabilities as the Bank may see fit and change any such application in whole or in part from time to time.
8. Until repayment in full of all the Guaranteed Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by the Bank from the Customer or others or from estates in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this guarantee, and the Guarantor shall not claim any set-off or counterclaim against the Customer in respect of any liability of the Customer to the Guarantor, claim or prove in the bankruptcy or insolvency of the Customer in competition with the Bank or have any right to be subrogated to the Bank.

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- 8. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Customer, by any change in the name of the Customer, or in the membership of the Customer, if a partnership, or in the objects, capital structure or constitution of the Customer, if a corporation, or by the sale of the Customer's business or any part thereof or by the Customer amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether theretofore or thereafter incurred and in the case of a change in the membership of a Customer which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Customer" shall include each such resulting partnership and corporation.
- 10. The Guarantor represents and warrants to the Bank that it is fully aware of the financial condition of the Customer and agrees to monitor changes in the financial condition of the Customer. The Guarantor acknowledges that the Bank has made no representations or warranties regarding the financial condition of the Customer, that the Bank expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Customer and hereby releases the Bank from any liability arising therefrom.
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- 13. The undersigned or any of them, if more than one, or his, its or their executors or administrators, by giving thirty days' notice in writing to the branch of the Bank, at which the main account of the Customer is kept, may terminate his, its or their liability under this guarantee in respect of liabilities of the Customer incurred or arising after the expiration of such thirty days even though not then matured; provided that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the expiration of such thirty days and any resulting liabilities shall be deemed to form part of the Guaranteed Liabilities and shall be covered by this guarantee; and provided further that in the event of the termination of this guarantee as to one or more of the undersigned, if more than one, it shall remain a continuing guarantee as to the other or others of the undersigned.
- 14. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Bank shall not be bound by any representations or promises made by the Customer to the Guarantor. Possession of this instrument by the Bank shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.
- 15. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.
- 16. This guarantee shall not be discharged or affected by the death of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Bank, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.
- 17. This guarantee shall be governed in all respects by laws of the Province of ONTARIO (complete name of Province) and the laws of Canada applicable therein.
- 18. The undersigned is domiciled at 797 387 Hill M. Lusk  
Thornhill, Ont (insert complete address) and will not change such domicile without providing the Bank with prior written notice setting forth its new domicile and the effective date of change.
- 19. The Guarantor acknowledges having read this guarantee before signing it and declares that he/she/it understands the terms, conditions and undertakings contained herein. The Guarantor acknowledges receipt of a fully executed copy of this guarantee hereby waives any right to receive a copy of any financing statement, financing change statement or verification statement file at anytime in connection with this guarantee.

SIGNED by the Guarantor at Messissauga this 31 day of Aug, 2018.

For use by individual guarantors

Witness signature  
 Print name:  
 Address: 1110 CAMDEN ST  
 MISSISSAUGA

Guarantor signature  
 Print name: JENNIFER ANDERSON  
 Address: 3773-87 111th  
 TORONTO

For use by corporate guarantors

Name of Corporation  
 Address:  
 Per:  
 Name:  
 Title:  
 Per:  
 Name:  
 Title:  
 We have authority to bind the Corporation.

For use by partnership guarantors

Name of partnership: \_\_\_\_\_  
 Address: \_\_\_\_\_

(if partner is an individual)

Witness signature  
 Print name:  
 Address:

Partner signature  
 Print name:  
 Address:

Witness signature  
 Print name:  
 Address:

Partner signature  
 Print name:  
 Address:

Witness signature  
 Print name:  
 Address:

Partner signature  
 Print name:  
 Address:

Witness signature  
 Print name:  
 Address:

Partner signature  
 Print name:  
 Address:

Or (if partner is a corporation)

Name of Corporate Partner  
 Address:

Per:  
 Name:  
 Title:

Per:  
 Name:  
 Title:  
 We have authority to bind the Corporation.

Name of Corporate Partner  
 Address:

Per:  
 Name:  
 Title:

Per:  
 Name:  
 Title:  
 We have authority to bind the Corporation.

Delete one alternative: We have authority to bind the Partnership. OR We are all the partners of the Partnership.

To be completed by Branch							
This document has been used for (tick one box only)							
YT	BC	AB	SK	MB	ON	NB	NS
Not for use in any other province or territory.							

This is **Exhibit "R"**, referred to in the

Affidavit of Christopher Corcoran,  
sworn before me

this 9th day of September, 2019.



A Commissioner for taking Affidavits, etc.





**PERSONAL & CONFIDENTIAL**

August 31, 2018

Black Angus Fine Meats & Game Inc.  
Black Angus Freezer Beef (2005) Ltd.  
207484 Highway 26  
Thornbury, Ontario  
NOH 2PO

RSV Investments Inc.  
207484 Highway 26  
Thornbury, Ontario  
NOH 2PO

**Attention: Sean Kelly**

Dear Sirs:

**Re: Indebtedness of Black Angus Fine Meats & Game Inc. ("Fine Meats") and Black Angus Freezer Beef (2005) Ltd. ("Freezer" and together with Fine Meats, "Black Angus") and RSV Investments Inc. ("RSV" and together with Black Angus, the "Borrowers") to Laurentian Bank of Canada (the "Bank")**

**WHEREAS:**

1. Pursuant to an offer of financing between the Bank and Black Angus most recently dated December 10, 2013, and as otherwise extended or amended from time to time, including by amending agreement dated June 27, 2017 (as amended, the "**Black Angus Offer of Financing**"), the Bank has made available to Black Angus the following credit facilities (collectively, the "**Black Angus Credit Facilities**"):
  - (a) revolving credit line in the principal amount of \$750,000 (the "**Operating Facility**"). As of August 8, 2018, the principal amount outstanding under the Operating Facility is \$710,000, together with interest and costs (including, without limitation, legal fees and disbursements); and
  - (b) foreign exchange spot facility in the original amount of USD\$100,000 (the "**FX Facility**"). As of August 8, 2018, the principal amount outstanding under the FX Facility is nil, together with interest and costs (including, without limitation, legal fees and disbursements) to the date of payment.
2. Pursuant to an offer of financing between the Bank and RSV most recently dated December 10, 2013, and as otherwise extended or amended from time to time, including by amending agreement dated June 27, 2017 (as amended, the "**RSV Offer of Financing**" and together with the Black Angus Offer of Financing, the "**Offers of Financing**"), the Bank has made available to RSV the following credit facility (the "**RSV Credit Facility**" and together with the Black Angus Credit Facilities, the "**Credit Facilities**"):

