Court File No. CV-20-00649154-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

CLEARFLOW COMMERCIAL FINANCE CORP.

Applicant

- and -

TRIGGER WHOLESALE INC., THE EN CADRE GROUP INC., MARK GDAK, JAIMEE LYNN GDAK and JAIMAK REAL PROPERTIES INC.

Respondents

APPLICATION UNDER Sections 243(1) and 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C.1985, c. B-3, Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 and Rule 40.01 of the *Rules of Civil Procedure*

RESPONDING APPLICATION RECORD OF JAIMEE LYNN GDAK

(only on the issue of individual liability)

November 13, 2020

COHEN HIGHLEY LLP
Lawyers
One London Place
255 Queens Avenue, 11th Floor
London ON N6A 5R8

Benjamin G. Blay (62688Q)
blay@cohenhighley.com
Tel: 519-672-9330
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Lawyers for the Respondent
Jaimee Lynn Gdak

TO: SERVICE LIST

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AFFIDAVIT

I, Jaimee Lynn Gdak, of the City of Waterloo, in the Regional Municipality of Waterloo, **MAKE OATH AND SAY**:

1. I am one of the Respondents in this proceeding. Where statements are made on information and belief, or where from the context it appears that I rely upon the information provided by others, I verily believe such statements to be true.

2. I swear this Affidavit specifically in respect of the determination of the issue of my personal liability as requested in the Notice of Application and as required by the Order of McEwen J. dated October 22, 2020.

3. The co-respondent, Mark Gdak, is my spouse. Our family lives in the matrimonial home at 250 Lions Court in Waterloo, Ontario and we have resided there since 2005. We have two young children.

4. Any personal liability I had to the Applicant was released by the Applicant in or around May 2019. I note that the Notice of Application in this matter seeks liability as against me personally on the basis of a guarantee, which is Exhibit "A" to the Affidavit of Martin Nicholas Rees, sworn October 9, 2020.

5. I annex hereto as **Exhibit "A"** an e-mail dated May 16, 2019 from Martin Rees at Clearflow to Mark, produced to me by Mike Nero, one of the addressees of the e-mail. Neither Mark nor I have direct access to the records of Trigger presently, nor since the receivership has been in place. I annex hereto the 11 attachments to that e-mail:

(a) **Exhibit "B"** – "Trigger-MPSA (v2).PDF" : *Master Purchase and Sale Agreement Between Clearflow Commercial Finance Corp. and Trigger Wholesale Inc.*

(b) **Exhibit "C"** – "Trigger-Std Provisions to MPSA (v2).PDF" : *Standard Provisions to Master Purchase and Sale Agreement*

(c) **Exhibit "D"** – "Trigger-Master Purchase Order Financing Agt (v2).PDF" : *Master Purchase Order Financing Agreement*

(d) **Exhibit "E"** – "Trigger-GSA (v2).PDF" : *General Security Agreement*

(e) **Exhibit "F"** – "The En Cadre Group Inc-GSA (v2).PDF" : *General Security Agreement*

(f) **Exhibit "G"** – "Trigger-Notice of Assignment of AR (v2).PDF" : *Notice of Assignment of Accounts Receivable*

(g) **Exhibit "H"** – "Mark Gdak-Guarantee and Postponement (v1).PDF" : *Guarantee and Postponement*

(h) **Exhibit "I"** – "The En Cadre Group Inc-Guarantee and Postponement(v1).PDF" : *Guarantee and Postponement*

(i) **Exhibit "J"** – "Trigger-Termination of Royalty Agt (v2).PDF" : *Termination of Royalty Agreement*

(j) **Exhibit "K"** – "Trigger and guarantors-Acknow re Existing Security (v2).PDF" : *Acknowledgment Re Existing Security*

(k) **Exhibit "L"** – "Tigger [sic] Wholesale signed Proposal Letter 20190506.pdf" : *Proposal Letter*

6. I note the top of the fourth page of the Proposal Letter reads, "No Personal Guarantees moving forward from Jaimee Gdak." and the document appears to be signed by Martin Rees, director of the Applicant.

7. To my knowledge, these e-mails and documents were all exchanged in early May 2019. It appears from this documentation that the Applicant was represented by Torkin Manes LLP at the time these documents were delivered.

8. Mike Nero also produced a forwarded e-mail exchange that includes earlier May 2019 correspondence between Mark and Martin Rees, in which Mike Nero was an addressee. Annexed hereto as **Exhibit "M"** is a true copy of that e-mail and its attachments.

9. I note that the only guarantors indicated in any of these documents are Trigger Wholesale Inc., The En Cadre Group Inc., and Mark Gdak. I am not a guarantor of the

obligations of any of Trigger, En Cadre or Mark and I was specifically released from any such obligations when these documents were exchanged.

10. These proceedings are causing undue stress and hardship on me, to say nothing of my family. My daughter recently began having multiple seizures daily. She had to be taken out of school and I had to take her to the emergency room. She has been subjected to a battery of tests and is scheduled for an MRI next week. To date, doctors have not been able to explain these seizures. The initial diagnosis is suggesting epilepsy but the MRI next week will eliminate potentially more serious causes such as tumors, cancer or brain trauma. I have done what I can to keep the matters in these proceedings away from my children.

11. To the extent that the Applicant alleges I had knowledge of or was party to any alleged fraudulent conduct including the creation of alleged forged documentation, I specifically deny such knowledge or participation. I have no knowledge of the alleged fraudulent conduct alleged in the application materials.

12. I make this Affidavit specifically in respect of the determination of the issue of my personal liability as requested in the Notice of Application and as required by the Order of McEwen J. dated October 22, 2020 and for no other or improper purpose.

Sworn remotely by Jaimee Lynn Gdak of the City of Kitchener in the Regional Municipality of Waterloo, before me at the City of London in the County of Middlesex on November 13, 2020 in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely.*	
Commissioner for Taking Affidavits **BENJAMIN G. BLAY**	J Gdak **JAIMEE LYNN GDAK**

This is Exhibit "A" referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

From:	Martin Rees <MartinR@clearflowfinance.com>
Sent:	Thursday, May 16, 2019 8:33 AM
To:	Mark Gdak
Cc:	mike@melero.ca; Sandy Kanichis
Subject:	Agreement's for amended MPSA and MPOFA together with supporting documents
Attachments:	Trigger-MPSA (v2).PDF; Trigger-Std Provisions to MPSA (v2).PDF; Trigger-Master Purchase Order Financing Agt (v2).PDF; Trigger-GSA (v2).PDF; The En Cadre Group Inc-GSA (v2).PDF; Trigger-Notice of Assignment of AR (v2).PDF; Mark Gdak-Guarantee and Postponement (v1).PDF; The En Cadre Group Inc-Guarantee and Postponement (v1).PDF; Trigger-Termination of Royalty Agt (v2).PDF; Trigger and guarantors-Acknow re Existing Security (v2).PDF; Tigger Wholesale signed Proposal Letter 20190506.pdf
Importance:	High

Good morning Mark,

Please find attached documentation to reflect the signed proposal letter dated May 2nd 2019 and signed May 6th 2019.
I shall under separate email forward to you the existing signed documents for Brian Kelly's reference/convenience.
The documents are basically the same template with changes to reflect the agreed Proposal Letter of May 2nd.
There is an Acknowledgement re Existing Security with the documents attached.
The Royalty Agreement will be terminated by the proposed amended Master Purchase and Sale Agreement.
The Guarantee's have been updated and our now our standard document.
Jeffrey Alpert of Torkins Manes LLP is acting for Clearflow Commercial Finance Corp. I take this opportunity to forward his contact details:-

Jeffrey Alpert
Legal services provided through Jeffrey Alpert Professional Corporation
Tel: 416-777-5418
Fax: 1-888-823-9019
jalpert@torkinmanes.com
VCard

Torkin Manes LLP
Barristers & Solicitors

151 Yonge Street, Suite 1500
Toronto ON M5C 2W7
torkinmanes.com

If you have any queries, please do not hesitate to contact me.

I will be away from the office next week, but will be available and online to deal with any matters arising – as a priority

Kind regards

Martin N Rees

clearflow

217 Speers Road Unit 3, Oakville, Ont., L6K 0J3
Tel. and Fax: 416-455-8340 or 888-551-1518

Cell: 416-894-7946

Martinr@clearflowfinance.com

This is Exhibit "B" referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

217 Speers Road, Unit 3 • Oakville • Ontario • L6K 0J3 • 416-455-8340 F • 416-455-8340

MASTER PURCHASE AND SALE AGREEMENT

BETWEEN

CLEARFLOW COMMERCIAL FINANCE CORP.

AND

TRIGGER WHOLESALE, INC.

THIS Master Purchase and Sale Agreement is made as of May ________ , 2019 by and between ClearFlow Commercial Finance Corp. ("ClearFlow") and Trigger Wholesale, Inc. ("Seller"). All capitalized terms in this Master Purchase and Sale Agreement shall have the meanings given to them as herein or in the Standard Provisions applicable to this Master Purchase and Sale Agreement ("Standard Provisions"), or if not defined herein or in the Standard Provisions as they may be defined in the *Personal Property Security Act* (Ontario) (the "PPSA"), unless the context otherwise requires

A. Parties.

1. ClearFlow is a corporation existing under the laws of Canada and has its place of business located at 217 Speers Road, Unit 3, Oakville, Ontario L6K 0J3.
2. Seller is a corporation and has its place of business located at 588 Colby Drive, Unit 1, Waterloo, Ontario N2V 1A2. ClearFlow and Seller are sometimes collectively referred to herein as the "Parties."

B. Terms of Master Purchase and Sale Agreement and Construction.

The Parties intend that this Master Purchase and Sale Agreement and the Standard Provisions, a copy of which Seller acknowledges it has heretofore received and which is affixed hereto, shall be construed and interpreted as a single integrated and complete agreement between the Parties under which, among other things, the Seller will offer for sale its Accounts to ClearFlow. Hereafter, this Master Purchase and Sale Agreement and the Standard Provisions shall be collectively referred to as the "MPSA."

