

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

Petitioner

AND:

2073944 ALBERTA LTD.

Respondent

AFFIDAVIT OF JASWINDER SINGH LALLY
(Sworn April 15, 2020)

I, JASWINDER SINGH LALLY of the City of Surrey, in the Province of British Columbia, MAKE OATH AND SAY THAT:

1. I am a shareholder and director of 1243997 B.C. Ltd. (the "Purchaser"). As such, I have personal knowledge of the facts deposed to herein, except where stated to be upon information and belief, in which case I believe the same to be true.
2. The Purchaser has entered into the Contract of Purchase and Sale dated March 19, 2020, to purchase the assets of the Respondent (the "Offer"), a copy of which is attached hereto and marked as Exhibit "A".
3. The Purchaser has agreed to amend the Offer by increasing the purchase price from \$905,000 to \$972,000 (the "Increased Purchase Price") and hereby amend the Offer accordingly.
4. As evidence of the Purchaser's ability to close the Offer at the Increased Purchase Price, I can advise as follows:
 - (a) The Purchaser has already delivered to the Reciever's lawyers, Borden Ladner Gervais LLP, in trust, the deposit sum of \$100,000 (the "Deposit"), attached hereto and marked as Exhibit "B" is a copy of the bank wire transfer confirming the delivery of the Deposit;
 - (b) The Purchaser has entered into a credit loan agreement with the Royal Bank of Canada, dated April 14, 2020 (the "RBC Commitment"), a copy of which is attached hereto and

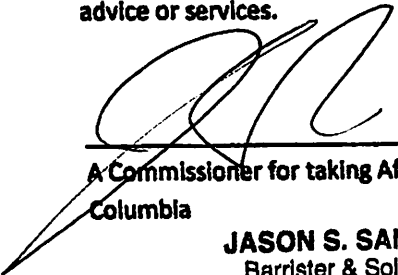
marked as Exhibit "C", which confirms that the Royal Bank of Canada will advance a term loan facility of \$550,000 (the "Loan Amount");

- (c) I have received email correspondence, dated April 14, 2020 from Rahim Kurji, Senior Account Manager for Royal Bank of Canada confirming that the RBC Commitment is approved and that security documents will be provided by the of this week, a copy of which is attached hereto and marked as Exhibit "D";
 - (d) The Purchaser has entered into the RBC Commitment to receive the Loan Amount as a strategic business decision. The Purchaser has sufficient funds to complete the purchase of the assets pursuant to the Offer at the Increased Purchase Price in cash, and attached hereto and marked Exhibit "E" is a photograph (the "RBC Account Summary") of our bank accounts with Royal Bank of Canada, as at April 15, 2020, confirming that an amount of \$1,090,702.86 is held on deposit (the "Available Cash Amount").
 - (e) I confirm that the Available Cash Amount does not include the Loan Amount. The RBC Account Summary states the amount of loans and mortgages to be \$0.00.
5. If the Court makes an order approving the Offer, subject to the Offer being amended to state the Increased Purchase Price, I will execute, as authorized signatory of the Purchaser, any agreement, addendum or additional documents required.

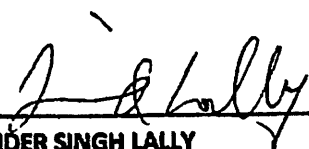
(the remainder of this pages is intentionally blank)

6. I have sworn this Affidavit using video technology and was not physically present before the Lawyer/Notary Public because it is medically unsafe to meet him in person due to Covid - 19 but I was linked with the Lawyer/Notary Public using video technology. The Lawyer/Notary Public followed the process described in Practice Bulletin 01-20 Process for Remote Witnessing of Affidavits for use in Land Title Applications and complied with the Law Society of British Columbia best practices for using videoconferencing when providing legal advice or services.

SWORN BEFORE ME at City of Surrey, in the
Province of British Columbia, this 15th day of April,
2020. The deponent was not physically present
before me because it is medically unsafe to meet
him in person due to Covid - 19 but was linked
with me using video technology. I followed the
process described in Practice Bulletin 01-20
Process for Remote Witnessing of Affidavits for
use in Land Title Applications and complied with
the Law Society of British Columbia best practices
for using videoconferencing when providing legal
advice or services.


A Commissioner for taking Affidavits for British
Columbia

JASON S. SANDHU
Barrister & Solicitor
McQUARRIE HUNTER LLP
Suite 1500, 13450 - 102 Avenue
Surrey, BC V3T 5X3
604.581.7001


JASWINDER SINGH LALLY

BCrea
British Columbia
Real Estate AssociationTHE CANADIAN
BAR ASSOCIATION
British Columbia Branch

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CONTRACT OF PURCHASE AND SALE

BROKERAGE: Sutton Group-Alliance R.E.S. DATE: 03/19/2020
 ADDRESS: 201 - 5550 152 Street Surrey PC: V3R5J9 PHONE: (604) 961-9900
 PREPARED BY: Baljinder Parmar Prec* MLS® NO: _____

SELLER: <u>Grant Thornton Limited, Court-appointed Receiver of</u>	BUYER: <u>1243997 B.C. LTD.</u>
SELLER: <u>2073944 Alberta Ltd. dba Grapevine Pub & Bistro & Liquor Store</u>	BUYER: _____
ADDRESS: _____ (and not in its personal capacity)	ADDRESS: <u>1500 - 13450 102 AVE</u>
<u>Suite 1600, 333 Seymour Street</u>	
<u>Vancouver, BC</u> PC: <u>V6B 0A4</u>	<u>SURREY B.C.</u> PC: <u>V3T 5X3</u>
PHONE: <u>604-687-2711</u>	PHONE: <u>C/O B.R. 6047243575</u>
	OCCUPATION: _____

PROPERTY:

156 Francois Lake Drive
 UNIT NO. _____ ADDRESS OF PROPERTY _____
Burns Lake BC
 CITY/TOWN/MUNICIPALITY _____ POSTAL CODE _____
008-765-821 008-765-880, 008-765-901, 010-173-897
 PID _____ OTHER PID(S) _____
Lot 2, Lot 3, Lot 15, Lot 14 Block 8 Plan PRF1180 District Lot 6309 Range 5 Land District 14

This is Exhibit "A" referred to in the
 affidavit of Baljinder Singh Gally
 sworn before me at Surrey, BC
 this 13 day of April 2020