- (a) term loan in the original principal amount of \$1,163,000 (the “**2022 Term Loan**”) maturing October 1, 2022. As of August 8, 2018, the principal amount outstanding under the 2022 Term Loan is the sum of \$1,093,969.89, together with interest and costs (including, without limitation, legal fees and disbursements) to the date of payment; and
  - (b) term loan in the original principal amount of \$175,000 (the “**2021 Term Loan**”) maturing January 1, 2021. As of August 8, 2018, the principal amount outstanding under the 2021 Term Loan is the sum of \$137,440.93, together with interest and costs (including, without limitation, legal fees and disbursements) to the date of payment.
- 3. As security for all of Black Angus’ present and future indebtedness and obligations to the Bank pursuant to the Black Angus Credit Facilities, together with all other obligations of Black Angus to the Bank (including, without limitation, pursuant to the Fine Meats Guarantee and the Freezer Guarantee, as such terms are defined below), each of Black Angus have granted security to the Bank including but not limited to the following (together, the “**Black Angus Security**”):
  - (a) general security agreement charging all present and future personal property of Fine Meats in favour of the Bank;
  - (b) general security agreement charging all present and future personal property of Freezer in favour of the Bank; and
  - (c) Security under Section 427 of the *Bank Act*.
- 4. As security for all of RSV’s present and future indebtedness and obligations to the Bank pursuant to the RSV Credit Facility, together with all other obligations of RSV to the Bank (including, without limitation, pursuant to the RSV Guarantee, as defined below), RSV has granted security to the Bank including but not limited to the following (together, the “**RSV Security**”):
  - (a) collateral charge in the principal amount of \$2,085,000 against the real property owned by RSV known municipally as 207484 Highway 26, Thornbury, ON (the “**Thornbury Property**”); and
  - (b) general security agreement charging all present and future personal property of the RSV in favour of the Bank.
- 5. Fine Meats has guaranteed the indebtedness and obligations of Freezer and RSV to the Bank pursuant to a written guarantee dated November 4, 2009 limited to the principal amount of \$500,000 together with interest accruing from the date of demand (the “**Fine Meats Guarantee**”).
- 6. Freezer has guaranteed the indebtedness and obligations of Fine Meats and RSV to the Bank pursuant to a written guarantee dated November 4, 2009 limited to the principal

- amount of \$500,000 together with interest accruing from the date of demand (the "**Freezer Guarantee**").
7. RSV has guaranteed the indebtedness and obligations of Freezer and Fine Meats to the Bank pursuant to an unlimited written guarantee dated August 2, 2017 (the "**RSV Guarantee**").
  8. Sean Kelly delivered to the Bank the following guarantees of the Borrowers to the Bank (together, the "**Kelly Guarantees**"):
    - (a) written unlimited guarantee dated April 4, 2013 of the indebtedness and obligations of RSV to the Bank; and
    - (b) written unlimited guarantee dated August 2, 2017 of the indebtedness and obligations of Black Angus to the Bank.
  9. Jennifer Anderson has guaranteed the indebtedness and obligations of RSV to the Bank pursuant to an unlimited written guarantee dated August 26, 2017 (the "**Anderson Guarantee**"). As collateral security for her indebtedness and obligations to the Bank, including, without limitation, pursuant to the Anderson Guarantee, Jennifer Anderson granted to the Bank a second charge in the principal amount of \$766,000 (the "**Anderson Charge**") upon certain real property known municipally as 397387 11th Line, Thornbury, ON (the "**Anderson Property**" and together with the Thornbury Property, the "**Charged Properties**").
  10. In this Agreement:
    - (a) the RSV Guarantee, the Freezer Guarantee, the Fine Meats Guarantee, the Kelly Guarantees and the Anderson Guarantee are referred to collectively as the "**Guarantees**";
    - (b) the Black Angus Security, the RSV Security and the Anderson Charge are referred to collectively as the "**Security**";
    - (c) Sean Kelly and Jennifer Anderson, in their capacity as personal guarantors, are referred to collectively as the "**Personal Guarantors**";
    - (d) the Borrowers, in their capacity as corporate guarantors, are referred to collectively as the "**Corporate Guarantors**";
    - (e) the Corporate Guarantors and the Personal Guarantors are collectively referred to as the "**Guarantors**"; and
    - (f) the Borrowers and the Guarantors are collectively referred to herein as the "**Credit Parties**".
  11. The Borrowers are in default of their obligations to the Bank under the terms of the Offers of Financing as a result of the following (together, the "**Existing Defaults**"):

- (a) certain unauthorized overdrafts were made under the Credit Facilities;
  - (b) margin deficiencies have occurred under both the Black Angus Offer of Financing and the RSV Offer of Financing in each month between May 2017 to May 2018, inclusive, with the exception of December 2017;
  - (c) quarterly and annual ratio covenant breaches by the Borrowers under the Offers of Financing; and
  - (d) failure to transmit the financial information to verify the borrowing capacity for the months of June and July 2018 evidencing the stability of the Borrowers' operating performance;
  - (e) the Borrowers' failure to provide their financial statements to the Bank in accordance with the terms of the Offers of Financing.
12. By letters dated August 28, 2018, the Bank (the "**Demand Letters**"): (i) demanded payment from each of the Borrowers in respect of their obligations to the Bank under the applicable Credit Facilities; (ii) demanded payment from each of the Guarantors in respect of their obligations to the Bank pursuant to their respective Guarantees; (iii) terminated the FX Facility effective as at the same date; and (iv) advised the Borrowers that the maximum amount available under the Operating Facility would be reduced to \$500,000 effective September 4, 2018. Together with the letters, the Bank delivered Notices of Intention to Enforce Security to each of the Borrowers pursuant to Section 244 of the *Bankruptcy and Insolvency Act*.
13. The Credit Parties have requested that the Bank forbear from enforcing its rights and remedies at this time and provide certain accommodations to the Borrowers to permit the Borrowers to remedy the Existing Defaults and obtain refinancing sufficient to permanently repay and cancel the Credit Facilities (the "**Refinancing**") on or before the Forbearance Deadline.
14. The Bank has not waived the Existing Defaults but, subject to the terms of this Agreement, the Bank will agree to forbear from enforcing its rights and remedies with respect to the Existing Defaults.
15. In consideration of the Bank's forbearance as described herein, for the other accommodations described herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by the Credit Parties, the Credit Parties hereby agree with the Bank as follows:

#### **ACKNOWLEDGEMENT**

16. The Credit Parties acknowledge that each of the foregoing recitals is true and correct.
17. The Credit Parties acknowledge that, unless otherwise specified, all capitalized terms contained herein have the same meaning as in the Offers of Financing and all monetary amounts are expressed in Canadian dollars.