C. Commencement of Term.

The MPSA shall be effective as of the day and year first written above. The MPSA is for an initial term of thirty-six (36) months from the effective date, and thereafter shall renew for successive twelve (12) month periods on each anniversary hereof unless one party gives the other party ninety (90) days prior written notice of its intent to not renew on any anniversary date. Notwithstanding the foregoing, ClearFlow may terminate this MPSA immediately upon the occurrence of an Event of Default or at any other time at ClearFlow's option upon a thirty (30) day prior written notice given by ClearFlow to the Seller.

D. Definitions.

1. In addition to those terms defined in Section 18 of the Standard Provisions, the following terms shall have the following meanings:

_______________Seller

__________ClearFlow

1.1 “Advance Rate” means an amount, as determined by ClearFlow in its sole discretion, of up to eighty-five percent 85%) of the Aggregate Net Face Value of Accounts identified in each Assignment Schedule provided by Seller to ClearFlow.

1.2 “Chargeback Fee” means a fee in the amount of $250.00 in respect of each Account Purchased which is not for any reason paid by the applicable customer of the Seller within ninety (90) days of the applicable invoice date and is not repurchased by the Seller from ClearFlow within three (3) days after ClearFlow

requests that Seller so repurchase the applicable Account Purchased. The Chargeback Fee is due and payable on the third day immediately following the date that ClearFlow requests that the applicable Account Purchased be repurchased if the applicable Account Purchased is not repurchased by such date;

1.3 “Due Diligence Fee” means a fee charged to compensate ClearFlow’s evaluation of the transaction and the expenses incurred to document the transaction and is payble in the amount of zero dollars (0) from the initial Accounts Purchased.

1.4 “Fees” mean collectively:

(a) the Chargeback Fee;

(b) the Due Diligence Fee;

(c) the Misdirected Payment Fee;

(d) the Liquidation Administration Fee;

(e) an administration fee (the “Administration Fee”) in the amount of one point ninety-five percent (1.95%) of the face value of each Account Purchased, for the initial thirty (30) days. The Administration Fee will increase or decrease to reflect any change in the Prime Rate above or below its current rate of three point ninety-five percent (3.95%), becoming effective on the first day of the month following the date the Prime Rate change comes into effect.

(f) an additional administration fee (“Additional Administration Fee”) in the amount of one point zero percent (1.0%) of the face value of each Account Purchased for every thirty (30) days from and including the 30th day after an Account Purchased remains unpaid, or partial increment thereof until each Account Purchased is paid. The Additional Administration Fee will increase or decrease to reflect any change in the Prime Rate above or below its current rate of three point ninety-five percent (3.95%), becoming effective on the first day of the month following the date the Prime Rate change comes into effect.

_______________Seller

__________ClearFlow

(g) a fee (the "Over 90 Day Fee") in the amount of one percent (1%) for each Account Purchased for which Seller has received an Advance, which Account Purchased represents any invoice outstanding over ninety (90) days from date of invoice and which fee shall continue at a rate of one percent (1%) each thirty (30) days or any portion thereof for as long as such Account Purchased remains over ninety (90) days old; and

(h) any other fees payable by the Seller to ClearFlow in accordance with the MPSA.

1.5 "Maximum Debtor Concentration" means in respect of a single Account Debtor at any time, twenty-five percent (25%) of the Seller's total outstanding funded Accounts Purchased at such time.

1.6 "Maximum Sale Terms" means sixty (60) days from the date of the invoice.

1.7 "Minimum Assignment Schedule Amount" for the Seller means one thousand Canadian dollars ($1,000).

1.8 "Near Cash Terms" means any Account which is paid in full within seven (7) calendar days of the completion of work and/or services rendered by Seller in connection with such Account.

1.9 "Prime Rate" means the prime lending rate in effect from time to time as a reference rate of Toronto-Dominion (TD) Bank for loans in Canadian dollars.

1.10 "Total Maximum Facility" means twenty-seven million five hundred thousand Canadian dollars ($27,500,000).

E. <u>Fees</u>

The Seller agrees to pay to ClearFlow when due the following Fees:

(a) the Chargeback Fee

(b) the Due Diligence Fee;

(c) the Misdirected Payment Fee;

(d) the Liquidation Administration Fee;

(e) the Administration Fee which shall become due and payable in respect of each Account Purchased on the date that ClearFlow purchases such Account Purchased;

(f) the Additional Administration Fee, which shall, if applicable, become due and payable on the first day of each applicable 30-day period; and

_______________Seller

__________ClearFlow

(g) the Over 90 Day Fee which shall become due and payable monthly upon demand by ClearFlow.

Unless otherwise provided in the MPSA all Fees are chargeable against Seller's Available Funds, and at the option of ClearFlow payable on demand.

F. **Additional Conditions.**

See attached Addendum 1 and/or Appendix 1.

G. **Execution.**

IN WITNESS WHEREOF the Parties hereto have caused this MPSA to be duly executed by their respective authorized officers as of the day, month and year first written above.

CLEARFLOW COMMERCIAL FINANCE CORP.

BY: ____

TITLE: President
NAME: Glenn Petersen

TRIGGER WHOLESALE, INC.

BY: ____
TITLE: President
NAME: Mark Gdak

_______________Seller

__________ClearFlow

ADDENDUM 1

EARLY TERMINATION FEE

This MPSA and the Master Purchase Order Financing Agreement bearing even date herewith between the Seller and ClearFlow (the "P.O. Agreement") shall be on a coterminous basis. In the event that either the MPSA or the P.O. Agreement is terminated during their term, the Seller shall pay an early termination fee to ClearFlow as follows:

1. If the Seller terminates within the initial twelve (12) months of the initial term of thirty-six (36) months, the early termination fee shall be equal to all fees paid by the Seller to ClearFlow under the MPSA and the P.O. Agreement over the most recent twelve (12) months period ended;

2. If the Seller terminates within the initial twenty-four (24) months, but after the initial twelve (12) months, of the initial term of thirty-six (36) months, the early termination fee shall be equal to all fees paid by the Seller to ClearFlow under the MPSA and the P.O. Agreement over the most recent six (6) months period ended; and

3. If the Seller terminates within the initial thirty-six (36) months, but after twenty-four (24) months, of the initial term of thirty-six (36) months, the early termination fee shall be equal to all fees paid by the Seller to ClearFlow under the MPSA and the P.O. Agreement over the most recent three (3) months period ended.

CONDITION PRECEDENT

This MPSA and the P.O. Agreement shall not become effective until the following condition has been fulfilled, satisfied and performed in a manner completely satisfactory to ClearFlow:

1. ClearFlow shall have received a copy of the most recent financial statements of the Seller on a review engagement basis.

34656.0004/12608047_.2

_______________Seller

___________ClearFlow

This is Exhibit "C" referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

STANDARD PROVISIONS TO
MASTER PURCHASE AND SALE AGREEMENT

These Standard Provisions (hereafter "Standard Provisions") shall be construed in conjunction with the Master Purchase and Sale Agreement made as of May _____, 2019 by ClearFlow Commercial Finance Corp. ("ClearFlow") and Trigger Wholesale, Inc. ("Seller") and both documents shall be deemed one final integrated agreement (hereinafter collectively the "MPSA").

1. Pursuant to the terms and conditions set forth in the MPSA, ClearFlow shall have the option to purchase from Seller, and Seller shall assign and offer for sale and factoring to ClearFlow, as Seller's sole and exclusive factor and as absolute owner of all of Seller's right, title and interest in and to: (i) Seller's now existing and hereafter created Accounts together with all corresponding rights with respect thereto, including without limitation, full power to collect, sue for, compromise, assign, in whole or in part, or in any other manner enforce collection thereof in ClearFlow's name or otherwise; (ii) the Goods and/or services sold giving rise to each such Account; (iii) all Goods returned by any customer in connection with the Accounts; (iv) all remedies available to Seller including rights of stoppage in transit, repossession, and reclamation; (v) all deposits or other security relating to the Accounts; (vi) all rights under any insurance policy covering any Goods giving rise to the Accounts; and (vii) all payments or other proceeds of the foregoing in any form. All Accounts shall be submitted to ClearFlow and shall be listed on an Assignment Schedule that shall be in a form satisfactory to ClearFlow, as may be modified from time to time, and shall be delivered to ClearFlow with; (a) identical duplicates of each invoice evidencing the terms of each Account (the originals having been mailed by Seller to Seller's customers at Seller's expense or at ClearFlow's election originals shall be delivered to ClearFlow for forwarding to Seller's customers); (b) all original shipping or delivery receipts, including, but not limited to, bills of lading; and (c) such other documents and proofs of delivery of merchandise or rendition of services as ClearFlow may require (hereinafter the documents in (a) – (c)above shall collectively be referred to as "Supporting Documentation".

2. Upon ClearFlow's decision to purchase the Accounts listed on an Assignment Schedule, or any portion thereof, ClearFlow shall pay to Seller an Advance against the Purchase Price based on the Advance Rate. Thereafter, as soon as Available Funds arise with regard to Accounts Purchased, the Available Funds will be distributed to Seller upon request. Unless otherwise provided in writing and signed by ClearFlow: the maximum total aggregate amount of outstanding Advances at any given time shall not exceed (a) the Total Maximum Facility (however, Seller shall not be excused from any obligation under the Agreement if ClearFlow makes any Advance in excess of the Total Maximum Facility), and (b) the Aggregate Net Face Value of all Accounts offered for sale within each Assignment Schedule.

_______________Seller

__________ClearFlow

3. As compensation for ClearFlow's services hereunder, Seller shall pay and ClearFlow shall be entitled to receive all Fees payable hereunder and under the MPSA including, without limitation, Administration Fees for each Account Purchased based upon the number of days elapsed between the date of purchase by ClearFlow and the date of collection of each such Account Purchased. The date of collection shall be ClearFlow's date of receipt of payment. Seller may not grant any extension of the Maximum Sale Terms to any Account Debtor without ClearFlow's prior written approval and if extended terms are authorized, ClearFlow reserves the right to increase its Administration Fee by 1.00% for each additional 30-day period or portion thereof. Fees, expenses or Obligations that Seller may come to owe to ClearFlow at all times are either chargeable against Seller's Available Funds, or at ClearFlow's option, payable to ClearFlow by Seller upon demand.