*A Commissioner for taking Affidavits
 Within British Columbia*

LEGAL DESCRIPTION

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

- PURCHASE PRICE:** The purchase price of the Property will be _____
Nine Hundred Five Thousand
_____ DOLLARS \$ 905,000.00 (Purchase Price)
- DEPOSIT:** A deposit of \$ 100,000.00 which will form part of the Purchase Price, will be paid within 24 hours of acceptance unless agreed as follows:

All monies paid pursuant to this section (Deposit) will be paid in accordance with section 10 or by uncertified cheque except as otherwise set out in this section 2 and will be delivered in trust to _____
Borden Ladner Gervais LLP, Counsel for the Seller. and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

FW WW
 INITIALS

156 Francois Lake Drive Burns Lake BC V0E 1E0 PAGE 2 of 6 PAGES
PROPERTY ADDRESS

3. **TERMS AND CONDITIONS:** The purchase and sale of the Property includes the following terms and is subject to the following conditions:
See attached Schedule "A"

Each condition, if so indicated is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

[AG] MW

INITIALS

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4. **COMPLETION:** The sale will be completed on April 30th, yr. 2020
(Completion Date) at the appropriate Land Title Office.
5. **POSSESSION:** The Buyer will have vacant possession of the Property at 1:00 p. m. on
May 1, yr. 2020 (Possession Date) OR, subject to the following existing tenancies, if any:

6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of May 1st, yr. 2020 (Adjustment Date).
7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:

BUT EXCLUDING:

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on March 16th yr. 2020
9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Section 5, if any, and except as otherwise set out herein.
10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's or real estate brokerage's trust cheque.
11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.
- 11A. **SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (1) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); (2) declarations regarding the Speculation and Vacancy Tax for residential properties located in jurisdictions where such tax is imposed and the Vancouver Vacancy By-Law for residential properties located in the City of Vancouver; and (3) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 118 of the *Income Tax Act*.


INITIALS

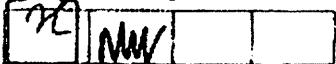
156 Francois Lake Drive

Burns Lake BC

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PROPERTY ADDRESS

- 11B. GST CERTIFICATE:** If the transaction contemplated by this Contract is exempt from the payment of Goods and Services Tax ("GST"), the Seller shall execute and deliver to the Buyer on or before the Completion Date, an appropriate GST exemption certificate to relieve the parties of their obligations to pay, collect and remit GST in respect of the transaction. If the transaction contemplated by this Contract is not exempt from the payment of GST, the Seller and the Buyer shall execute and deliver to the other party on or before the Completion Date an appropriate GST certificate in respect of the transaction.
- 12. TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreements to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
- 13. BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
- 14. CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
- 15. COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.
- 16. RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.
- 17. PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
- 18. REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.
- 19. PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "Licensee(s)") described in Section 21, the real estate boards of which those Brokerages and Licensees are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates the Multiple Listing Service®, of personal information about the Buyer and the Seller:
- A. for all purposes consistent with the transaction contemplated herein;
 - B. if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;



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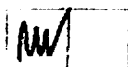
- C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
D. for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled *Privacy Notice and Consent*.

The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

20. ASSIGNMENT OF REMUNERATION: The Buyer and the Seller agree that the Seller's authorization and instruction set out in section 25(c) below is a confirmation of the equitable assignment by the Seller in the Listing Contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.

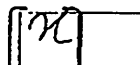
20A. RESTRICTION ON ASSIGNMENT OF CONTRACT: The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

21. AGENCY DISCLOSURE: The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):


INITIALS

A. The Seller acknowledges having received, read and understood Real Estate Council of British Columbia (RECBC) form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Seller has an agency relationship with

Larry berisoff (Designated Agent(s)/Licensee(s))
who is/are licensed in relation to Re/max Kelowna (Brokerage).


INITIALS

B. The Buyer acknowledges having received, read and understood RECBC form entitled "*Disclosure of Representation in Trading Services*" and hereby confirms that the Buyer has an agency relationship with

Baljinder Parmar Prec* (Designated Agent(s)/Licensee(s))
who is/are licensed in relation to Sutton Group-Alliance R.E.S. (Brokerage).


INITIALS

C. The Seller and the Buyer each acknowledge having received, read and understood RECBC form entitled "*Disclosure of Risks Associated with Dual Agency*" and hereby confirm that they each consent to a dual agency relationship with

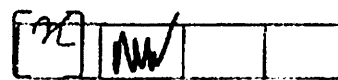
(Designated Agent(s)/Licensee(s))
who is/are licensed in relation to (Brokerage),
having signed a dual agency agreement with such Designated Agent(s)/Licensee(s) dated


INITIALS

D. If only (A) has been completed, the Buyer acknowledges having received, read and understood RECBC form "*Disclosure of Risks to Unrepresented Parties*" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.


INITIALS

E. If only (B) has been completed, the Seller acknowledges having received, read and understood RECBC form "*Disclosure of Risks to Unrepresented Parties*" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.


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22. **ACCEPTANCE IRREVOCABLE** (Buyer and Seller): The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation, during the period prior to the date specified for the Buyer to either:

- A. fulfill or waive the terms and conditions herein contained; and/or
- B. exercise any option(s) herein contained.

23. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**

24. **OFFER:** This offer, or counter-offer, will be open for acceptance until 11:59 o'clock P.m. on March 25, yr. 2020 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

X _____
WITNESS

Authenticate: [Signature]
BUYER
3/19/2020 7:20:07 PM PDT

 1243997 B.C. LTD.
PRINT NAME

X _____
WITNESS

_____ BUYER
PRINT NAME

If the Buyer is an individual, the Buyer declares that they are a Canadian citizen or a permanent resident as defined in the *Immigration and Refugee Protection Act*:

Yes ☒ [Signature] INITIALS No ☐ INITIALS

25. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested forthwith after completion.

Seller's acceptance is dated 23rd March, yr. 2020

The Seller declares their residency:

RESIDENT OF CANADA ☒ INITIAL: S NON-RESIDENT OF CANADA ☐ INITIALS as defined under the *Income Tax Act*.

X [Signature]
WITNESS

[Signature]
SELLER

 Grant Thornton Limited, Court-appointed Receiver of
PRINT NAME

X _____
WITNESS

_____ SELLER

 207304 Alberta Ltd., the Cooperative Pub & Liquor & Liquor
PRINT NAME

*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

CONTRACT OF PURCHASE AND SALE INFORMATION ABOUT THIS CONTRACT

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. **READ IT CAREFULLY.** The parties should ensure that everything that is agreed to is in writing.
2. **DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.
3. **COMPLETION:** (Section 4) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the Purchase Price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The Buyer pays the Purchase Price or down payment in trust to the Buyer's Lawyer or Notary (who should advise the Buyer of the exact amount required) several days before the Completion Date and the Buyer signs the documents.
 - (b) The Buyer's Lawyer or Notary prepares the documents and forwards them for signature to the Seller's Lawyer or Notary who returns the documents to the Buyer's Lawyer or Notary.
 - (c) The Buyer's Lawyer or Notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The Buyer's Lawyer or Notary releases the sale proceeds at the Buyer's Lawyer's or Notary's office.