18. The Credit Parties acknowledge that:
- (a) the FX Facility was terminated on August 28, 2018 and no credit is available to Black Angus thereunder;
  - (b) pursuant to the provisions of the Ontario *Limitations Act*, 2002, the Borrowers are indebted to the Bank under the Credit Facilities in the amounts specified in paragraphs 1 and 2 of this Agreement as at the date specified therein, together with interest and costs (including, without limitation, legal fees and disbursements) to the date of payment;
  - (c) the Borrowers have no defences, counterclaims or rights of set-off or reduction in respect of the Borrowers' indebtedness to the Bank as specified in paragraphs 1 and 2 of this Agreement;
  - (d) the Borrowers are in default of their obligations to the Bank under the terms of the Offers of Financing; and
  - (e) given the occurrence of the Existing Defaults, the Bank may demand payment of the Credit Facilities at any time in the sole discretion of the Bank and take steps to enforce the Security.
19. Commencing on the next business day following satisfaction of the Conditions Precedent (as defined below) and continuing until the earlier to occur of the Forbearance Deadline and the termination by the Bank of its accommodations in accordance with the terms of this Agreement (the "**Tolling Termination Date**"), the Bank, the Borrowers and the Guarantors agree to toll and suspend the running of the applicable statutes of limitation, laches or other doctrines related to the passage of time in relation to the Offers of Financing, the Credit Facilities and the Security and any entitlements arising therefrom or any other related matters and any contractual time limitation on the commencement of proceedings, any claims or defenses based on the application of any statute of limitations, contractual limitations, or any time-related doctrine including waiver, estoppel or laches is hereby suspended (the "**Tolling Agreement**"). Each of the parties confirms that the Tolling Agreement is intended to be an agreement to suspend or extend the basic limitation period provided by section 4 of the Ontario *Limitations Act*, 2002 as well as the ultimate limitations period provided by section 15 of the Ontario *Limitations Act*, 2002 in accordance with the provisions of section 22 of the Ontario *Limitations Act*, 2002 and is intended to be a "business agreement" in accordance with section 22 of the Ontario *Limitations Act*, 2002.
20. The time provided for under any statutes of limitations, laches, or any other doctrines related to the passage of time in relation to the Offer of Financing, the Credit Facilities, the Security or the Guarantees or any entitlement arising therefrom and any other related matters, will recommence running as of the Tolling Termination Date, and for greater certainty the time during which the limitation period is suspended pursuant to the Tolling Agreement shall not be included in the computation of any limitation period.

21. The Credit Parties acknowledge and agree that all the Security now held by the Bank for the indebtedness and obligations of the Borrowers to the Bank is valid, binding and enforceable in accordance with its terms, and that the Borrowers and have no defences, counterclaims or rights of set-off or reduction to any claims that may be brought by the Bank thereunder, notwithstanding the provisions of the Ontario *Limitations Act*, 2002.
22. The Credit Parties acknowledge and agree that the Guarantees are valid, binding and enforceable in accordance with their terms and that the Guarantors have no defences, counterclaims or rights of set-off or reduction to any claims that may be brought by the Bank thereunder, notwithstanding the provisions of the Ontario *Limitations Act*, 2002.
23. The Guarantors acknowledge and agree that all Security now held by the Bank for the indebtedness and obligations of the Guarantors to the Bank is valid, binding and enforceable in accordance with its terms and that the Guarantors have no defences, counterclaims or rights of set-off or reduction to any claims which might be brought by the Bank thereunder, notwithstanding the provisions of the Ontario *Limitations Act*, 2002.
24. The Credit Parties hereby consent to the terms of the Bank's forbearance and other accommodations as set out herein.
25. The Credit Parties hereby agree that upon the execution of this Agreement, they shall each absolutely and irrevocably release the Bank, its officers, directors, employees, solicitors, agents and counsel (collectively, the "**Releasees**") of and from any and all claims that any of the Credit Parties may have in respect of the Releasees up to and including the date hereof including, without limitation, any actions taken by the Bank in dealing with the Borrowers, the Guarantors, the Credit Facilities or with the administration of the Borrowers' accounts with the Bank.
26. In consideration of the Bank's forbearance and the other accommodations described herein, the Borrowers agree to pay to the Bank a forbearance fee (the "**Forbearance Fee**") in the amount of \$20,000 which shall be earned and payable in four equal instalments of \$5,000. The first installment of the Forbearance Fee shall be earned and payable on execution of this Agreement, the second installment shall be earned and payable on September 15, 2018, the third installment shall be earned and payable on October 15, 2018 and the final installment shall be earned and payable on November 15, 2018. The Borrowers authorize and direct the Bank to debit each instalment of the Forbearance Fee from any account of the Borrowers with the Bank. In the event that any Forbearance Fee instalment is not paid in accordance with the terms herein, this Agreement shall be immediately null and void. Notwithstanding the foregoing and anything to the contrary, if the Borrowers have completed the Refinancing before the Forbearance Deadline, any Forbearance Fee instalments due after the date of such Refinancing in accordance with this paragraph shall not be earned or payable.