4. Seller, and those principals of Seller authorized by ClearFlow to execute any Assignment Schedule, each make the following warranties representations and covenants to ClearFlow upon the delivery of each Assignment Schedule:

   (a) Seller is either a corporation, partnership or sole proprietor, and if a corporation or partnership, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and qualified and authorized to do business and in good standing in all jurisdictions in which such qualifications and good standing are necessary or desirable;
   (b) Seller has offered for sale to ClearFlow all Accounts, other than Near Cash Terms Accounts, created since the last Assignment Schedule;
   (c) Seller is the sole and absolute owner of each Account offered for sale, each Account offered for sale is sold free and clear of any liens, security interests, or encumbrances and all Supporting Documentation has been duly issued prior to Seller's delivery of each Assignment Schedule;
   (d) Seller has the full legal right to sell, assign and transfer each Account offered for sale and such sale, assignment and transfer thereof does not contravene or conflict with the terms of any other agreement, commitment or instrument to which Seller is a party; and upon Seller's delivery of each Assignment Schedule, there will vest in ClearFlow all of Seller's right, title and interest in and to each Account Purchased;
   (e) All terms governing each Account are accurately reflected in the Supporting Documentation and each Account is undisputed and represents a sum certain owed by an Account Debtor, without offset or counterclaim, which sum is due and payable not later than the Maximum Sale Terms, each invoice plainly states on its face, in a form acceptable to ClearFlow, that each Account offered for sale is payable only to ClearFlow (or such other language that ClearFlow may from time to time require) and no Account offered for sale has any express or implied condition giving use to a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or any right to return basis;
   (f) Each Account represents a bona fide sale, delivery and acceptance of merchandise or full and complete performance of service to an Account Debtor;
   (g) Seller is not and has at no time been affiliated with and does not own, control, or exercise dominion, in any way whatsoever, over any Account Debtor;
   (h) Each fact in any financial record, statement, books and records or other documents Seller has shown to ClearFlow, either before or after the execution of the MPSA were true and accurate and no information has since come to Seller's attention to materially affect same;
   (i) Seller is not Insolvent;
   (j) Unless authorized by ClearFlow, in writing, no financing statement identifying Seller as Debtor, except to ClearFlow, has at any time during the term of the Agreement been authorized or filed in any public office;

_______________Seller

__________ClearFlow

(k) Seller's principal place of business is accurately set forth in the MPSA. Seller maintains all of its books and records relating to its Accounts at such place, and Seller has not changed and will not change its mailing address or office in which Seller's records are kept without first giving ClearFlow written notice thereof;

(l) Seller has no Parent, Affiliate and/or Subsidiary other than as disclosed in writing to ClearFlow;

(m) No Account Purchased or any payment made with regard thereto will at any time during or after termination of the MPSA be voidable by any trustee-in-bankruptcy or by any creditor of Seller whether under provincial or federal law, as a preference, fraudulent conveyance or otherwise;

(n) Each Account Purchased shall be absolutely enforceable against Seller's Account Debtor in accordance with the express terms of the invoice, including as to price, terms delivery, guaranty or quality;

(o) Except as heretofore disclosed in writing to ClearFlow, Seller has no delinquent federal provincial and/or local taxes and in the event Seller permits or suffers any delinquent taxes it shall pay all such delinquent taxes within ten days after Seller receives notice of, or is otherwise advised of, same;

(p) Seller has contemporaneously as to each Account Purchased, made the proper entry on its books and records recording the absolute sale of such Accounts to ClearFlow.

(q) Seller is fully responsible for the acts, omissions and/or defalcations of its employees in the event that any employee, including any agent, representative or assign, fails to deliver any cheque or other payment belonging to ClearFlow;

(r) The aggregate amount of Accounts Purchased payable by any single Account Debtor does not exceed the debtor credit limit as approved in writing by ClearFlow;

(s) Seller has instructed its Parent, and each Subsidiary and Affiliate entity that they may not sell or factor any of their Accounts to any entity other than ClearFlow without first obtaining ClearFlow's consent;

(t) No inventory, equipment or other asset of Seller has been sold outside the ordinary course of business except with ClearFlow's prior written consent;

(u) Each individual that executes and delivers the Assignment Schedule has the power and authority to do so on behalf of Seller;

(v) Seller has immediately (and in any event not more than twenty-four (24) hours upon receipt of notification of information) notified ClearFlow of any Dispute, return, rejection, loss of or damage to merchandise, any request made by an Account Debtor for an extension of time to pay or any fact or circumstance with respect to any Account Purchased or Account which is likely to affect the sum owing thereon; and

(w) Seller shall: (a) keep proper books of account in accordance with Canadian generally accepted accounting principles and practices, consistently applied; (b) promptly furnish to ClearFlow by the 15th of each month (excepting externally prepared annual financial statements which shall be ninety (90) days after year end), such financial information and statements relating to the Seller as ClearFlow may from time to time require; and (c) permit ClearFlow and its authorized agents, upon reasonable notice and during normal business hours, to examine the books of account and other records of Seller, including, without limitation, banking records and statements, and income, sales and excise tax records and statements, and to have temporary custody thereof and to make copies and extracts thereof.

(x) Seller shall at all times execute and deliver to ClearFlow any and all documents that ClearFlow deems desirable or necessary to effectuate the provisions of the MPSA.

Each of the warranties, representation and covenants above shall be deemed renewed upon the submission to ClearFlow of each Assignment Schedule and all representations, warranties and covenants above shall survive any termination of the Agreement.

______________Seller

__________ClearFlow

5. All Accounts sold to and purchased by ClearFlow are with full recourse to Seller and at Seller's sole credit risk. Accordingly, ClearFlow shall have the right to demand a Chargeback at any time of Accounts Purchased either before or after maturity. In the event of Chargeback, Seller agrees to pay ClearFlow the full amount thereof, and failing to do so, Seller shall be responsible for all damages, including all expenses incurred by ClearFlow in attempting to collect or enforce payment of such Accounts Purchased. If Seller fails to pay for a Chargeback Account, in addition to ClearFlow's right to receive its other Fees set forth in the MPSA, ClearFlow shall be entitled to charge a Chargeback Fee. Seller agrees that it may not grant any allowance, credit or adjustment to an Account Debtor, or accept any return of merchandise, without express prior written consent of ClearFlow. ClearFlow may, at its option, settle and/or compromise any Dispute without incurring any liability to Seller so long as the compromise is done in good faith. ClearFlow, as the sole and absolute owner of the Accounts Purchased, shall have the sole and exclusive power and authority to collect each such Account Purchased, through legal action or otherwise, and exercise, to the maximum extent permitted by applicable law, any other right now existing or hereafter arising with respect to any of such Accounts Purchased

6. Without prejudice to ClearFlow's rights as a purchaser of the Accounts, Seller hereby agrees to grant to ClearFlow, as continuing collateral security for all present and future Obligations owing to ClearFlow, a security interest in all of Seller's existing and after acquired personal property, including (without limitation) all Chattel Paper, Equipment, Intangibles, Inventory, Instruments, and all Accounts including all of Seller's books and records evidencing and/or related to all Accounts, as well as all of Seller's software programs, stored data, aging schedules and customer lists. As soon as the MPSA is executed, Seller shall notify all Account Debtors, as directed by ClearFlow, to ensure that all of Seller's Account(s), whether or not purchased by ClearFlow, shall be paid directly to ClearFlow, at either its address set forth in the MPSA or any other address that ClearFlow may elect to use for the receipt of Account Debtor payments. Such notification shall include a notation on Seller's invoices of the fact that, inter alia, the Account has been sold and assigned to ClearFlow and that payment is due exclusively to ClearFlow ("Payment Notation"). ClearFlow shall have the right at any time, either before or after the occurrence of an Event of Default and without notice to Seller, to notify any or all Account Debtors of the assignment to ClearFlow and to direct such Account Debtors to make payment of all amounts due or to become due to Seller directly to ClearFlow. As to any Account proceeds that do not represent Accounts Purchased, and so long as Seller is not in default, ClearFlow shall be deemed to have received any such proceeds of Accounts as a pure pass-through for and on account of Seller. Seller authorizes ClearFlow to file any financing statements or other instruments that ClearFlow deems appropriate to perfect ClearFlow's ownership rights and security interest(s) granted hereunder without further authorization from Seller.

7. ClearFlow may accept payments on account from Account Debtors, and deposit remittances as received, irrespective of any deductions or notations, the whole without affecting or reducing Seller's liability to ClearFlow in respect of any amounts not paid by the Account Debtor. Any payments received by ClearFlow from or on behalf of an Account Debtor with more than one outstanding Account Purchased may be applied by us against such Account Purchased owing by that Account Debtor as ClearFlow consider appropriate notwithstanding any allocation made by the Account Debtor.

8. Seller irrevocably appoints ClearFlow as its attorney and agent in fact with power to: (a) file any financing statements, amendments or other filings; (b) strike Seller's address from any

______________Seller

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correspondence to any Account Debtor and insert ClearFlow's address; (c) receive, open and discard all mail addressed to Seller at ClearFlow's address; (d) endorse the name of Seller or Seller's trade name on any cheque or other evidence of payment payable to Seller that may come into the possession of ClearFlow; (e) demand, sue for, compromise and/or collect any and all moneys due to Seller; (f) compromise, prosecute or defend any action, claim or proceeding as to the Accounts; and (g) send notices, demand or requests to the Account Debtor in the name of Seller for any purpose whatsoever deemed necessary or desirable by ClearFlow including, without limitation, notices regarding payment instructions or seeking estoppel information on the Accounts. The Power of Attorney granted to ClearFlow herein shall be deemed to be coupled with an interest and, therefore, irrevocable until all Accounts Purchased are paid in full and all Obligations to ClearFlow are satisfied.

9. The MPSA shall enure to the benefit of and is binding upon the parties, together with their respective heirs, executors, administrators, successors, and assigns. Seller may neither assign any of its rights nor delegate any of its duties under the MPSA to any party without the express prior written consent of ClearFlow which consent shall be in ClearFlow's sole and exclusive discretion. ClearFlow may assign its rights and obligations under this Agreement without the consent of Seller. The MPSA contains the entire understanding of the parties hereto and no amendment, modification or waiver with respect to any provision of the Agreement will be effective unless the same is in writing and signed by ClearFlow. No failure or delay on ClearFlow's part in exercising any right, power or remedy granted to ClearFlow hereunder will constitute or operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right set forth herein.