Since the Seller is entitled to the Seller's proceeds on the Completion Date, and since the sequence described above takes a day or more, it is strongly recommended that the Buyer deposits the money and the signed documents **AT LEAST TWO DAYS** before the Completion Date, or at the request of the Conveyancer, and that the Seller delivers the signed transfer documents no later than the morning of the day before the Completion Date.

While it is possible to have a Saturday Completion Date using the Land Title Office's Electronic Filing System, parties are strongly encouraged **NOT** to schedule a Saturday Completion Date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Section 5) the Buyer should make arrangements through the real estate licensee for obtaining possession. The Seller will not generally let the Buyer move in before the Seller has actually received the sale proceeds. Where residential tenants are involved, Buyers and Sellers should consult the *Residential Tenancy Act*.
5. **TITLE:** (Section 9) It is up to the Buyer to satisfy the Buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the Property and any encumbrances which are staying on title before becoming legally bound. It is up to the Seller to specify in the Contract if there are any encumbrances, other than those listed in Section 9, which are staying on title before becoming legally bound. If you as the Buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the Buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.
6. **CUSTOMARY COSTS:** (Section 16) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

Lawyer or Notary Fees and Expenses:

- attending to execution documents.

Costs of clearing title, including:

- Investigating title,
- discharge fees charged by encumbrance holders,
- prepayment penalties.

Real Estate Commission (plus GST).

Goods and Services Tax (if applicable).

Costs to be Borne by the Buyer

Lawyer or Notary Fees and Expenses:

- searching title,
- drafting documents.

Land Title Registration fees.

Survey Certificate (if required).

Costs of Mortgage, including:

- mortgage company's Lawyer/Notary.

- appraisal (if applicable)

- Land Title Registration fees.

Fire Insurance Premium.

Sales Tax (if applicable).

Property Transfer Tax.

Goods and Services Tax (if applicable).

In addition to the above costs there may be financial adjustments between the Seller and the Buyer pursuant to Section 6 and additional taxes payable by one or more of the parties in respect of the Property or the transaction contemplated hereby (eg. empty home tax and speculation tax).

7. **CLOSING MATTERS:** The closing documents referred to in Sections 11, 11A and 11B of this Contract will, in most cases, be prepared by the Buyer's Lawyer or Notary and provided to the Seller's Lawyer or Notary for review and approval. Once settled, the lawyers/notaries will arrange for execution by the parties and delivery on or prior to the Completion Date. The matters addressed in the closing documents referred to in Sections 11A and 11B will assist the lawyers/notaries as they finalize and attend to various closing matters arising in connection with the purchase and sale contemplated by this Contract.
8. **RISK:** (Section 18) The Buyer should arrange for insurance to be effective as of 12:01 am the Completion Date.
9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold residences. If your transaction involves: a house or other building under construction, a lease, a business, an assignment other special circumstances (including the acquisition of land situated on a First Nations reserve)

Additional provisions, not contained in this form, may be needed, and professional advice should be obtained. A Property Disclosure Statement completed by the Seller may be available.

10. **REALTOR® Code, Article 11:** A REALTOR® shall not buy or sell, or attempt to buy or sell an interest in property either directly or indirectly for himself or herself, any member of his or her immediate family, or any entity in which the REALTOR® has a financial interest, without making the REALTOR®'s position known to the buyer or seller in writing. Real Estate Council Rules 5-9: If a licensee acquires, directly or indirectly, or disposes of real estate, or if the licensee assists an associate in acquiring, directly or indirectly, or disposing of real estate, the licensee must make a disclosure in writing to the opposite party before entering into any agreement for the acquisition or disposition of the real estate.
11. **RESIDENCY:** When completing their residency and citizenship status, the Buyer and the Seller should confirm their residency and citizenship status and the tax implications thereof with their Lawyer/Accountant.
12. **AGENCY DISCLOSURE:** (Section 21) all Designated Agents/Licensees with whom the Seller or the Buyer has an agency relationship should be listed. If additional space is required, list the additional Designated Agents/Licensees on an addendum to the Contract of Purchase and Sale.

mw

SCHEDULE "A"
(Court Approved Sale)

DATE: March 19, 2020

CONTRACT OF PURCHASE AND SALE RE the lands and premises having the following parcel identifiers: 008-765-821, 008-765-880, 008-765-901 and 010-173-897 (the "Lands")

The following terms replace, modify and where applicable override the terms of the attached Contract of Purchase and Sale. Where a conflict arises between the terms of this Schedule and the Contract of Purchase and Sale, the terms of this Schedule shall apply. Notwithstanding any term or condition to this Contract of Purchase and Sale, whether contained herein or otherwise, on accepting this Contract of Purchase and Sale the parties hereto agree as follows:

1. All references to Vendor/Seller in the Contract of Purchase and Sale and in this Schedule mean Grant Thornton Limited, in its capacity as court-appointed Receiver (the "Receiver") of the assets, undertakings and property of 2073944 Alberta Ltd. doing business as the Grapevine Pub & Bistro and Liquor Store Ltd. (the "Debtor") and the Lands, pursuant to the Court Order made December 16, 2019 in Supreme Court of British Columbia (the "Court"), Action No. SML-S-S-1956999, and not in its personal or corporate capacity as vendor or owner.
2. The Receiver agrees, subject to the other terms of this Contract of Purchase and Sale, to present this contract of Purchase and Sale to Court for approval and in so doing is not contractually or otherwise liable to any party in any way.
3. The Buyer agrees that it accepts the Lands "as is, where is" as of the Possession Date and saves the Receiver harmless from all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, environmental condition or circumstances and location of the Lands, and agrees to accept the Lands subject to any outstanding work orders or notices or infractions as to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements.
4. The Buyer acknowledges and agrees that the Receiver makes no representations or warranties whatsoever with respect to the Lands. The Buyer acknowledges and agrees that he has relied entirely upon his own inspection and investigation with respect to quantity, quality and value of the Lands.
5. With respect to environmental matters, and without limiting the generality of the foregoing, the Buyer agrees that he is responsible to investigate the environmental condition of the Lands to his satisfaction and that he is responsible to satisfy himself, and is relying on his own investigations to verify that the level of Contaminants, as hereinafter defined, on or migrating to or from the Lands is satisfactory to the Buyer and the environmental condition of the Lands is otherwise acceptable. Contaminants includes, without limitation, any contaminant, pollutant, underground or aboveground tank, asbestos materials, urea formaldehyde, deleterious substance, dangerous substance or good, hazardous, corrosive or toxic substance, special waste, waste or any other substance which is now or hereafter regulated under any laws, regulations, bylaws, orders or other lawful requirements of any governmental authority having jurisdiction over the Lands.
6. The assets to be purchased under the Contract of Purchase and Sale include all licences used in connection with the operation of the licensed retail liquor store known as the "Grapevine Liquor Store" and the licensed public house known as the "Grapevine Pub & Bistro" from the premises located at 156 Francols Lake Drive, Burns Lake, B.C. (the "Business"), including, without limitation, (i) the Licensee Retail Store Licence issued to the Debtor from the Liquor and Cannabis Regulation Branch assigned to the licensed retail liquor store "Grapevine Liquor Store" and having license number 195363 (the "Liquor Retail Licence") and (ii) the Liquor Primary Licence from the Liquor and Cannabis Regulation Branch assigned to the licensed public house "Grapevine Pub & Bistro" and having licence number 011081 (the "Liquor Serving Licence", and together with the Liquor Retail Licence, the "Liquor Licences").

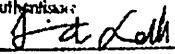


7. The assets to be purchased under the Contract of Purchase and Sale include all of the Debtor's personal property, equipment, inventory and other assets on the Lands at the Possession Date, intellectual property or goodwill and the Liquor Licences (collectively, the "Other Assets"). For greater clarity, inventory includes items located at the Lands on the Possession Date which are unopened and in good and saleable condition including without limitation, deposits, goods, merchandise and stock-in-trade, but not any agreements to purchase future inventory.
8. The Buyer acknowledges and agrees that the Receiver makes no representations or warranties as to ownership, state of repair or condition of the Other Assets. The Buyer acknowledges and agrees that he has relied entirely upon his own inspection and investigation with respect to the quantity, quality and value of the Other Assets.
9. The Buyer acknowledges and agrees that the Buyer bears the ultimate responsibility of obtaining the approval by the Liquor and Cannabis Regulation Branch for the transfer of the Liquor Licences to the Buyer (the "Consent") and that the Receiver does not consent to the continued operation of the Business under the authority of the existing Liquor Licences until the approval and delivery by the Liquor and Cannabis Regulation Branch of the new Liquor Licences. The Receiver agrees that the Receiver shall deliver to the Buyer, at the date of closing, an executed Liquor and Cannabis Regulation Branch LCRB001C in order that the Buyer may make application for the Consent, provided that (i) neither the Receiver nor the Debtor shall have any responsibility for any liabilities or obligations arising from, under or in connection with obtaining the Consent; and (ii) the Buyer shall bear all risk of loss or damage to the Business arising from, under in connection with the Buyer's failure, if any, to obtain such Consent, including but not limited to loss of opportunity or business interruption.
10. The Buyer acknowledges and agrees that there will be no adjustments, including but not limited to adjustments for rents or security deposits, made to the purchase price on account of any tenancies assumed by the Buyer.
11. The Receiver is not and will not be liable to the Buyer nor to anyone claiming by, through or under the Buyer for any damages, costs or expenses for damage caused to the Lands by the registered owner of the Lands or his tenants, guests, assigns, agents or by persons unknown.
12. This Contract of Purchase and Sale is subject to approval by the Court, with the real estate commission in respect of this Contract of Purchase and Sale to be paid only if the sale completes pursuant to an order of the Court in the Proceedings. This condition is for the sole benefit of the Receiver.
13. The Buyer acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Contract of Purchase and Sale and such prospective purchasers may make competing offers which may be approved by the Court. The Receiver may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Lands. The Receiver gives no undertaking to advocate the acceptance of this offer. To protect his interest in purchasing the Lands, the Buyer acknowledges and agrees that he should attend at the Court hearing in person or by agent and be prepared there to make such amended or increased offer to purchase the Lands as the Court may permit or direct.
14. This Contract of Purchase and Sale may be terminated at the Receiver's sole option if at any time prior to Court approval:
 - a. the Court varies or vacates the receivership order to remove or impede the Receiver's ability to market the Lands for sale;
 - b. the property is redeemed by the mortgagor or any respondent, through private sale or otherwise, prior to court approval of a sale of the Lands; or
 - c. the Receiver determines it is inadvisable to present this Contract of Purchase and Sale to the Court and in any such event the Receiver shall have no further obligations or liability to the Buyer under this Contract of Purchase and Sale or otherwise. This condition is for the sole benefit of the Receiver.



15. The Buyer acknowledges and agrees that he is purchasing title in the Lands free and clear of all encumbrances of the parties to the proceedings concerning the Lands brought by Royal Bank of Canada in the Supreme Court of British Columbia in accordance with such vesting order as may be made in the said proceedings except: subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties contained in the original grant or contained in any other grant or disposition from the Crown registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies, if any, and except as otherwise set out herein.
16. The Buyer acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Receiver may at its option either terminate or reaffirm this Contract, and in either event the amount paid by the Buyer, including without limitation the deposit will be absolutely forfeited to the Receiver on account of damages, and not in substitution therefore, without prejudice to the Receiver's other remedies.
17. No property condition disclosure statement concerning the Lands forms part of this Contract of Purchase and Sale whether or not such a statement is attached to it.
18. The Purchase Price does not include Goods and Services Tax, if any, which shall be payable by the Buyer.
19. The Receiver may, at its sole discretion, extend the Completion Date by up to 10 days.
20. If the Buyer fails or refuses to complete the purchase and sale herein contemplated after all the Buyer's conditions have been satisfied or waived, the Deposit together with accrued interest thereon shall be forfeited to the Receiver as liquidated damages as a genuine pre-estimate of its damages, without prejudice to any other rights and remedies which the Receiver may have at law or in equity against the Buyer. In accordance with s. 30(1)(g) and 30(2)(b) of the *Real Estate Services Act*, the Buyer and Receiver hereby agree to the release of the Deposit and accrued interest thereon to the Receiver, and the Buyer hereby instructs the party holding the Deposit to so release the Deposit together with accrued interest thereon to the Receiver, upon written demand from the Receiver or its counsel confirming that the Buyer has failed or refused to complete the purchase and sale herein contemplated despite the Buyer's conditions having been satisfied or waived.
21. All funds payable in connection with this Contract of Purchase and Sale will be by certified cheque, bank draft, cash or certified Lawyer's/Notary's trust cheque, and shall be delivered by prepaid courier to the solicitor acting for the Receiver.