#### **CONDITIONS PRECEDENT**

27. The forbearance and other accommodations granted by the Bank hereunder are subject to approval of the Bank's credit committee and the Bank receiving the following in form

and substance satisfactory to the Bank on or before 5:00 p.m. on August 31, 2018 or such other date as provided for below:

- (a) a duly authorized, executed and delivered original of this Agreement executed by each of the Credit Parties;
  - (b) the Borrowers and the Guarantors shall deliver a fully executed consent, in form and substance satisfactory to the Bank, to the engagement of RSM Canada Limited as the Bank's consultant (the "**Consultant**") to review, report and make recommendations to the Bank on the business, assets, affairs and operations of the Borrowers on the terms provided for in the engagement letter to be executed as soon as practicable after the execution of this Agreement;
  - (c) a current corporate organizational chart depicting each of the Borrowers and all related parties;
  - (d) internal financial statements for each Borrower for the last fiscal year together with the most recent internal financial statements available for such Borrower;
  - (e) monthly internal financial statements for each of the Borrowers in respect of the months of May, 2018 through to July, 2018, inclusive;
  - (f) annual financial statements for each of the Borrowers for the 2017 fiscal year executed by a reputable accounting firm;
  - (g) the most recent third party professional real property appraisals prepared in respect of the Thornbury Property;
  - (h) an unlimited written guarantee of the obligations and indebtedness of Black Angus from Jennifer Anderson together with confirmation that the Anderson Charge secures the payment and performance of same;
  - (i) a written guarantee of the obligations and indebtedness of Black Angus and RSV from Blue Mountain Fine Foods Corp. limited to the principal amount of \$750,000 together with interest and costs, supported by a \$750,000 second charge upon the real property located at 360 Revus Avenue – Unit #10, Mississauga, ON, L5G 4S4 owned by Blue Mountain Fine Foods Corp.;
  - (j) detailed information in respect of the existing lawsuit with Canadian Heritage Meats which implicates one or more of the Creditor Parties and/or related parties,
- (together, the "**Conditions Precedent**").

28. The Conditions Precedent are for the sole benefit of the Bank and may be waived only by the Bank in writing. If the Conditions Precedent are not complied with to the satisfaction of the Bank by 5:00 p.m. on August 31, 2018 or such later date as provided for above, and the Bank will not waive satisfaction thereof, then the offer of forbearance and the other accommodations offered by the Bank hereunder shall be terminated.

29. Upon satisfaction of the Conditions Precedent, unless a Forbearance Terminating Event (as defined herein) occurs under this Agreement, the Bank shall take no further steps prior to November 30, 2018 (the “**Forbearance Deadline**”) to enforce the Security held by the Bank from the Credit Parties.
30. Upon satisfaction of the Conditions Precedent, the Bank confirms that the reduction of the maximum amount available under the Operating Facility as set out in the Demand Letters shall not become effective and the Operating Facility shall continue unaffected except as amended herein.

### CONDITIONS SUBSEQUENT

31. The Borrowers shall ensure that the following documents are delivered to the Bank, in form and substance satisfactory to the Bank, by the dates and times provided for below:
  - (a) by 5:00 p.m. on September 4, 2018, an updated personal balance sheet for Sean Kelly on the Bank’s standard; and
  - (b) by 5:00 p.m. on September 30, 2018, annual financial statements for each of the Borrowers for the 2018 fiscal year prepared on a Notice to Reader basis and executed by a reputable accounting firm, provided that a draft version of the 2018 financial statements is acceptable if an executed version has not yet been prepared;

(together, the “**Conditions Subsequent**”).
32. The Conditions Subsequent are for the sole benefit of the Bank and may be waived only by the Bank in writing. If the Conditions Subsequent are not complied with to the satisfaction of the Bank by the dates and times provided for above, and the Bank will not waive satisfaction thereof, then a Forbearance Terminating Event (as defined herein) shall be deemed to have occurred.

### REFINANCING COVENANT

33. The Borrowers shall forthwith provide to the Bank copies of all term sheets, offers of financing and any similar documentation received by Borrowers with respect to the Refinancing, provided that the Borrowers shall:
  - (a) on or before September 30, 2018, deliver to Bank a signed term sheet or similar expression of interest in an amount sufficient to fully repay the Credit Facilities from a *bona fide* third-party lender, subject to any restrictions imposed on the Borrowers by any prospective lender who has provided such term sheet or similar expression of interest; and
  - (b) on or before October 31, 2018, deliver to the Bank a fully executed offer of financing from a *bona fide* third party lender in an amount sufficient to fully repay the Credit Facilities on or before the Forbearance Deadline.

## CONSULTANT

34. The engagement of the Consultant shall continue until terminated by the Bank. The Borrowers and the Guarantors shall provide the Consultant with full cooperation and unrestricted access to their respective financial records and shall provide to the Consultant or to the Bank such information regarding the financial position of the Borrowers and the Guarantors as the Bank may require from time to time.

## REPORTING REQUIREMENTS

35. The Borrowers shall strictly adhere to all reporting requirements as set out in the Offers of Financing, except as amended herein.
36. The Credit Parties hereby agree to provide the Bank or its agents any information regarding the Credit Facilities, the financial position of any of the Credit Parties or the security position of the Bank, which the Bank may reasonably request from time to time. Without limiting the foregoing, the Borrowers shall provide to the Bank updates on the status of the Refinancing on the last business day of each month or more frequently as required by the Bank and shall immediately advise the Bank if the Borrowers will be unable to obtain financing sufficient to permanently repay and cancel all of the Credit Facilities on or before the Forbearance Deadline.
37. None of the Credit Parties' assets may be sold other than in the ordinary course of business without the specific prior written consent of the Bank, which may be withheld in the Bank's sole discretion. The Credit Parties shall apply any proceeds received by any of the Credit Parties from a sale of the any of the Borrowers' assets in permanent reduction of the Credit Facilities as determined by the Bank.

## ADDITIONAL COVENANTS

38. The Borrowers shall pay when due, or otherwise provide confirmation satisfactory to the Bank that payment arrangements satisfactory to the Bank have been entered into by the Borrowers to pay when due all amounts owing or required to be paid by either of the Borrowers, where a failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Bank's Security or otherwise in priority to any claim by the Bank for the repayment of any amounts owing to it, including, without limitation, all amounts owing by either of the Borrowers to any federal, provincial, municipal or other government entity or Crown corporation, all statutory, actual or deemed trusts, all withholdings and source deductions, all accrued and unpaid payroll, including vacation pay, an amount equal to one month's rent plus all arrears of rent for either Borrower's leased premises, realty taxes in respect of the Charged Properties, and all amounts owing to any person having a lien, encumbrance, trust or charge ranking in priority to the Bank's Security (collectively, "**Prior Claims**").
39. The Borrowers agree that they shall not repurchase any of the shares of the Borrowers or currently held by its shareholders or repay any shareholder loans during the term of this Agreement.