10. The MPSA shall in all respects be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All disputes arising under the MPSA will be referred to the Courts of the Province of Ontario and the Parties irrevocably submit to such jurisdiction.

11. At no time shall ClearFlow owe any duty or obligation to any Account Debtor in connection with the Goods or services sold or Accounts Purchased. Seller agrees to indemnify ClearFlow against any liability, loss or expense caused by, or arising out of, any costs or expenses and any liability that may arise due to an action or other proceeding brought by an Account Debtor or third party against ClearFlow in connection with the collection of any Account, the rejection or revocation of merchandise or disputes with respect to any services of every kind and nature by an Account Debtor.

12. Should Seller receive payment of all or any portion of any Account Purchased, or after an Event of Default has occurred, should Seller receive payment by wire transfer of all or any portion of any Account, Seller shall immediately notify ClearFlow of the receipt of the payment, hold said payment in trust for ClearFlow separate and apart from Seller's own property and funds, and shall deliver said payment to ClearFlow within one (1) business day of receipt in the identical form in which received. Should Seller receive any cheque or any other payment instrument with respect to an Account Purchased, or after an Event of Default has occurred, or should Seller receive any cheque or other payment instrument with respect to any Account and fail to surrender and deliver to ClearFlow said cheque or payment instrument within two (2) business days of receipt, ClearFlow shall be entitled to charge Seller a Misdirected Payment Fee to compensate ClearFlow for the additional administrative expenses that the Parties acknowledge are reasonably likely to be incurred as a result of a breach of this section. In the event any Goods, the sale of which gave rise to an Account Purchased, are returned to or repossessed by Seller, such Goods shall be held by Seller in trust for ClearFlow, separate and apart from Seller's own property and subject to ClearFlow's sole discretion and control.

_______________Seller

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13. An Event of Default shall be deemed to have occurred under the MPSA upon the happening of any of the following:

(a) Seller shall fail to pay when due any Obligation;
(b) The Seller ceases to carry on business, makes a bulk sale of its assets, commits any act of bankruptcy, becomes Insolvent, goes into liquidation, or make a compromise or general assignment for the benefit of its creditors;
(c) A bankruptcy petition is filed or presented against the Seller, a receiver takes possession of any of the Seller's assets, or any proceedings with respect to the Seller are commenced under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other legislation of similar effect;
(d) Any lien, garnishment, attachment or the like shall be filed, occur, arise or attach to any portion of the Seller's assets and the same is not released within the ten (10) days;
(e) A judgment is entered against Seller in excess of ten thousand dollars ($10,000.00), unless the same is satisfied within (30) days after the date of entry thereof or an appeal or appropriate proceeding for review thereof is taken within such period and a stay of execution pending such appeal is obtained;
(f) Seller shall fail to perform any material duty under the MPSA or the Supporting Documentation or Seller breaches, or there becomes untrue, any warranty, representation or covenant set forth herein or therein;
(g) Any Assignment Schedule, report, certificate, financial statement, or other document furnished by Seller to ClearFlow, or by any other person on behalf of Seller, is untrue, incorrect or becomes untrue or incorrect in any material respect;
(h) Seller shall fail to pay any federal or provincial tax or fail to timely file any tax return as and when due;
(i) A material adverse change occurs in Seller's financial condition, as determined by ClearFlow in its sole discretion, business or operations including any change in management or ownership without ClearFlow's prior written consent;
(j) ClearFlow deems itself insecure and has reasonable cause to believe that the prospect of Seller's performance under the MPSA appears jeopardized or if ClearFlow deems itself insecure and has reasonable cause to believe that the prospect of performance by any guarantor of the Obligations appears jeopardized regardless of Seller's performance; or
(k) An event of default shall have occurred and be continuing under the Other ClearFlow Transaction.

Upon the occurrence of an Event of Default, all Obligations shall be immediately due and payable, ClearFlow shall have the right, at its discretion, to cease further consideration of Accounts for purchase and to terminate the MPSA all of which may be done without notice to Seller and ClearFlow may immediately exercise all rights and remedies under the MPSA and at law. If an Event of Default occurs due to the filing of a tax lien or levy, until such lien or levy is satisfied and discharged, ClearFlow shall be entitled to withhold any sum(s) that may otherwise be due to Seller and may remit same to the taxing authority. Moreover, Seller agrees that until the tax lien or levy is satisfied or discharged, ClearFlow shall be entitled to collect all proceeds of Accounts and apply such proceeds to any Obligations. Nothing contained herein shall suspend or abate any performance due to ClearFlow. Notwithstanding termination, all Obligations shall remain unconditionally due and owing and any amounts due shall accrue interest at the maximum rate allowable by law until all Accounts Purchased have been paid and all Obligations due to ClearFlow have been fully satisfied. In addition, ClearFlow shall be authorized to notify each bank or other financial institution in which Seller

______________Seller

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maintains an account that so much of the funds necessary to cure Seller's breach shall be set aside to and for the exclusive benefit of ClearFlow. Seller shall be obligated for the Missing Payment Notation Fee on any Account Purchased in which the invoices issued by Seller to an Account Debtor do not contain the Payment Notation. Seller shall pay to ClearFlow a Liquidation Administration Fee for each Account Purchased and outstanding at any time during a Liquidation Period. Seller shall hold ClearFlow harmless against any claim(s) or damage(s) that might arise as a result of ClearFlow's notification unless it can be shown that ClearFlow acted in bad faith. In addition, ClearFlow shall be entitled to equitable relief without having to establish an inadequate remedy at law or other grounds except that the Collateral is subject to being dissipated and such equitable relief may include injunctive or receivership remedies. Seller waives any right it may be entitled to, including an award of legal fees or costs, in the event any equitable relief sought by and award to ClearFlow is thereafter, for whatever reason(s), vacated, dissolved or reversed. Seller agrees to reimburse ClearFlow for all reasonable legal fees, court costs and other expenses incurred by ClearFlow in the enforcement of the MPSA including, but not limited to, protecting or enforcing its interest in the Accounts Purchased, the Collateral or in connection with any bankruptcy or insolvency proceeding involving Seller. Notwithstanding the existence of any law, statute or rule, in any jurisdiction that may provide Seller with a right to legal fees or costs, Seller hereby waives any and all rights to hereafter seek legal fees or costs thereunder and Seller agrees that ClearFlow exclusively shall be entitled to indemnification and recovery of any and all legal fees or costs in respect to any litigation based hereon, arising out of, or related hereto, whether under, or in connection with, this and/or any agreement executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party. All post-judgment interest shall bear interest at the Post Judgment Rate. Upon the occurrence of an Event of Default, all of Seller's rights of access to ClearFlow's online services shall be provisional pending Seller's curing of all such Events of Default. During such period of time, ClearFlow may limit or terminate Seller's access to ClearFlow's online services.

14. Seller's sole remedy for any breach alleged to have been committed by ClearFlow of any obligation or duty owed under the MPSA, any other agreement between Seller and ClearFlow or any duty or obligation arising out of or related to the MPSA shall be limited to Available Funds at the time notice of such breach is first given to ClearFlow, in writing. Under no circumstances shall ClearFlow be liable for any incidental, special or consequential damages, including, but not limited to, loss of goodwill, loss of profit, or any other losses associated therewith, whether or not ClearFlow had any reason to know of a loss that may result from any general or particular requirement of Seller. After the occurrence of an Event of Default, the Parties acknowledge that it shall be deemed commercially reasonable for ClearFlow to refrain from collecting or attempting to collect any Account or Account Purchased in its sole discretion including without limitation any Account subject to a Dispute. Furthermore, in the event that ClearFlow undertakes to collect from or enforce an obligation of an Account Debtor or other person obligated on Collateral and determines in its sole discretion that the possibility of collection is outweighed by the likely costs and expenses that will be incurred, ClearFlow may cease any further collection efforts and such action shall be considered commercially reasonable. Before Seller may, under any circumstances, seek to hold ClearFlow responsible for taking any action that is not commercially reasonable, Seller shall be required to first advise ClearFlow in writing of all reasons why Seller believes ClearFlow has acted in a manner that is not commercially reasonable and further advise ClearFlow of the action that Seller believes ClearFlow should take which would be commercially reasonable.

15. Seller acknowledges that the relationship under the Agreement is principally that of seller and purchaser and that there is not now, and Seller will at no time seek or attempt to establish, any

_______________Seller

___________ClearFlow

fiduciary [or confidential] relationships between ClearFlow and Seller. The Seller waives any right to assert, now or in the future, the existence or creation of any fiduciary [or confidential] relationships between ClearFlow and Seller in any action or proceeding (whether by way of claim, counterclaim, cross claim or otherwise).

16. All of ClearFlow's electronically maintained data, all hard-copy print-outs of such data, including all of ClearFlow's books and records and all other data in relation thereto between ClearFlow and Seller shall be admissible in evidence without objection by Seller as prima facie evidence of the status of the Accounts Purchased and Obligations due to ClearFlow. Each statement, report , or accounting rendered or issued by ClearFlow to Seller shall be deemed conclusive, accurate and binding on Seller unless within fifteen (15) days after the date of issuance or of the date such information is posted or otherwise made available on ClearFlow's internet website, whichever is earlier, Seller notifies ClearFlow to the contrary by registered mail, setting forth with specificity the reasons why Seller believes such statement, report, accounting is inaccurate, as well as what Seller believes to be correct amount(s). Seller's failure to receive any monthly statement shall not relieve it of the responsibility to request such statement or otherwise excuse Seller from access to ClearFlow's website and Seller's failure to do so shall nonetheless bind Seller to ClearFlow's records or website reports.

17. This MPSA will remain in effect for the entire Term, which Term will be automatically extended for successive periods in accordance with Section C of the MPSA. Any notice of termination by Seller, however, and notwithstanding payment in full of all Obligations by Seller, is conditioned on Seller's delivery to ClearFlow of a general release in a form reasonably satisfactory to ClearFlow. ClearFlow shall not be required to record any termination or provide discharges of ClearFlow's security interest in any Collateral unless and until Seller has provided such general release. Any termination of the MPSA shall not affect ClearFlow's security interest in any Collateral or ClearFlow's ownership of the Accounts Purchased, and the MPSA shall continue to be effective, until all transactions entered into and Obligations incurred have been completed and satisfied in full.