Witness

AuthenticSign:


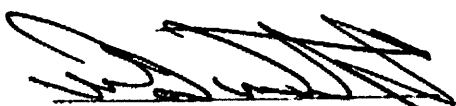
Buyer
2020-07-20 7:20:17 PM PDT

Witness

Buyer



Witness



Grant Thornton Limited, Receiver of,
inter alia, 2073944 Alberta Ltd.,
including the Lands as defined herein
(and not in its personal capacity)



FEE AGREEMENT SELLER PAYS (BUYER REPRESENTED SELLER NOT REPRESENTED)

BETWEEN: Button Group-Alliance R.E.S.
(BUYER'S BROKERAGE)
201 5550 152 Street Surrey B.C.
UNIT ADDRESS
VOE 1E0

AND: Grant Thornton Limited, Court-appointed Receiver of 2073944 Alberta Ltd.
(SELLER)
dba Grapevine Pub & Bistro & Liquor Store
UNIT ADDRESS
1600-333 Seymour St. Vancouver BC V6B 0A4

PROPERTY: 156 Francois Lake Drive
UNIT NO. ADDRESS OF PROPERTY
Burns Lake BC VOE 1E0 008-765-821, 008-765-880, 008-765-901, 010-173-897
CITY/TOWN/MUNICIPALITY POSTAL CODE PID
Lot 2, Lot 3, Lot 15, Lot 14 Block 8 Plan PRP1180 District Lot 6309 Range 5 Land District 14
LEGAL DESCRIPTION

In consideration of the Buyer's Brokerage introducing the Buyer to the Seller or showing the Property to the Buyer through its licensee Baljinder Parmar Pracet ("Designated Agent") the Seller covenants and agrees with the Buyer's Brokerage as follows:

1. The Seller is the owner of the Property.
2. The Designated Agent is the agent for 1243997 B.C. LTD. (the "Buyer"), who may be interested in purchasing the Property.
3. The Seller will pay to the Buyer's Brokerage a fee of \$18,100.00 plus applicable Goods and Services Tax and any other applicable tax in respect of the fee (fee + tax = remuneration) if:
 - (i) a legally enforceable contract of sale between the Seller and the Buyer in respect of the Property is entered into between the date hereof and 5/1/2020 (the "Expiry Date"); or
 - (ii) a legally enforceable contract of sale between the Seller and the Buyer is entered into:
 - a. within sixty (60) days after the Expiry Date; or
 - b. any time after the period described in (a) where the efforts of the Buyer's Brokerage or the Designated Agent were an effective cause;provided, however, that no such fee is payable if the Property is listed, or subject to another fee agreement, with another licensed brokerage after the Expiry Date and sold during the term of that listing contract or fee agreement.
4. The remuneration due to the Buyer's Brokerage will be payable on the earlier of the date the purchase and sale is completed or the completion date set out in the Contract of Purchase and Sale.
5. Despite Clause 3 the remuneration will not be payable if the Buyer defaults and fails to complete the purchase of the Property but will be payable if the Seller defaults and fails to complete the sale of the Property.
6. The Seller acknowledges and agrees that:
 - A. the Buyer's Brokerage and the Designated Agent are acting for the Buyer throughout the transaction and do not owe any agency duties to the Seller;
 - B. no advice concerning the Property, including price or terms of sale, has been given by the Buyer's Brokerage or the Designated Agent to the Seller;
 - C. the Buyer's Brokerage and the Designated Agent are authorized to obtain any information concerning the Property from any person, corporation or governmental authority, including British Columbia Assessment;
 - D. nothing in this Agreement, including the obligation of the Seller to pay the remuneration set out in Clause 3, shall be construed as creating an agency relationship between the Buyer's Brokerage or the Designated Agent and the Seller.
 - E. the remuneration set out in Clause 3 shall be payable by the Seller to the Buyer's Brokerage in addition to any fee or commission payable to the Buyer's Brokerage by a third party including the Buyer and the Seller's listing brokerage, if any;

W

7. The Seller hereby irrevocably:
 - A. assigns to the Buyer's Brokerage from the proceeds of sale of the Property the amount of remuneration due to the Buyer's Brokerage and authorizes the Buyer's Brokerage to retain from the deposit monies the amount of the Buyer's Brokerage's remuneration;
 - B. agrees to sign either in the Contract of Purchase and Sale or in a separate document, an irrevocable authority directing the Buyer and the Lawyer or Notary Public acting for the Buyer or Seller to pay to the Buyer's Brokerage the remuneration due to the Buyer's Brokerage or the net amount remaining after the deposit monies held in trust have been credited against the remuneration due to the Buyer's Brokerage.
8. In this Agreement "sale" includes an exchange and "sale price" includes the value of property exchanged.
9. The Seller hereby consents to the collection, use and disclosure by the Buyer's Brokerage, and by the managing broker(s), associate broker(s) and representative(s) of the Buyer's Brokerage (collectively the "Licensee") noted below, and the real estate board in whose jurisdiction the Property is located and/or of which the Buyer's Brokerage or Licensee is a member, of personal information about the Seller:
 - A. for all purposes consistent with the transaction contemplated herein;
 - B. for enforcing codes of professional conduct and ethics for members of real estate boards; and
 - C. for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled *Privacy Notice and Consent*.

The personal information provided by the Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.
10. The interpretation of this Agreement and all matters concerning its enforcement by the parties shall be governed by the laws of the Province of British Columbia.
11. The parties acknowledge that this Agreement fully sets out the terms of the agreement between them.
12. This Agreement shall be binding upon and benefit not only the parties but their respective heirs, executors, administrators, successors and assigns.

SIGNED, SEALED AND DELIVERED THIS 23rd OF March, YR. 2020.

The Seller declares their residency:

RESIDENT OF CANADA

MM
INITIALS

NON-RESIDENT OF CANADA

INITIALS

as defined under the *Income Tax Act*.

SELLER'S SIGNATURE [Signature]  

SELLER'S SIGNATURE [Signature]

WITNESS TO SELLER'S SIGNATURE [Signature]

WITNESS TO SELLER'S SIGNATURE

Sutton Group-Alliance R.E.B.
BUYER'S BROKERAGE (PRINT) [Signature]

Per: DESIGNATED AGENT'S SIGNATURE

Baljinder Parmar Prec*

DESIGNATED AGENT (PRINT)

The Buyer acknowledges an agency relationship with the Designated Agent.