40. Each of the Credit Parties represents, warrants, covenants and agrees that all business in the nature of or related to the business transacted by the Borrowers prior to the date hereof shall continue to be transacted in the name of and for the account of the Borrowers. In particular, no such business or transaction shall be performed in the name of or recorded or applied for the benefit of any person, firm or corporation other than the Borrowers.
41. The Borrowers confirm to and in favour of the Bank that all assets secured by the Security are in existence, in the possession and control of the Borrowers and have not been transferred, sold, encumbered or impaired in any manner which would deteriorate from or adversely affect the value of same.
42. Each of the Credit Parties agrees to comply with all applicable environmental laws and regulations and to advise the Bank promptly of any action requests or violation notices received concerning any of the Charged Properties and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environment related liability existing now or in the future with respect to any of the Charged Properties. Each of the Credit Parties certifies that no environmental laws or regulations have been violated with respect to any of the Charged Properties and, to the best of its knowledge, no proceedings have or have been threatened to be instituted with respect to a breach of any environmental laws or regulations.
43. The Credit Parties shall indemnify the Bank for any damage the Bank may suffer or any responsibility it may incur as a result of non-compliance by the Credit Parties with any applicable environmental laws and regulations affecting the Credit Parties' assets or their business.
44. None of the Bank's existing rights and remedies, and none of the Existing Defaults, are waived by this Agreement but are specifically reserved and preserved. However, subject to the provisions of this Agreement, the Bank agrees not to take any further steps in enforcement of its rights and remedies against the Credit Parties under the Security or the Guarantees prior to the Forbearance Deadline unless and until one of the following events has occurred (a "**Forbearance Terminating Event**"):
  - (a) any default or breach by any of the Credit Parties occurs under this Agreement or any further default or breach by any of the Credit Parties of any obligation or covenant occurs under the Credit Facilities or any of the Security, including any subsequent or further breach of any of the obligations or covenants which have resulted in any of the Existing Defaults. For greater certainty, the continuation of any of the Existing Defaults shall not constitute a Forbearance Terminating Event unless the Borrowers are required to remedy or otherwise take a specific step or action with respect to any Existing Default pursuant to this Agreement and fails to do so;
  - (b) if the Conditions Subsequent are not satisfied by the dates and in the manner set out in paragraph 31 of this Agreement and the Bank will not waive satisfaction thereof;

- (c) if the Borrowers fail to make any payment when due to the Bank;
- (d) any other creditor of any of the Borrowers exercises or purports to exercise any rights against any of the property, assets or undertaking of any of the Credit Parties or if any of the Credit Parties, or any creditor brings any proceeding or takes any other action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Business Corporations Act* (Ontario) ("**OBCA**"), the *Business Corporations Act* (Canada), the *Winding-Up Act* (Canada) or any similar legislation;
- (e) if any steps are taken by the Borrowers or a third party to wind up or dissolve the Borrowers without the prior written consent of the Bank, which may be withheld in the Bank's sole discretion;
- (f) any representation or warranty made by any of the Credit Parties in connection with the execution and delivery of this Agreement or in any of the security agreements held by the Bank shall prove to have been incorrect in any material respect at the time such representation or warranty was made;
- (g) any default or failure by the Borrowers to make any payment of wages or other monetary remuneration payable by the Borrowers to their employees under the terms of any contract of employment, oral or written, express or implied (the "**Payroll**") or the failure by the Borrowers to pay to the relevant governmental authority when due any of the Prior Claims exigible in respect of a Payroll;
- (h) the sale, lease, transfer, relocation, abandonment or any other disposition of the assets of either of the Borrowers out of the ordinary course of business, which are subject to the Security without the express prior written consent of the Bank;
- (i) if any licence held by the Borrowers that is required to carry on its business is suspended, terminated or the terms thereof are otherwise modified in a manner not acceptable to the Bank in its sole discretion;
- (j) any default or failure by the Credit Parties to pay any of the Prior Claims when due;
- (k) if any of the representations or reporting information provided by the Borrowers to the Bank proves to be false, misleading, inaccurate or incorrect in any material respect at the time such representation or financial reporting information was made or delivered;
- (l) there has been, in the opinion of the Bank, a material adverse change in the affairs of the Borrowers or with respect to the security position of the Bank after the date hereof;
- (m) if any action which any of the Credit Parties may take only with the prior consent of the Bank is taken by any of the Credit Parties without such consent being previously obtained from the Bank; and

- (n) if the Borrowers fail to provide the Bank the reporting or other information specified herein or in the Offers of Financing or as required from time to time.

45. Upon the earlier of:

- (a) the Forbearance Deadline; or
- (b) the occurrence of a Forbearance Terminating Event,

the Bank may take steps to enforce all of its rights and remedies against the Credit Parties in accordance with applicable legal requirements including, without limitation, issuing a demand for payment, any relevant statutory notices of intention to enforce, and enforcing any security held by the Bank from the Borrowers and any guarantors thereof. The Credit Parties specifically acknowledge and agree that in the event a Forbearance Terminating Event occurs and the Bank terminates its forbearance hereunder, the Credit Parties hereby irrevocably consent to the appointment of a receiver, receiver and manager or agent of the Bank's choosing of the assets, property and undertaking of the Borrowers. The Credit Parties hereby agree to fully co-operate with such receiver, receiver and manager or agent in the realization of the Security.

- 46. The Credit Parties hereby irrevocably agree upon request by the Bank, to duly execute or deliver or cause to be executed or delivered to the Bank such further instruments, agreements or similar documents or do or cause to be done such further acts as may be necessary or desirable in the opinion of the Bank, acting reasonably, to carry out the provisions and purposes of this Agreement.
- 47. The Bank's forbearance from enforcing its rights and remedies against the Credit Parties and the other accommodations described herein are provided on a day to day basis and in the sole discretion of the Bank and may be terminated upon the occurrence of a Forbearance Terminating Event without requiring any further forbearance or delay on the part of the Bank.
- 48. All terms and conditions of the Credit Facilities and any other security delivered by the Credit Parties to the Bank shall continue in full force and effect save and except as amended by this Agreement. To the extent that any provision thereof is inconsistent with this Agreement, this Agreement shall prevail.
- 49. The Credit Parties covenant to and in favour of the Bank and agree that, except as permitted herein, they will not grant any further security on any of their property, assets or undertaking without the written consent of the Bank, which may be withheld by the Bank in its sole and unfettered discretion.
- 50. The Borrowers acknowledge and agree that there shall be no change of ownership or control of the Borrowers without the Bank's prior written consent, which consent may be withheld in the Bank's sole and unfettered discretion.