18. In the MPSA the following terms used herein shall have the following meanings:

"Account", **"Chattel Paper"**, **"Equipment"**, **"Goods"**, **"Intangibles"**, **"Inventory"** and **"Instruments"** shall have the meaning ascribed to such term in the PPSA.

"Account Debtor" means a person obligated on an Account or on Chattel Paper.

"Accounts Purchased" means all Accounts that are offered for sale to ClearFlow and purchased by ClearFlow regardless of whether an Advance is made against an Account.

"Advance" means the amount ClearFlow may pay Seller upon delivery of Accounts offered for sale based upon the applicable Advance Rate.

Aggregate Net Face Value" shall mean the face amount of all Accounts identified on an Assignment Schedule less any allowances, discounts or deductions available to a customer or any other deduction that Seller may make available.

"Assignment Schedule" means the form of cover page that shall be used by Seller to offer ClearFlow Accounts for sale.

_____________Seller

_________ClearFlow

"Available Funds" means amounts received as payment of Accounts Purchased less (i) all Advances; (ii) any returns, credits, allowances and discounts calculated upon shortest or longest selling terms, at ClearFlow's option, on any alternative terms of sale offered by Seller to Account Debtors; (iii) any and all expenses arising in connection with the MPSA including, but not limited to, charges for credit insurance, due diligence expenses that may be required to ascertain the creditworthiness of Seller or Seller's Account Debtors, wire transfer or other financial institution fees and any applicable Field Review or Audit expenses; and (iv) any amount held by ClearFlow to secure any Obligation.

"Chargeback" means the Seller's obligation to repurchase any Purchased Account which obligation is triggered immediately upon demand for such repurchase made by ClearFlow at any time in its sole discretion.

"Collateral" means all assets of Seller in and to which Seller has granted to ClearFlow a security interest..

"Dispute" means any alleged, whether or not bona fide, defense, counterclaim, offset, dispute or other claim asserted by an Account Debtor regarding any Account Purchased.

"Event of Default" refers to those events described in section 13 of these Standard Provisions.

"Field Review or Audit Expenses" means the expenses associated with ClearFlow's personal inspection of Seller's books and records or other information the cost of which shall be advised by ClearFlow.

"Insolvent" means Seller's debts are greater than the fair value of its assets or Seller is generally not paying its debts as they become due.

"Liquidation Administration Fee" shall mean an additional five percent (5%) of the face value of each unpaid Account during the Liquidation Period.

"Liquidation Period" means a period beginning on the earliest date of (i) the commencement by or against Seller by the filing of any voluntary or involuntary bankruptcy petition under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or any other insolvency proceeding, (ii) the appointment of or taking possession by a receiver, liquidator, assignee, custodian or similar official of all or a substantial part of Seller's assets, or (iii) the cessation of business of Seller; and ending on the date on which ClearFlow has actually received all fees, costs, expenses and Obligations owing.

"Misdirected Payment Fee" shall mean 15% of the amount of any payment (but in no event less than $1,000) on account of an Account Purchased which has been received by Seller and not delivered in kind to ClearFlow on (i) the next business day following the date of receipt of payment by wire transfer and ii) two (2) business days following the date of receipt of payment by cheque or any other payment instrument , or 30% of the amount of any such payment which has been received by Seller as a result of any action taken by Seller to cause such payment to be made to Seller.

"Missing Payment Notation Fee" means 15% of the amount due on an Account Purchased at the time of purchase.

"Obligations" shall mean and includes all Advances and all debts, liabilities and obligations of Seller to ClearFlow hereunder, under the MPSA or otherwise (whether or not evidenced by writing and whether or not for the payment of money), direct or indirect, absolute or contingent including those that ClearFlow reasonably anticipates are likely to occur or that may adversely affect ClearFlow's ability to collect Accounts Purchased in the future.

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"Parent", "Affiliate", "Subsidiary" shall mean any corporation in which with Seller or its shareholders have any equity interest in excess of five percent (5%) unless such corporation has been authorized to have its stock traded on a nationally or regionally recognized stock exchange.

"Post Judgment Rate" means two percent (2%) per month (24% per annum").

"PPSA" means the *Personal Property Security Act* (Ontario), as it may be amended from time to time.

"Purchase Price" shall mean the Aggregate Net Face Value of the Accounts.

"Term" means the initial term commencing in accordance with Section C of the MPSA, as it may be automatically extended from time to time in accordance with Section C of the MPSA.

19. The Seller hereby acknowledges receipt of a duplicate copy of this Agreement.

TRIGGER WHOLESALE, INC. **Witness:**

BY:____________________________________ ____________________________________
Name/Title: Mark Gdak, President

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______________Seller

__________ClearFlow

This is Exhibit “D” referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

MASTER PURCHASE ORDER FINANCING AGREEMENT

THIS MASTER PURCHASE ORDER FINANCING AGREEMENT (this "Agreement") dated as of the ______ day of May, 2019.

B E T W E E N:

TRIGGER WHOLESALE, INC.
a corporation incorporated under the laws of Ontario,

(hereinafter called the "Client")

OF THE FIRST PART

- and -

CLEARFLOW COMMERCIAL FINANCE CORP.,

(hereinafter called "ClearFlow")

OF THE SECOND PART

WHEREAS ClearFlow is a financial services company providing financial and trade related services to its clients;

AND WHEREAS the parties to this Agreement desire to enter into a master purchase order program under which ClearFlow will, at the request of the Client, from time to time finance the payment for Product (as defined below) from a third party vendor, in order to fill a Customer P.O. (as defined below).

NOW THEREFORE in consideration of the foregoing recitals and in consideration of the payments to be made and the obligations to be assumed and/or performed, as set forth in this Agreement, the parties agree as follows:

1. Definitions

Capitalized terms used in this Agreement shall have the following definitions:

(a) **"Acceptance Date"** means the date on which ClearFlow delivers notice of acceptance of the P.O.;

(b) **"Accepted P.O."** means a P.O. that is accepted by ClearFlow pursuant to Section 3 of this Agreement;

(c) **"Accounts Receivable Purchase Agreement"** means an agreement in the form attached hereto as Exhibit A executed by the Client as seller and ClearFlow as purchaser, as amended or restated from time to time;

(d) **"Addendum"** means an addendum in the form of the Inventory Purchase Addendum attached hereto as Exhibit B;

(e) **"Business Day"** means a day other than a Saturday, Sunday or a legal holiday on which ClearFlow is closed for the conduct of its finance business;

(f) **"Clearance Date"** means the date on which ClearFlow has received the Release Amount in full in available funds in connection with an Accepted P.O.;

(g) **"ClearFlow's Deal Fees"** has the meaning set forth in Section 6(b) of this Agreement;

(h) **"ClearFlow's Expenses"** has the meaning set forth in Section 7 of this Agreement;

(i) **"ClearFlow's Shipment Fees"** has the meaning set forth in Section 6(c) of this Agreement;

(j) **"Customer P.O."** means a purchase order for the supply of Product by the Client to one of its customers;

(k) **"Effective Date"** has the meaning set forth in Section 17 of this Agreement;

(l) **"Event of Default"** has the meaning set forth in Section 16(c) of this Agreement;

(m) **"Freight Forwarder"** means the freight forwarder that shall be responsible for transporting the Product from the third-party supplier of the Product to the Premises;

(n) **"Freight Forwarder Agreement"** means a Freight Forwarder Agreement in the form attached hereto as Exhibit E;

(o) **"Funding Date"** means the date on which payment is made following the issuance of a Letter of Credit for Product or other payment for the purchase of Product or expenses relating thereto, including, but not limited to, custom's charges or fees, freight forwarder's charges, delivery fees and the like, pursuant to this Agreement;

(p) **"Guarantor"** means each Person who now or hereafter executes a Guarantee, including, without limit, the guarantor(s) describe in Schedule 3 hereof;

(q) **"Guarantee"** means a Guarantee or Guarantees in the form attached hereto as Exhibit C, each executed by a Guarantor in favour of ClearFlow;

(r) **"Indemnified Party"** and **"Indemnified Parties"** each has the meaning set forth in Section 12 of this Agreement;

(s) **"Letter of Credit"** means each letter of credit issued by ClearFlow or its assignee on behalf of the Client in connection with an Accepted P.O.;

(t) **"Person"** means and includes any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, sole proprietorship, association, trust, unincorporated association, joint stock company, government, institution, municipality, political subdivision or agency, or other entity of whatever nature;

(u) **"P.O."** means a purchase order submitted or to be submitted by the Client to a third-party supplier;

(v) **"Premises"** means the Client's facility or such other third-party facility identified in an Addendum by address where the Product will be delivered;

(w) **"Price"** means the purchase price to be paid by ClearFlow for the Product in the form of the posting of a Letter of Credit, a payment undertaking, or otherwise as determined by ClearFlow in its sole and absolute discretion;

(x) **"Product"** means inventory from a third-party supplier to be purchased pursuant to a P.O., which inventory will be used to fill part or all of a Customer P.O.;

(y) **"Release Amount"** means the financed amount to be repaid to ClearFlow with respect to Product on the Transfer Date, and shall include, without limitation, the Price with respect to such Product, and all fees, charges and other amounts due hereunder including, but not limited to, ClearFlow's Expenses, ClearFlow's Deal Fees and ClearFlow's Shipment Fees. The Release Amount shall be paid in (i) immediately available funds, or (ii) in ClearFlow's sole, absolute, and explicit permission, which permission must be in writing in every event, through a financing arrangement with ClearFlow, including a factoring arrangement or inventory loan;

(z) **"Security Agreement"** means an agreement in the form attached hereto as Exhibit D, executed by Client as debtor in favour of ClearFlow as secured party, as amended or restated from time to time;

(aa) **"Transaction Documents"** has the meaning set forth in Section 17(a) of this Agreement; and

(bb) **"Transfer Date"** means the date on which an eligible invoice is received from the Client's customer.