[Signature]

BUYER'S SIGNATURE

2/19/2020 7:20:20 PM PST

1243997 B.C. LTD.

*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

BC2051 REV. DA FEB 2019

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Feb/2019

ROYAL BANK OF CANADA
SURREY BC-KING GEORGE CTR

ROYAL FUNDS TRANSFER
2020 MAR 26

Branch Ref No...	03680-20086-199998	Value Date....	2020 MAR 27
ICN.....	From	Send Ref....	
Payment Amount.....\$	100,000.00	CAD	Charges For... Sender
Client Rate.....	1.00000000		Serial No....
Conversion Amount.....\$			
Wire Payment Fee Collected \$	45.00	CAD	
Not Present Fee.....\$	0.00	CAD	
IBAN Fee.....\$	0.00	CAD	
Total Fees.....\$	45.00	CAD	
Client Pays Amount.....\$	100,045.00	CAD	SRF Client No... 594493090

Ordering Customer:
1243997 B.C. LTD.
12319 91 AVE
SURREY

Remittance Information:

BC V3V 6J8

Debit Branch Name (Princ)... SURREY BC-SCOTT-TOWN
SOLE-OWNER03600 102-971-9
Debit Branch Name (Fees)... SURREY BC-SCOTT-TOWN
03600 102-971-9

Intermediary Institution:

Account With Institution

(00001 00040)
BANK OF MONTREAL
FIRST BANK TOWER
595 BURNARD STREET
VANCOUVER

This is Exhibit "B" referred to in the
affidavit of Scumder Singh Lilly
sworn before me at Surrey, Bc
this 15th day of April 2020

A Commissioner for taking Affidavits
Within British Columbia
BC CA

Beneficiary Account: 1089937

Beneficiary Customer:
BORDEN LADNER GERVAIS LLP, IN TRUST

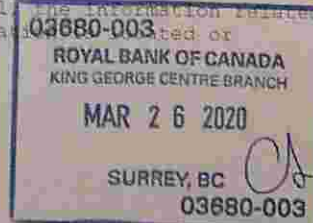
Sender To Receiver Information:
/ACC/DEPOSIT FOR 156 FRANCOIS LK DR
/INS/BURNS LAKE
/INT/BUYER 1243997 BC LTD
/PCT/SELLER 2073944 ALTA BC

Instruction Code:

Additional charges may be deducted from the payment amount by the receiving bank and/or its intermediaries ("Receiving Bank"). If this payment cannot be completed for any reasons beyond the control of Royal Bank of Canada ("RBC") you may ask RBC for a refund and RBC shall make best efforts to secure a refund from Receiving Bank and return those amounts to you. If conversion of funds is requested, the rate of exchange will be RBC's rate established at the time the refund is converted. If you need to make an inquiry regarding this payment or if you ask that RBC attempt to amend or cancel this payment, additional charges will apply (except in cases where an error has been established on the part of RBC or the Receiving Bank). RBC may, in its discretion and without notice to you, delay in making the payment or decide not proceed with the payment, in which case RBC shall refund of the payment amount and any applicable fees.

RBC will not be responsible for any loss or damage suffered by you except where there has been negligence on the part of RBC, and in any such case RBC will not be liable for any indirect, consequential or exemplary damages (including but not limited to loss of profits), regardless of the cause of action. In making the payment, your personal or business information and information on the recipient, may be revealed to third parties. Since the payment will travel the information related to it will be subject to the laws of the jurisdiction in which the information is processed at that time.

SIGNATURE(S):



ROYAL BANK OF CANADA CREDIT AGREEMENT
DATE: April 14, 2020
BORROWER:

1243997 B.C. LTD.

ADDRESS (Street, City/Town, Province, Postal Code)

13450 102 AVE

SUITE 1500

SURREY, BC V3T 5X3

This is **Enatt** "C" referred to in the affidavit of **594493090 Suneeta Singh Lally** sworn before me at **Surrey BC** this **15th** day of **April** 20**20**.

Royal Bank of Canada (the "Bank") hereby confirms to the undersigned (the "Borrower") the following credit facilities (the "Credit Facilities"), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the "Agreement"). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

CREDIT FACILITIES

Facility #1 **Revolving demand facility in the amount of \$50,000.00, available by way of RBP based loans.**

Minimum retained balance \$0.00

Revolved by the Bank in increments of \$5,000.00

Interest rate: RBP + 1.50% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes [] No [X]

Facility #2 **Variable rate term loan (non-revolving) in the amount of \$550,000.00.** Repayable by consecutive monthly blended payments of \$5,002.54, including interest, based on a 144 month amortization (payment amount subject to annual adjustments to ensure amortization). First blended payment is due 90 days from drawdown. This loan has a 12 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: RBP + 1.95% per annum.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

a) Credit Card to a maximum amount of \$35,000.00.

SECURITY

Security for the Borrowing and all other obligations of the Borrower to the Bank, including without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- General security agreement – floating charge on land on the Bank's form 923 signed by the Borrower constituting a first floating charge on all present and after-acquired real property of the Borrower and a first ranking security interest in all personal property of the Borrower;
- Collateral mortgage in the amount of \$224,575.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 156 Francois Lake Drive, Burns Lake, British Columbia;
- Guarantee and postponement of claim on the Bank's form 812 in the amount of \$635,000.00 signed by Jaswinder Singh Lally and Suneeta Anugrah Lal;
- Letter of independent legal advice signed by Suneeta Anugrah Lal;
- Certificate of insurance evidencing fire and other perils coverage on the property located at 156 Francois Lake Drive, Burns Lake, British Columbia, showing the Bank as first mortgagee;

* Registered trademark of Royal Bank of Canada.

- f) Assignment of liquor license signed by 1243997 B.C. Ltd., in favour of the Bank, in form and substance satisfactory to the Bank;.

FEES

Arrangement fee of \$3,195.00 payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Facility #1 management fee of \$75.00 payable in arrears on the same day each month.

Renewal Fee:

If the Bank renews or extends any term facility or term loan beyond its maturity date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain, to be measured at the end of each fiscal year:
 - i) Debt Service Coverage of not less than 1.1:1.

REPORTING REQUIREMENTS

The Borrower will provide to the Bank:

- a) annual notice to reader financial statements for the Borrower, within 90 days of each fiscal year end;
- b) annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2021;
- c) such other financial and operating statements and reports as and when the Bank may reasonably require.