51. The Borrowers shall not amalgamate with another corporation, purchase or redeem their shares or otherwise reduce their capital until such time as the Borrowers' indebtedness to the Bank has been permanently repaid or without the Bank's prior written consent.
52. Time shall be of the essence of this Agreement and this Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.
53. This Agreement may be executed in counterparts, which counterparts taken together shall evidence an agreement as of the date first set out above.
54. The Credit Parties hereby acknowledge and agree that the Bank may apply any amounts outstanding to the credit of any of the Credit Parties and any account or accounts of any of the Credit Parties as a set-off or in combination of the Credit Parties' indebtedness to the Bank. The application of any such funds shall be as the Bank may determine.
55. The Credit Parties agree to pay all actual present and future legal and Consultant fees and disbursements, on a full indemnity basis, incurred by the Bank in respect of or in any way related to the Credit Parties or the Credit Facilities including, without limitation, the Bank's legal and Consultant fees in connection with the preparation and enforcement of this Agreement. The Borrowers authorize and direct the Bank to debit the amount of all such legal and Consultant fees and disbursements from any account of either of the Borrowers with the Bank.
56. Each of the Credit Parties represents and warrants in favour of the Bank that it has retained and consulted independent legal counsel and received the benefit of independent legal advice in connection with its rights and obligations under this Agreement.

**[SIGNATURE PAGES FOLLOW]**

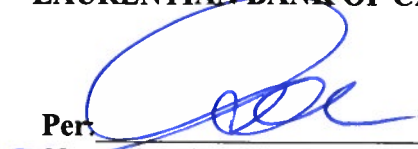
**IN WITNESS WHEREOF** the parties have executed this Agreement.

**DATED** in Montreal, Quebec this 31<sup>st</sup> day of August, 2018.

**LAURENTIAN BANK OF CANADA**

**LAURENTIAN BANK OF CANADA**

**Per:**   
Name: Michael Tsang  
Title: Senior Manager, Special Loans

**Per:**   
Name: Connie Biello  
Title: VP, Special Loans

**DATED** at \_\_\_\_\_, \_\_\_\_\_ Ontario \_\_\_\_\_ this \_\_\_\_\_ day of August, 2018.

**As Borrowers:**

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

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

**Per:** \_\_\_\_\_  
Name:  
Title:  
(I have the authority to bind the Corporation)

**Per:** \_\_\_\_\_  
Name:  
Title:  
(I have the authority to bind the Corporation)

**RSV INVESTMENTS INC.**

**Per:** \_\_\_\_\_  
Name:  
Title:  
(I have the authority to bind the Corporation)

IN WITNESS WHEREOF the parties have executed this Agreement.

DATED in Montreal, Quebec this      day of August, 2018.

LAURENTIAN BANK OF CANADA

LAURENTIAN BANK OF CANADA

Per: \_\_\_\_\_  
Name: Michael Tsang  
Title: Senior Manager, Special Loans

Per: \_\_\_\_\_  
Name: Connie Biello  
Title: VP, Special Loans

DATED at MISSISSAUGA Ontario 31 this 31<sup>st</sup> day of August, 2018.

As Borrowers:

BLACK ANGUS FREEZER BEEF (2005) LTD.

BLACK ANGUS FINE MEATS & GAME INC.

Per: \_\_\_\_\_  
Name: Sean McLeod  
Title: Owner  
(I have the authority to bind the Corporation)

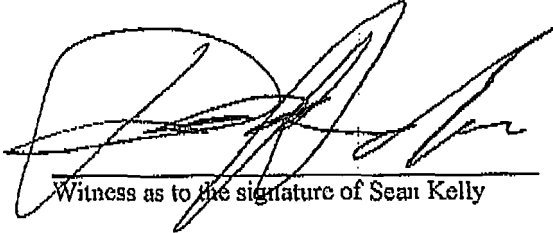
Per: \_\_\_\_\_  
Name: Sean McLeod  
Title: Owner  
(I have the authority to bind the Corporation)

RSV INVESTMENTS INC.

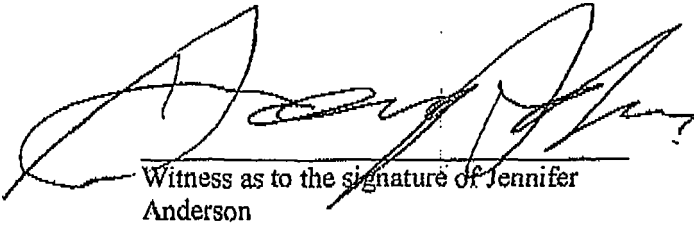
Per: \_\_\_\_\_  
Name: Sean McLeod  
Title: Owner  
(I have the authority to bind the Corporation)

DATED at MESSESSAUGA Ontario \_\_\_\_\_ this 31 day of August, 2018.

**As Personal Guarantors:**

  
Witness as to the signature of Sean Kelly

  
SEAN KELLY

  
Witness as to the signature of Jennifer Anderson

  
JENNIFER ANDERSON

DATED at MESSESSAUGUE, Ontario this 31 day of August, 2018.

As Corporate Guarantors:

BLACK ANGUS FREEZER BEEF (2005) LTD.



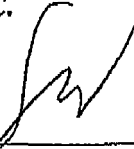
Per: \_\_\_\_\_  
Name: SEAN ROBINSON  
Title: OWNER  
(I have the authority to bind the Corporation)

BLACK ANGUS FINE MEATS & GAME INC.



Per: \_\_\_\_\_  
Name: SEAN ROBINSON  
Title: OWNER  
(I have the authority to bind the Corporation)

RSV INVESTMENTS INC.



Per: \_\_\_\_\_  
Name: SEAN ROBINSON  
Title: OWNER  
(I have the authority to bind the Corporation)

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



A Commissioner for taking Affidavits, etc.