2. <u>Client Request of ClearFlow to Acquire Product on behalf of Client</u>

(a) Subject to the terms of this Agreement, from time to time after the Effective Date and prior to any termination of this Agreement pursuant to Section 16 hereof, the Client may request that ClearFlow advance funds and provide financing for Product pursuant to a P.O.

(b) Each such request by the Client shall be made by Client submitting to ClearFlow a written, completed and signed Addendum in accordance with the notice provisions set forth in Section 18(d) hereof.

(c) The Addendum shall set forth, among other things, the Product and quantity thereof, the P.O., the Premises, the Price, the Transfer Date, the Freight Forwarder and its address, the delivery date and all other relevant information requested by ClearFlow.

(d) The Client agrees that during the term of this Agreement, the Client must first offer to ClearFlow the opportunity to finance each P.O. for Product to be sold by the Client.

3. Acceptance of P.O.

(a) Subject to the conditions and requirements set forth in this Section 3, ClearFlow may, in its sole and absolute discretion, accept or reject a request that it provide financing for Product pursuant to an Addendum submitted by Client to ClearFlow in accordance with the provisions of Section 2 above. ClearFlow will deliver such acceptance or rejection by written notice by 5:00 p.m. Toronto time on or before the tenth (10th) full Business Day after ClearFlow receives the Addendum, in accordance with the notice provisions set forth in Section 18(c) hereof. If ClearFlow accepts a P.O. in such manner, such P.O. shall be called an **"Accepted P.O."**, subject to the last sentence of Subsection (c) below. If ClearFlow fails to respond by 5:00 p.m. Toronto time on or before the tenth (10th) full Business Day after ClearFlow receives the Addendum from the Client requesting ClearFlow to provide financing for Product, then such failure to respond shall be deemed to be a notification to the Client that ClearFlow has rejected the Client's request.

(b) Notwithstanding the provisions of Section 3(a) above, ClearFlow shall not accept the Client's request that ClearFlow advance funds for the Product pursuant to any P.O. unless each of the following requirements is satisfied:

(i) ClearFlow's aggregate outstanding funding pursuant to this Agreement (including the face amount of outstanding Letters of Credit posted) shall not at any time exceed the sum of Two Million Five Hundred Thousand Dollars ($2,500,000.00) Canadian;

(ii) ClearFlow shall not finance more than ninety percent (90%) of the Price payable in connection with any P.O., unless otherwise agreed to in writing by ClearFlow;

(iii) An original signed counterpart of the Addendum shall have been delivered to ClearFlow;

(iv) The Addendum shall be accompanied by written assurances from the Freight Forwarder, substantially in the form of Exhibit E hereto and otherwise in form and substance satisfactory to ClearFlow, that the Freight Forwarder will pay all customs, duties and other costs necessary to ship Product from the supplier of the Product to the Premises and shall seek reimbursement for such customs, duties and other costs solely from the Client, and that the Freight Forwarder will not deliver the Product to the

Client or any other Person until the Freight Forwarder has received written confirmation from ClearFlow to do so;

(v) The Client shall have provided ClearFlow with assurances, in form and substance satisfactory to ClearFlow in its sole and absolute discretion, that (and Client hereby covenants to ClearFlow and agrees that) (A) the Client will pay the Release Amount to ClearFlow on the Transfer Date, (B) the supplier of Product will transfer title to the Product to ClearFlow upon or prior to payment of the Price to such supplier, and (C) ClearFlow shall at no time be liable to pay the supplier of the Product for any portion of the purchase price for Product in excess of the Price;

(vi) The Client shall have assigned the Customer P.O. to ClearFlow for its sole and exclusive benefit and such assignment shall be in the form attached hereto as Exhibit G;

(vii) The Client shall have delivered to ClearFlow evidence of insurance pursuant to the terms of Section 12 hereof, in form satisfactory to ClearFlow; and

(viii) The Client shall have delivered to ClearFlow such additional reasonable and necessary information and documentation as ClearFlow may have from time to time requested.

(c) Notwithstanding the other provisions of this Section 3, an Accepted P.O. shall be deemed cancelled, and to have been rejected by ClearFlow, if by the delivery date specified in the Addendum (i) the supplier of the Product has not delivered the Product to the Freight Forwarder, (ii) ClearFlow has not received documents, in form and substance satisfactory to it in its sole discretion, evidencing that title to the Product is in the name of Client, (iii) all of the conditions precedent to satisfaction of any letter or letters of credit or payment undertaking with respect to the Product have not been met or waived in writing, or (iv) ClearFlow shall have deemed in its sole and absolute discretion that the quality or quantity of the Product are not within specifications and are not acceptable to ClearFlow. ClearFlow's Deal Fees with respect to any such cancelled and rejected Accepted P.O. shall accrue from the Acceptance Date to the date of cancellation and rejection and shall be due and payable by Client on such date of cancellation. A P.O. shall be deemed an Accepted P.O. only if such P.O. is not deemed by ClearFlow to be cancelled prior to delivery of the Product to the Freight Forwarder.

4. Payment and Release

(a) The Client unconditionally agrees to pay to ClearFlow, with respect to each Accepted P.O., the Release Amount on the Transfer Date, as well as all other amounts from time to time due and owing to ClearFlow under this Agreement, the other Transaction Documents [as defined in Section 17(a)], and any and all other agreements, instruments or documents from time to time executed with respect to the transactions contemplated hereby. In the event that the Release Amount is not paid to ClearFlow in immediately available funds in accordance with the terms hereof, the Client agrees that if ClearFlow so consents in writing, in its sole and absolute discretion, the Client shall have an irrevocable and mandatory obligation to sell the accounts receivable generated by the sale of the Product on the Transfer Date to ClearFlow pursuant to the terms and conditions of the Accounts Receivable Purchase Agreement executed in connection with this Agreement, without any further consent required on the part of the Client.

(b) If necessary, ClearFlow may, in its sole and absolute discretion, give consent in writing, to the Client, that storing, packing, or processing the Product, at the Client's premises or at the premises of a third party is acceptable to ClearFlow. In the event such consent is granted, the Product shall remain segregated from any other merchandise at the Client's premises or in any third-party premises, as applicable. ClearFlow may require delivery of a Landlord's Waiver in the form of Exhibit F attached hereto and may inspect the Product, whether on the premises of the Client or elsewhere, at any time during normal hours of operation without prior notice.

(c) At such time as ClearFlow has received the Release Amount, ClearFlow shall direct the Freight Forwarder to deliver such Product to the Premises.

5. Early Termination Fee

This Agreement and the Accounts Receivables Purchase Agreement shall be on a coterminous basis. In the event that either this Agreement or the Accounts Receivable Purchase Agreement is terminated during their term, the Client shall pay an early termination fee to ClearFlow as follows:

(a) If the Client terminates within the initial twelve (12) months of the initial term of thirty-six (36) months, the early termination fee shall be equal to all fees paid by the Client to ClearFlow under the Accounts Receivable Purchase Agreement and this Agreement over the most recent twelve (12) months period ended;

(b) If the Client terminates within the initial twenty-four (24) months, but after the initial twelve (12) months, of the initial term of thirty-six (36) months, the early termination fee shall be equal to all fees paid by the Client to ClearFlow under the Accounts Receivable Purchase Agreement and this Agreement over the most recent six (6) months period ended; and

(c) If the Client terminates within the initial thirty-six (36) months, but after twenty-four (24) months, of the initial term of thirty-six (36) months, the early termination fee shall be equal to all fees paid by the Client to ClearFlow under the Accounts Receivable Purchase Agreement and this Agreement over the most recent three (3) months period ended.

6. Compensation of ClearFlow

(a) Payments received by ClearFlow on account of Accepted P.O.s will be applied in the following order of priority:

(i) First, to pay ClearFlow's Expenses to the extent that such expenses are then due pursuant to the terms of Section 7;

(ii) Second, to the payment of ClearFlow's Deal Fees in connection with the Accepted P.O.;

(iii) Third, to the payment of ClearFlow's Shipment Fees in connection with the Accepted P.O.;

(iv) Fourth, to reimburse ClearFlow for the Price of Product purchased in connection with Accepted P.O.; and

(v) Fifth, to satisfy all other amounts owing by Client to ClearFlow under this Agreement and under all other Transaction Documents.

(b) ClearFlow's Deal Fees with respect to each Accepted P.O. shall be:

(i) A transaction initiation and set-up fee in a sum equal to two percent (2%) of the Price advanced by ClearFlow; plus

(ii) An extended transaction fee in a sum equal to two percent (2%) of the Price advanced by ClearFlow, for each Thirty (30) days (or portion thereof) between the thirtieth (30th) day after the Acceptance Date and the Clearance Date.

7. ClearFlow's Expenses

Immediately upon ClearFlow's demand, the Client shall pay or reimburse ClearFlow for all ClearFlow's Expenses. **"ClearFlow's Expenses"** means and includes all expenses, fees, and costs incurred by ClearFlow in connection with the creation of and performance of this Agreement and the transactions contemplated hereby, including without limitation, the insurance expenses (including, but not limited to, product warranty and shipping insurance), audit costs, reasonable legal fees, inspection fees, Letter of Credit fees and expenses, ClearFlow's travel expenses, and filing fees. ClearFlow's demand for payment of ClearFlow's Expenses will be made in writing and will include reasonable documentation of the expenses for which reimbursement is demanded.

8. Repayment

(a) ClearFlow shall have the right, but not the obligation, to require the Client to immediately repay ClearFlow for any Product on the applicable Transfer Date for an amount equal to the Release Amount. ClearFlow's reasonable determination of the Release Amount shall be binding on all parties.

(b) In the event that ClearFlow consents as set forth in Section 4(b) above to the storing, packing or processing of the Product, ClearFlow shall have the right to require the Client to immediately repay ClearFlow for any Product for an amount equal to the Release Amount upon ClearFlow's demand at any point after delivery of the Product to the Client.

(c) In the event that the Client makes all payments due pursuant to this Agreement with respect to an Accepted P.O., ClearFlow shall release its security interest in and to the applicable Product to the Client upon ClearFlow's receipt of all such payments in available funds.

9. Security Interests

As security for the payment and performance by the Client of each of its obligations under this Agreement and the other Transaction Documents, the Client has granted to ClearFlow a security interest in the collateral described in the Security Agreement.