OTHER INFORMATION/REQUIREMENTS

- a) In place of the definition of “**Debt Service Coverage**” contained in “Form 472 (02/2020) Royal Bank of Canada Credit Agreement – Standard Terms” forming part of this Agreement, for the purpose of this Agreement:
 - the term “**Debt Service Coverage**” shall have the following meaning:
“**Debt Service Coverage**” means, for any fiscal period, the ratio of EBITDA, less Cash Taxes and, to the extent not deducted in determining net income, less Corporate Distributions, to the total of Interest Expense and scheduled principal payments in respect of Funded Debt; and
 - the term “**Cash Taxes**” shall have the following meaning:
“**Cash Taxes**” means, for any fiscal period, any amounts paid in respect of income taxes;
- b) In no event will the Credit Facilities or any part thereof be available unless the Bank has received an environmental questionnaire in respect of the Borrower and/or site checklist(s) in respect of all applicable real property on which the Borrower has granted Security to the Bank, on the Bank’s standard form(s) and containing findings acceptable to the Bank.
- c) In no event will the Credit Facilities or any part thereof be available unless a satisfactory visit and inspection of the Borrower’s premises, properties and assets, including any equipment financed, has been completed by the Bank, or its representatives.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower’s responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

* Registered trademark of Royal Bank of Canada.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

STANDARD TERMS

The following standard terms have been provided to the Borrower:

☒ Form 472 (02/2020) Royal Bank of Canada Credit Agreement - Standard Terms

☐ Form 473 (02/2020) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms

☒ Form 473A (10/2017) Royal Bank of Canada Credit Agreement - RBC Covarity Terms and Conditions

☐ Form 473B (02/2020) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms

ACCEPTANCE

This Agreement is open for acceptance until May 14, 2020, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: RAHIM KURJI

* Registered trademark of Royal Bank of Canada.

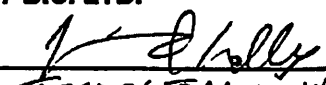
/pf

CONFIRMATION & ACCEPTANCE

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 15th day of APRIL, 2020.

1243997 B.C. LTD.

Per: 
Name: JESSEL JASWINDER LALLY
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Borrower

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Loan Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in this Agreement and not otherwise defined below have the meaning given to such terms as so defined. The Borrower agrees and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

GENERAL

This Agreement amends and restates, without novation, any existing credit or loan agreement between the Borrower and the Bank and any amendments thereto, (other than existing agreements for Other Facilities). Any credit facility existing under any such credit or loan agreement which is secured by security under section 427 of the *Bank Act* (Canada) (or any successor to such provision) is deemed to be continued and renewed, without novation, under the Credit Facilities. Any amount owing by the Borrower to the Bank under any such credit or loan agreement is deemed to be a Borrowing under this Agreement. This Agreement is in addition to, and not in replacement of, agreements for Other Facilities. Any and all Security that has been delivered to the Bank and which is included as Security in this Agreement shall remain in full force and effect, is expressly reserved by the Bank and shall apply in respect of all obligations of the Borrower under the Credit Facilities. The Bank expressly reserves all Security granted to the Bank by the Borrower to secure the Borrower's existing debt towards the Bank, should the execution of this Agreement effect a novation of said debt. Unless otherwise provided, all dollar amounts are in Canadian currency.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, in form and substance, and executed and registered to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

AVAILABILITY

Revolving facilities: The Borrower may borrow, convert, repay and reborrow up to the amount of each revolving facility (subject to Margin where applicable) provided each facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Non-revolving facilities: The Borrower may borrow up to the amount of each non-revolving facility provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

LOAN REVOLVEMENT

If the Credit Facilities include a revolving demand facility by way of RBP and/or RBUSBR based loans, the Borrower shall establish a current account in Canadian currency, and, where RBUSBR based loans are made available, in US currency (each a "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank to ascertain the balance of any General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) where the facility is indicated to be Bank revolved, if such position is a credit balance, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- c) where this facility is indicated to be Borrower revolved, if such position is a credit balance, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- d) Overdrafts and Bank revolved facilities by way of RBP Loans, or RBUSBR Loans, are not available on the same General Account.

REPAYMENT

- a) Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in or pursuant to this Agreement and shall be paid in the currency of the Borrowing. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.
- b) Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.
- c) In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs, if applicable, which are unmaturing or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings.
- d) Where any Borrowings are repayable by scheduled blended payments of principal and interest, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding with any balance of such Borrowings being due and payable as and when specified in this Agreement. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be.
- e) Borrowings repayable by way of scheduled payments of principal plus interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement.
- f) For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.
- g) Without limiting the right of the Bank to terminate or demand payment of or to cancel or restrict availability of any unused portion of any revolving demand tender loan facility, Borrowings by way of tender loans shall be repaid (i) if the tender is not accepted, by returning the relevant draft, or certified cheque, if applicable, to the Bank for cancellation or (ii) if the tender is accepted, by returning the relevant draft, or certified cheque, if applicable, once letters of guarantee or performance bonds are arranged. In the event such draft, or certified cheque, if applicable, is presented for payment, the amount of the draft, or certified cheque, if applicable, will be converted to an RBP based loan with an interest rate of RBP plus 5% per annum.
- h) Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.
- i) Except for Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%, or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity, demand

and judgement. For Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the same rate as the interest rate applicable to the principal amount of the Borrowings as specified in this Agreement.

- j) In the case of any reducing term loan and/or reducing term facility ("Reducing Term Loan/Facility"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("Renewal Letter") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the maturity date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings under any term facility are by way of RBP and/or RBUSBR based loans, the Borrower may prepay such Borrowings in whole or in part at any time without fee or premium.