Thornton Grout Finnigan LLP  
RESTRUCTURING + LITIGATION

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100 Wellington Street West  
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Puya Fesharaki  
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E: pfesharaki@tgf.ca  
File No. 1082-044

## PERSONAL & CONFIDENTIAL

October 4, 2018

Black Angus Fine Meats & Game Inc.  
Black Angus Freezer Beef (2005) Ltd.  
207484 Highway 26  
Thornbury, Ontario  
NOH 2PO

RSV Investments Inc.  
207484 Highway 26  
Thornbury, Ontario  
NOH 2PO

**Attention: Sean Kelly**

Dear Sirs:

**Re: Indebtedness of Black Angus Fine Meats & Game Inc., Black Angus Freezer Beef (2005) Ltd. and RSV Investments Inc. (collectively, the “Borrowers”) to Laurentian Bank of Canada (the “Bank”)**

We refer to the Forbearance Agreement between the Borrowers and the Bank dated August 31, 2018 (the “**Forbearance Agreement**”). Capitalized terms not defined herein have the meanings given to them in the Forbearance Agreement.

Since entering into the Forbearance Agreement, the Borrowers have overdrawn the Operating Facility on each of September 5, 2018, September 18, 2018 and October 2, 2018 (each, an “**Overdraft**”). Each Overdraft constituted a Forbearance Terminating Event under the Forbearance Agreement which entitles the Bank to terminate its forbearance and pursue its remedies against the Borrowers. However, as an accommodation to the Borrowers, the Bank permitted the Borrowers to remedy each Overdraft. We confirm that the Bank is not prepared to continue to provide such accommodations and requires that the Borrowers properly manage their finances to prevent any further Overdraft.

Pursuant to the terms of the Forbearance Agreement, the Borrowers were required to deliver to the Bank a signed term sheet or similar expression of interest in an amount sufficient to fully repay the Credit Facilities from a *bona fide* third-party lender on or before September 30, 2018. The Bank acknowledges receipt, on October 1, 2018, of a document entitled “Letter of Intent for Mortgage” (the “**LOI**”). The LOI is unexecuted, does not name a borrower, is substantially incomplete and specified that it was only open for acceptance until October 1, 2018. It is the Bank’s position that the LOI does not satisfy the requirements of the Forbearance Agreement

which constitutes a further Forbearance Terminating Event. The Bank requires that a valid, complete term sheet be immediately delivered to the Bank in satisfaction of the terms of the Bank's continued forbearance.

Pursuant to the terms of the Offers of Financing, the Borrowers are required to provide on or before the twentieth day of each month a combined internal income statement and balance sheet for the preceding month for all of the Borrowers. The Borrowers did not satisfy this requirement for the month of August, 2018 as they have not yet delivered a balance sheet for such month. As a result, the Bank was unable to determine the Borrowers' borrowing capacity under the Offers of Financing. The Borrowers' failure to comply with their reporting requirements under the Offers of Financing constitutes a Forbearance Terminating Event under the Forbearance Agreement. The Bank requires the Borrowers to strictly adhere to all reporting requirements set out in the Offers of Financing, as amended by the Forbearance Agreement.

The Consultant has advised the Bank that the Borrowers have failed to provide the Consultant with the degree of cooperation necessary for the Consultant to assess the financial position of the Borrowers, as required under the Forbearance Agreement and more fully described below:

- (a) on September 7, 2018, the Consultant sent the Borrowers a request for certain information and documentation (the "**Request**");
- (b) on September 17, 2018, the Borrowers delivered a subset of the documents set out in the Request to the Consultant. The documents delivered included a number of deficiencies, including the omission of assumptions from the cash flow statements;
- (c) on September 19, 2018, the Consultant advised the Borrowers of the deficiencies in the documents delivered on September 17, 2018 and informed the Borrowers that a number of documents set out in the Request remained outstanding;
- (d) on September 20, 2018, the Borrowers delivered to the Consultant a further subset of documents set out in the Request; nevertheless, a number of documents set out in the Request remained outstanding at such time;
- (e) on September 20, 2018, the Consultant advised the Borrowers of certain additional requests for information and documentation (the "**Additional Request**");
- (f) on September 21, 2018, the Borrowers delivered revised cash flow statements to the Consultant. The revised cash flow statements did not include the fulsome assumptions requested by the Consultant. The cash flow statements remain deficient in this material regard as the Borrowers have not sent any further revised cash flow statements to the Consultant since September 21, 2018; and
- (g) on September 26, 2018, certain additional documents were delivered by the Borrowers to the Consultant.



As of the date of this letter, the following material documents, all of which were set out in the Request and Additional Request, remain outstanding (collectively, the “**Outstanding Documents**”):


- (a) the most recent cash flow forecasts available for each of the Borrowers, together with the Borrowers’ reasonable written assumptions in support thereof;
- (b) copies of all HST and source deduction statements, together with copies of all of the Borrowers’ remittances for the past three (3) months in respect of HST and source deductions;
- (c) an aged inventory listing and capital asset listing in respect of each of the Borrowers’ retail locations current as of September 30, 2018;
- (d) the most recent internal balance sheet statements available for each of the Borrowers; and
- (e) updated municipal property tax statements for each of the Charged Properties.

It is the Bank’s position that the Borrowers’ failure to provide the Consultant with the documents set out in the Request and Additional Request, in form and substance satisfactory to the Consultant acting reasonably, constitutes a further Forbearance Terminating Event under the terms of the Forbearance Agreement. As a result, the Bank hereby requires that the Borrowers permit the Consultant to obtain an appraisal of their capital assets and inventory as soon as practicable and that they provide the Consultant with their full cooperation in respect thereof. In addition, the Bank specifically requires the Borrowers to provide the Consultant with the Outstanding Documentation as soon as practicable.

The Bank continues to assess the Borrowers’ status on a day-to-day basis. We hereby confirm that the Bank has not agreed to waive any of the defaults committed by the Borrowers and hereby reserves its right to take any and all steps it deems necessary, at any time, to enforce the security held by the Bank from the Borrowers and the Guarantors.

Yours very truly,

**Thornton Grout Finnigan LLP**

  
Puya Fesharaki

*cc: Michael Tsang, Laurentian Bank of Canada*

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



A Commissioner for taking Affidavits, etc.