10. Warranties and Representations of the Client

The Client hereby makes the following warranties and representations to ClearFlow, each of which is deemed a material inducement to ClearFlow to enter into and perform in accordance with the provisions of this Agreement and each of which shall be deemed automatically renewed and restated by the Client as of the Acceptance Date of each Accepted P.O.:

(a) The Client is a corporation incorporated and validly subsisting under the laws of Ontario and is qualified or licensed to do business in every jurisdiction in which it carries on its business and in which the laws thereof require the Client to be so qualified or licensed;

(b) The Client has all corporate rights and powers and is duly authorized and empowered to enter into, execute, deliver, and perform this Agreement, the other Transaction Documents and all other agreements and documents described herein or therein;

(c) The execution, delivery, and performance by the Client of this Agreement, all other Transaction Documents and all other agreements and documents described herein or therein or delivered in connection with this Agreement does not constitute a violation of any law, regulation, judgment, order, contract, charter, by-laws, or other instrument to which the Client is a party or is otherwise bound or subject;

(d) The Client is not in default under any loan agreement, letter of credit agreement, guarantee, mortgage, lease, trust deed, security agreement or any other agreement with ClearFlow or with any other party relating to the borrowing of money or the sale of the Client's receivables to which the Client is a party or is otherwise bound, except as disclosed on Schedule 4 hereof;

(e) Each P.O. submitted by the Client is a bona fide purchase order and conforms in all respects to the representations and information contained in the Addendum, which Addendum is true and correct in all respects;

(f) Except as set forth in Schedule 1 hereto (Permitted Liens), there are no liens, security interests, judgments or claims affecting or relating to the Client or any of its assets;

(g) Except as set forth on Schedule 2 (suits, proceedings, etc.), there are no suits, administrative proceedings, arbitration proceedings or other adversarial proceedings or investigations (governmental or otherwise) pending or (to the best of the Client's knowledge) threatened against the Client or any of its assets;

(h) All of the financial information (including projections) provided by the Client to ClearFlow in connection with ClearFlow's consideration of the transactions contemplated by this Agreement are true and accurate, contain no material misstatement of any facts, contain all material information concerning the Client's financial condition, and do not omit to state any facts which, if disclosed, would reflect adversely on the financial condition of the Client (it being understood that projections are by their nature forecasts of financial performance and do not guarantee such performance); and

(i) The Client has duly filed all federal, provincial, municipal, and foreign income, excise, sales, customs, property, withholding, and other tax and information returns and reports required to be filed by it to the date hereof, or in the alternative, has obtained extensions for filing pursuant to established procedures, and has paid or made provision for payment of all taxes (including interest and penalties) due and payable. The Client has no material liability for any taxes of any nature whatsoever which are not accrued for and presented on Client's financial statements.

11. <u>Covenants of the Client</u>

The Client hereby agrees to perform each of the following covenants until this Agreement has been terminated and all obligations of the Client to ClearFlow have been fully paid and satisfied:

(a) Not to pledge any of its assets or cause or permit any lien or security interest to attach to or otherwise encumber any of its assets, except for the permitted liens described in Schedule 1 hereto, and except for liens or security interests in favour of ClearFlow;

(b) To immediately notify ClearFlow of any pending or threatened litigation, proceeding, arbitration or investigation concerning or relating to the Client or any of the Products; and

(c) To immediately notify ClearFlow of any occurrence or event that would render the representations and warranties made herein, if they were made on the date of such event, inaccurate.

12. Insurance and Indemnity

The Client shall at all times maintain such types and amounts of insurance coverages with respect to Client's business operations, the Premises and the Products (the property coverage for the Products shall be in an amount no less than the Price for such Products), as ClearFlow may from time to time require, such insurance to name ClearFlow as lender's loss payee and an additional insured in the manner and to the extent required by ClearFlow from time to time. The obligations of the Client pursuant to the preceding sentence shall include, without limitation, an obligation to insure all Products during shipment thereof.

Without limiting the generality of the foregoing paragraph: (a) the Client shall, at its sole cost and expense, keep and maintain the Products insured for its full insurable value against loss or damage (including, without limit, theft or destruction) by fire, theft, explosion, sprinklers and all other hazards and risks, with such companies, in such amounts, with such deductibles, and under policies in such form, as shall be satisfactory to ClearFlow. Each such policy insuring the Products shall name ClearFlow as the sole insured and shall not contain a co-insurance clause. Such policy shall provide that the insurer shall give ClearFlow at least thirty (30) days written notice before any such policy of insurance is altered or canceled. All proceeds of such insurance shall be payable directly to ClearFlow (and Client hereby irrevocably assigns all such proceeds to ClearFlow), and (b) the Client shall, at its sole cost and expense, keep and maintain such public liability and third party property damage insurance and product liability insurance, with such companies and in such amounts, with such deductibles and under policies in such form, as shall be satisfactory to ClearFlow. Each such policy shall contain an endorsement showing ClearFlow as additional insured thereunder and providing that the insurer shall give ClearFlow at least thirty (30) days written notice before any such policy shall be altered or canceled. The Client will provide to ClearFlow certificates of insurance in favour of ClearFlow to evidence such insurance coverages, in form satisfactory to ClearFlow, and further provide to ClearFlow certified copies of the insurance policies and evidence of payment for all such insurance coverages.

UNLESS THE CLIENT PROVIDES ClearFlow WITH EVIDENCE OF THE INSURANCE COVERAGES REQUIRED BY THIS AGREEMENT, ClearFlow MAY PURCHASE SUCH INSURANCE AT THE CLIENT'S EXPENSE TO PROTECT CLIENT'S AND ClearFlow's INTERESTS IN THE PRODUCTS AND POTENTIAL PUBLIC LIABILITY. THIS INSURANCE MAY, BUT NEED NOT, PROTECT THE CLIENT'S INTERESTS. THE COVERAGE THAT ClearFlow PURCHASES MAY NOT PAY ANY CLAIM THAT IS MADE AGAINST THE CLIENT IN CONNECTION WITH THE PRODUCTS. THE CLIENT MAY LATER CANCEL ANY INSURANCE PURCHASED BY ClearFlow, BUT ONLY AFTER PROVIDING ClearFlow WITH EVIDENCE THAT THE CLIENT HAS OBTAINED INSURANCE AS REQUIRED BY THIS AGREEMENT. IF ClearFlow PURCHASES INSURANCE REQUIRED BY THE PRECEDING PARAGRAPH, THE CLIENT WILL BE RESPONSIBLE TO IMMEDIATELY REIMBURSE ClearFlow FOR ALL OF THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT MAY BE IMPOSED WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF THE INSURANCE THE CLIENT MAY BE ABLE TO OBTAIN ON ITS OWN. THE COST

OF SUCH INSURANCE COVERAGES PURCHASED BY ClearFlow SHALL BE PART OF ClearFlow's EXPENSES.

The terms **"Indemnified Party"** and **"Indemnified Parties"** shall mean, respectively, each of ClearFlow and its successors and assigns, and each of ClearFlow's and its successor's and assigns' shareholders, officers, directors, employees, members, managers, agents, contractors and other representatives and all of such parties and entities. The Client expressly assumes and agrees to defend (with counsel satisfactory to ClearFlow), protect, indemnify, exonerate, and hold harmless each Indemnified Party from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and distributions of any kind or nature (including, without limitation, the disbursements and the reasonable fees of counsel for each Indemnified Party thereto), which may be imposed on, incurred by, or asserted against, any Indemnified Party in any manner relating to or arising (i) out of any warranty (including express and implied warranties) made in connection with the Products, or (ii) from the use of the Products or their manufacture, sale, re-sale, license, lease, exchange, transportation, distribution or disposition (regardless of the theory of liability asserted, whether strict liability in tort, negligence or any other theory whatsoever).

Any liability, obligation, loss, damage, penalty, cost or expense covered by this indemnity shall be paid by the Client to each Indemnified Party on demand, and failing prompt payment, together with interest accruing thereon at the rate of two percent (2%) per month (or if less, the highest rate permitted by law) from the date incurred by each Indemnified Party until paid by the Client.

13. Financial/Data and Audit Rights

The Client shall deliver to ClearFlow monthly/quarterly financial statements of the Client as well as such additional information and documentation as ClearFlow may request from time to time. In addition, ClearFlow shall have the right to inspect, audit and copy any of Client's financial books, computer programs, and other data containing financial information in connection with the Client at any time during regular business hours. The Client agrees to reimburse ClearFlow for any costs associated with such an audit at the then going rate charged by ClearFlow (for informational purposes only, the going rate at the time of the execution of this Agreement is One Thousand Two Hundred Dollars ($1,200.00) Canadian per day of audit). The Client agrees to prepare and maintain complete and accurate business records with respect to the transactions contemplated by this Agreement.

14. Relationship of the Parties

The parties hereto are independent contractors and are not (and shall not be deemed to be) partners, joint venturers, agents or representatives of the other party. Each party is exclusively responsible for the conduct of its own business and is not authorized to bind the other party in any manner whatsoever. However, the Client agrees that, subject to applicable laws and regulations, ClearFlow is permitted to fulfill the P.O. on the Client's behalf and in the Client's name and finance the sale of the Product to the Client's customer, and further to engage in such other activities as expressly provided for in this Agreement.

15. Indemnification/Release

(a) The Client, at its expense, will indemnify, defend and hold harmless the Indemnified Parties from all liabilities, costs, losses, damages, penalties and expenses (including legal fees and experts' fees and expenses as well as interparty damages caused by the Client or third parties) threatened or brought against any of the Indemnified Parties as a result of the following, and will reimburse such fees and expenses as they are incurred as a consequence of or resulting from or in any manner relating to:

(i) breach of this Agreement or any of the other Transaction Documents by the Client, any breach of a warranty made by the Client hereunder or under any of the other Transaction Documents, or the failure of any representation made by the Client hereunder or any of the other Transaction Documents to be true;

(ii) misconduct or negligence of the Client;

(iii) any suit or threat of suit by any Person with respect to any of the Products, including, without limitation, all claims under or with respect to Product warranties;

(iv) any product liability claims of any kind, including, without limitation, all claims under or with respect to Product warranties;

(v) violation, breach or non-compliance of the Client or the Product of any domestic or foreign laws, regulations, administrative decisions including, but not limited to, customs laws and regulations, international trade laws and regulations and embargoes applicable to the Client or the Products;

(vi) environmental liability of any kind; and

(vii) any matter, claim or litigation relating to the transactions contemplated by this Agreement or by any document executed in connection with the transactions contemplated by this Agreement, including, without limitation, any claims or suits brought by any customer of the Client or any other Person.