Where Borrowings under any term facility are at a fixed interest rate, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage indicated in this Agreement of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of the Borrowing prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:
 - (i) the amount equal to three (3) months' interest payable on the amount of the fixed rate term facility Borrowing being prepaid, calculated at the interest rate applicable to the fixed rate term facility Borrowing on the date of prepayment; and
 - (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the current cost of funds for a fixed rate term loan with a term substantially similar to the remaining term and an amortization period substantially similar to the remaining amortization period of the fixed rate term facility Borrowing, each as determined by the Bank on the date of such prepayment;

plus:

- b) Foregone margin over the remainder of the term of the fixed rate term facility Borrowing. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the interest that would have been charged to the Borrower over the remaining term of the fixed rate term facility Borrowing;

plus:

- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event the Bank demands repayment of the outstanding fixed rate term facility Borrowing on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the Borrowings outstanding and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

CALCULATION AND PAYMENT OF INTEREST AND FEES

- a) The Borrower shall pay interest on each Overdraft, RBP and/or RBUSBR based loan monthly in arrears on the same day of each month as determined by the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- b) The Borrower shall pay interest on each fixed and/or variable rate term facility in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- c) The Borrower shall pay an LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency.
- d) The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency.
- e) Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity, demand and judgement.
- f) The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

- g) The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under this Agreement;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any person regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period

to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

JOINT AND SEVERAL / SOLIDARY

Where more than one Person is liable as Borrower, for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidary) with each other such Person.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition or provision contained in this Agreement, the Security or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership structure or composition or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower in any document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

LETTERS OF CREDIT AND/OR LETTERS OF GUARANTEE

Borrowings made by way of LCs and/or LGs will be subject to the following terms and conditions:

- a) each LC and/or LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC and/or LG, the Borrower shall execute a duly authorized application with respect to such LC and/or LG and each LC and/or LG shall be governed by the terms and conditions of the relevant application for such contract. If there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC and/or LG, the terms of the application for the LC and/or LG shall govern; and
- c) an LC and/or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC and/or LG has been obtained.
- d) LC and/or LG fees and drawings will be charged to the Borrower's accounts.

FEF CONTRACTS

Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. Should the Bank make FEF Contracts available to the Borrower, the Borrower agrees, with the Bank as follows:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;

- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;
- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank, which is the Borrower's branch of account, is located, and the laws of Canada applicable therein, as the same may from time to time be in effect. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("Confidential Information"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are "Borrowings";

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday in Canada or any Province thereof, or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"Current Assets" means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

"Current Liabilities" means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets);

"Current Ratio" means the ratio of Current Assets to Current Liabilities;

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Equity" means the total of share capital (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Financial Assistance" means any form of direct or indirect financial assistance of any other Person by means of a loan, guarantee or otherwise or any obligations (contingent or otherwise) intended to enable another Person to incur or pay any debt or comply with any agreements related thereto or to otherwise assure or protect creditors of another Person against loss in respect of debt or any other obligations of such other Person;

"Fixed Charge Coverage" means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures to Fixed Charges;

"Fixed Charges" means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

"Foreign Exchange Forward Contract" or "FEF Contract" means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank.

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances.

"Investment" means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

"Letter of Credit" or "LC" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

"Letter of Guarantee" or "LG" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

“Margin” or “Margined” means that the availability of Borrowings under the credit facilities will be based on the Borrower’s level of accounts receivable, inventory and Potential Prior Ranking Claims as determined by reference to regular reports provided to the Bank by the Borrower;

“Overdraft” means advances of credit by way of debit balances in the Borrower’s current account;

“Permitted Encumbrances” means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

“Person” includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

“Policy” means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

“Postponed Debt” means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

“Potential Prior-Ranking Claims” means all amounts owing or required to be paid, where the 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 Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

“RBP” and “Royal Bank Prime” each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

“RBUSTR” and “Royal Bank US Base Rate” each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

“Release” includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

“Tangible Net Worth” means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

“Total Liabilities” means all liabilities exclusive of deferred tax liabilities and Postponed Debt;

“Unfunded Capital Expenditures” means Capital Expenditures not funded by either bank debt or equity proceeds.

“US” means United States of America.

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("RBC Covarity Dashboard") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "Service"), then the following terms and conditions (the "RBC Covarity Dashboard Terms and Conditions") apply and are deemed to be included in, and form part of, the Agreement:

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse. Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate

access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.

Jason Sandhu

From: Jesse <hdsinv@gmail.com>
Sent: Wednesday, April 15, 2020 1:29 PM
To: Jason Sandhu
Subject: RBC approval

Jason

Confirmation of RBC approval via email below.

Regards,

Jesse L.
HDS Inv
1-604-619-1680

Is Exhibit " D " referred to in the
Affidavit of Jaswinder Singh Lally
sworn before me at Surrey, Bc.....
15th day of April 2020.....
A Commissioner for taking Affidavits
within British Columbia

Begin forwarded message:

From: "Kurji, Rahim" <rahim.kurji@rbc.com>
Date: April 14, 2020 at 11:30:43 AM PDT
To: Jesse <hdsinv@gmail.com>
Subject: RE: Grapevine FW: Court date

Jesse,

We have approved a term loan of \$550,000.

The agreement, security documents and conditions will be available by the end of the week, we have requested a rush but cannot guarantee that we will have it by Thursday.

Rahim

Rahim Kurji | Senior Account Manager, Commercial Financial Services | **RBC Royal Bank of Canada** |
T. 604.665.0234 F. 604.526.7861

Pub & Private Liquor Store Financing Specialist

626 Sixth Avenue, 2nd Floor | New Westminster, BC V3M 6Z2
Associate: Winnie Siu | T. 604.665.3191 | winnie.w.siu@rbc.com

For all your day-to-day service requests please contact your dedicated service team at 1 877.620.5151 (press 2 to select Service Team 2) or by email at serviceteam2@rbc.com

From: Jesse [<mailto:hdsinv@gmail.com>]
Sent: Tuesday, April 14, 2020 10:30 AM
To: Kurji, Rahim <rahim.kurji@rbc.com>
Subject: Fwd: Grapevine FW: Court date

Jason Sandhu

From: Jesse <hdsinv@gmail.com>
Sent: Wednesday, April 15, 2020 1:27 PM
To: Jason Sandhu
Subject: Bank account

Jason,

Confirmation of our bank balance as of today.

This is Exhibit " E " referred to in the
affidavit of Jesinder Singh Lally
sworn before me at Surrey, BC
this 15th day of April 2020

.....
*A Commissioner for taking Affidavits
Within British Columbia*

Accounts



Sign Out

Overview

Bank Accounts

\$1,090,702.86

Credit Cards

\$552.09

Investments

\$12,627.14

Loans & Mortgages

\$0.00

Deposit Accounts

Balance

Chequing (8848)

1,135.19 >

Chequing (9075)

USD 88.04 >

Chequing (6846)

1,035.10 >

Chequing (2729)

1,087,698.75 >

Savings (0042)

833.82 >

Savings (5139)

0.00 >

Total

CAD 1,090,702.86

USD 88.04

Credit Cards

Balance

VISA (1283)

552.09 >

Total

CAD 552.09

Regards,

Jesse L.
HDS Inv
1-604-619-1680