Thornton Grout Finnigan LLP  
RESTRUCTURING + LITIGATION

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Puya Fesharaki  
T: 416-304-7979  
E: pfesharaki@tgf.ca  
File No. 1082-044

**PERSONAL & CONFIDENTIAL**

May 15, 2019

Miller Thomson LLP  
255 Queens Avenue  
Suite 2010  
London, ON N6A 5R8

**Attention: Sherry Kettle**

Dear Sherry:

**Re: Indebtedness of Black Angus Fine Meats & Game Inc., Black Angus Freezer Beef (2005) Ltd. and RSV Investments Inc. (collectively, the “Borrowers”) to Laurentian Bank of Canada (the “Bank”)**

We refer to the Forbearance Agreement between the Borrowers and the Bank dated August 31, 2018, as amended from time to time, including most recently on February 20, 2019 (collectively, the “**Forbearance Agreement**”). Capitalized terms not defined herein have the meanings given to them in the Forbearance Agreement.

As you are aware, the Forbearance Deadline under the Forbearance Agreement expired on April 30, 2019. As a result, the Bank is in a position to immediately enforce its rights and remedies against the Borrowers and the Guarantors. The Bank’s accommodation to the Borrowers is on a day-to-day basis at the sole discretion of the Bank.

The Bank has serious concerns about the business operations of the Borrowers and its security position, which concerns have been shared in detail with the Borrowers on numerous occasions, including most recently during our telephone conversation on April 12, 2019. We take this opportunity to reiterate certain of the Bank’s continuing concerns.

***Background & the Bank’s Continuing Concerns***

Repeated requests by the Bank, the Bank’s counsel and Consultant for critical information and documentation that would help assess the Borrowers’ financial performance remain unfulfilled. Many such outstanding requests can be traced back to the initial Forbearance Agreement dated August 31, 2018 (the “**Initial Forbearance Agreement**”) including, for instance, documentation relating to the Borrowers’ Prior Claims and the Borrowers’ monthly financial statements. The

Bank has concerns arising from the Borrowers' continued reluctance or inability to provide the requested information and documentation evidencing that the Prior Claims have been paid in full.

Since entering into the Initial Forbearance Agreement, the Bank has relied on representations from the Borrowers regarding repayment timelines and has extended the Forbearance Deadline on several occasions as a result to allow sufficient time for the Borrowers to carry out the Repayment Transaction. In particular, the Bank has relied on representations in respect of three letters of intent and similar documents from third-party lenders delivered by the Borrowers in respect of the Repayment Transaction (collectively, the "LOIs"): (i) the Teja Partnership Letter of Intent dated December 24, 2018 (the "Teja LOI"); (ii) the unsigned and undated Loan Commitment from Dominion Lending Centres delivered to the Bank on April 1, 2019 (the "Dominion LOI"); and (iii) the undated Onefund Offer to Finance delivered to the Bank on April 8, 2019 (the "Onefund LOI"). The Bank understands that the first two such LOIs did not, and will not, lead to signed irrevocable offers of financing and that the status of the Onefund LOI is uncertain.

When the Bank inquired into why the Teja LOI failed, no explanation was provided. When the Bank inquired into why the Dominion LOI failed, the Borrowers advised that they were pursuing the Onefund LOI instead of the Dominion LOI for undisclosed reasons. The Bank has concerns arising from the Borrowers' lack of transparency in respect of the LOIs as well as the Borrowers' ability to obtain refinancing pursuant to the LOIs generally.

In addition to the LOIs, and in accordance with their obligations under the Forbearance Agreement, the Borrowers have listed and continue to list all of the Properties for sale. As you are aware, a combination of the sale of one or more of the Properties and a refinancing of the Borrowers' operations appears to be required to complete the Repayment Transaction. As a gesture of good faith, the Bank permitted the Borrowers to select their own listing agent to oversee a fulsome sales process for the Properties.

The Borrowers have advised the Bank that the response from potential buyers to such sales process (except with respect to the Mississauga Property) has been tepid. The Bank further understands that one or more previous offers of purchase and sale that were received in respect of certain of the Properties were declined by the Borrowers without additional detail and explanation. The Bank has concerns arising from the Borrowers' lack of transparency relating to the sales process in respect of the Properties as well as whether the sale of any of the currently listed Properties will materialize pursuant to the existing listings.

### ***The Anderson Property Refinancing***

On April 1, 2019, the Borrowers proposed refinancing the Anderson Property with The Toronto-Dominion Bank ("TD"), instead of selling such property in accordance with the terms of the Forbearance Agreement. On May 13, 2019, the Borrowers delivered TD's terms to the Bank with respect to such refinancing. The Bank understands that the result of such refinancing transaction

would be an approximately \$170,000 payout for the Bank in consideration of the Bank releasing its second \$766,000 charge registered against the property.

The Bank does not support the proposed Anderson Property refinancing and does not agree to discharge the Anderson Charge registered in favour of the Bank in accordance therewith because of the continuing uncertainty about how and when the Borrowers' indebtedness to the Bank will be permanently repaid in full, and because the Bank would be entitled to a significantly greater amount were the Anderson Property sold in accordance with the Forbearance Agreement and the net proceeds therefrom remitted to the Bank (based on the Anderson Property appraisal provided by the Borrowers dated May 6, 2019).

***Continued Financing by the Bank; Amendments to Credit Facilities***

The Bank is no longer prepared to continue financing the Borrowers' operations in the absence of full transparency on the part of the Borrowers, as detailed herein. The Bank requires that the Borrowers immediately repay their indebtedness and obligations to the Bank in full. We confirm that the Bank has not agreed to a further forbearance of its rights and remedies.

In the interim, on May 20, 2019 the Bank will permanently reduce the maximum principal amount available under the Operating Facility to \$250,000.

Effective immediately, the Bank will return as dishonored all cheques and other instruments drawn on the Borrowers' accounts that would result in the Borrowers' accounts with the Bank being overdrawn. All such items will be returned marked "Non-sufficient Funds" ("NSF") and the Bank shall charge a NSF fee in each such instance in accordance with the agreements governing the operation of the Borrowers' accounts.

The Bank continues to assess the Borrowers' status on a day-to-day basis. We hereby confirm that the Bank has not agreed to waive any defaults committed by the Borrowers and hereby reserves its right to take any and all steps it deems necessary, at any time, to enforce the security held by the Bank from the Borrowers and the Guarantors.

Yours very truly,

**Thornton Grout Finnigan LLP**

  
Puya Fesharaki

cc: Michael Tsang, Laurentian Bank of Canada