These indemnity provisions and the indemnity provisions in Section 12 hereof shall survive the termination of this Agreement.

(b) The Client acknowledges and agrees that ClearFlow shall have no duty of care with respect to any Product and shall have no liability to the Client with respect to any loss or damage (including, without limit, theft or destruction) to any Product, whether occurring before, during or after the time in which ClearFlow makes payment for and/or finances such Product on behalf of and in the name of the Client. The Client hereby releases ClearFlow from any liability with respect to any loss or damage to any Product.

(c) The Client will have the right to conduct the defense of any such claim or action and all negotiations for its settlement or compromise except that ClearFlow may in its sole discretion participate in the defense of any such claim or action at ClearFlow's expense, unless ClearFlow has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Client and ClearFlow, in which case the Client shall pay all the fees and expenses of such separate counsel of ClearFlow. Without limiting the foregoing, the Client may not, without ClearFlow's prior written consent, settle, compromise or consent to the entry of any judgment in any such commenced or threatened claim or action, unless such settlement, compromise or consent: (i) includes an unconditional release of the relevant Indemnified Parties from all liability arising out of such commenced or threatened claim or action; and (ii) is solely monetary in nature and does not include a statement as to, or an admission of fault, culpability or failure to act by or on behalf of, any Indemnified Party or otherwise adversely affect any Indemnified Party; and (iii) is otherwise acceptable to ClearFlow. If the Client fails to appoint legal counsel within ten (10) days after ClearFlow has notified the Client of any such claim or action, or after the Client becomes aware of such claim or action, whichever is earlier, ClearFlow will have the right to select and appoint an alternative legal counsel and the reasonable cost and expense thereof will be paid by the Client.

16. <u>Term and Termination; Event of Default</u>

(a) <u>Term of Agreement</u>

This Agreement is for an initial term of thirty-six (36) months from the date hereof, and thereafter shall renew for successive twelve (12) month periods on each anniversary hereof unless one party gives the other party ninety (90) days prior written notice of its intent to not renew on any anniversary date. Notwithstanding the foregoing, ClearFlow may terminate this Agreement immediately upon the Client's default under Section 16(c) or at any other time at ClearFlow's option upon a thirty (30) day prior written notice given by ClearFlow to Client.

(b) <u>Obligations Upon Termination</u>.

Upon termination of this Agreement, each party shall remain liable to pay and perform all of its obligations under this Agreement, the other Transaction Documents, and any other agreement or document related to the transactions contemplated herein or therein, which remain unperformed as of the termination date as if this Agreement remained in full force and effect. Upon termination of this Agreement and upon completion of the foregoing obligations, all obligations hereunder shall terminate except the continuing obligations of the parties under Sections 10, 11, 12, 13, 14, 15 and 16 hereof.

(c) <u>Default</u>

(i) The Client shall be considered to be in default hereunder if any of the following events of default (each, an **"Event of Default")** shall occur: (A)

Client fails to make any payment due to ClearFlow under this Agreement or under any of the other Transaction Documents on the due date thereof; or (B) Client fails in any other respect to perform any of its other obligations under this Agreement, under the Security Agreement, any other Transaction Document or any other document entered into between the Client and ClearFlow and such failure continues unremedied for a period of three (3) Business Days following ClearFlow's notice to the Client of an Event of Default; or (C) Client has made a representation which proves to be false or breaches a warranty made under this Agreement or under any other Transaction Document or any other document entered into between the Client and ClearFlow; or (D) any event occurs or condition exists (other than those described in clauses (A) through (C) above) which is specified as an event of default under any of the other Transaction Documents, and is not cured within the applicable cure period specified therein, if any; or (E) the filing of a petition in bankruptcy by or against Client or any Guarantor, or institution of any proceeding by Client or any Guarantor for reorganization, readjustment, or similar arrangement under any bankruptcy or insolvency statute (and with respect to any involuntary petition or proceeding, such petition or proceeding is not dismissed within sixty (60) days after filing), filing of any proceeding by or against Client or any Guarantor for appointment of a receiver, trustee or liquidator for it or him, or all or any substantial part of its or his assets or properties, filing of a petition for dissolution or liquidation of Client or any Guarantor, or making by Client or any Guarantor of an assignment for the benefit of creditors, or Client or any Guarantor admits in writing its or his inability to pay its or his debts as they become due, or Client or any Guarantor ceases doing business as a going concern; or (F) there shall occur any uninsured damage to or loss, theft, or destruction of any Product; or (G) a notice of lien, levy or assessment is filed of record with respect to all or any portion of Client's assets by any government, or any department, agency or instrumentality thereof, or by any federal, provincial, municipal or other governmental agency, or any taxes or debts owing to any of the foregoing becomes a lien or encumbrance upon all or any portion of Client's assets; or (H) any Guarantor shall terminate, repudiate, revoke or disavow any of his obligations under the Guarantee executed by such Guarantor or breach any of the terms thereof, or any Guarantor shall die or become incompetent; or (I) Client fails to make any payment due to any third party on or before the due date therefor if the failure to make such payment gives rise to or creates (or if unremedied would give rise to or create) an encumbrance upon the Products or any of them or otherwise restricts ClearFlow's sale or disposition of the Products or any of them; or (J) Client is in default pursuant to any lending or financing agreement; or (K) ClearFlow in good faith deems the prospect of the Client's payment or performance of the obligations of the Client to have been impaired; or (L) any proceeding shall be commenced or filing made under applicable law by any officer, member or employee of Client or other Person to dissolve or liquidate the Client, or any order, judgment or decree shall be entered against Client decreeing its involuntary dissolution or split up; or Client shall otherwise dissolve or cease to exist; or (M) Client engages or participates in the sale or title transfer of any Products to any individual, party or entity outside of Canada or USA without the express prior written consent of ClearFlow.

(ii) Without waiving or limiting any of ClearFlow's other rights and remedies in the event of a default by the Client, upon the occurrence of any Event of Default, the Client shall be liable for immediate payment to ClearFlow of all amounts due and to become due to ClearFlow under this Agreement and under all other Transaction Documents, including, without limitation, the Price pursuant to each Accepted P.O., ClearFlow's Expenses, ClearFlow's Deal Fees, and ClearFlow's Shipment Fees. ClearFlow shall further be entitled to reimbursement for all of its costs of collection, whether or not suit has been filed or judgment entered, including, without limitation, reasonable legal fees and legal expenses. All amounts owed to ClearFlow pursuant to this Section 16(c) shall carry interest at the rate of three percent (3%) per month (**"Default Rate of Interest"**) from the effective date of a default or Event of Default, pursuant to this Agreement, or, in the case of ClearFlow's costs of collection, from the date such costs are incurred, until paid in full.

(iii) If an Event of Default shall occur and be continuing (A) ClearFlow may exercise and pursue any and all rights and remedies available to it hereunder, under the other Transaction Documents or otherwise available under applicable law or in equity, and (B) ClearFlow shall further be entitled to sell or otherwise dispose of all Product and apply the proceeds thereof to satisfy the obligations of the Client hereunder and/or exercise all the rights and remedies of a secured party under the *Personal Property Security Act* (Ontario) or any other applicable legislation or as otherwise provided under the Security Agreement or the Accounts Receivable Purchase Agreement.

(iv) To the extent that the Client's obligations hereunder are now or hereafter secured by property other than the collateral described in the Security Agreement or by the guarantee, endorsement or property of any other Person, then ClearFlow shall have the right in its sole discretion to determine which rights, security, liens, security interests or remedies ClearFlow shall at any time pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of them or any of ClearFlow's rights hereunder.

17. Conditions Precedent To Credit Extensions

This Agreement shall become effective on and as of the first date (the **"Effective Date"**) on which all of the following conditions precedent shall have been satisfied or waived in writing by ClearFlow:

(a) ClearFlow's receipt of the following, each of which shall be originals or facsimiles (followed promptly by originals, in each case in a number of copies sufficient for distribution to ClearFlow and the Client) unless otherwise specified, each properly executed by an authorized officer of the Client, and the other parties thereto, and each in form and substance reasonably satisfactory to ClearFlow and its legal counsel (documents, instruments and certificates identified in clauses (i) through (vii) below are collectively referred to as the **"Transaction Documents"**):

(i) this Agreement;

(ii) an Accounts Receivable Purchase Agreement;

(iii) a Security Agreement together with all necessary filings or registrations relating thereto;

(iv) a Guarantee executed by each Person listed on Schedule 3 hereto;

(v) if required by ClearFlow, a Subordination Agreement executed by each Person listed on Schedule 3 hereto;

(vi) such certificates of resolutions or other action, incumbency certificates and/or other certificates of the appropriate and authorized officers of the Client as ClearFlow may reasonably require evidencing the identity, authority and capacity of each officer of the Client authorized to act on behalf of the Client in connection with this Agreement and the other agreements contemplated hereby to which the Client is a party or is to be a party;

(vii) a certificate of a responsible officer of the Client either (A) listing all consents, licenses and approvals required in connection with the execution, delivery and performance by the Client and enforceability of the Transaction Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(viii) such documents and certifications as ClearFlow may reasonably require to evidence that the Client is duly incorporated, and that the Client is validly subsisting in its jurisdiction of incorporation and is qualified to do business in each jurisdiction in which it carries on its business in which it is required to be qualified to do business; and

(ix) such other documents and instruments executed by Client in favour of ClearFlow, as ClearFlow may reasonably require Client to execute in order to carry out the terms of this Agreement and the transactions contemplated hereby, and to protect ClearFlow's rights and interests in the Products, the Accepted P.O.'s, any accounts arising from the sale or other disposition of the Product, and all collateral securing Client's obligations to ClearFlow.

18. Miscellaneous Provisions

(a) **CHOICE OF LAW, VENUE, JURISDICTION AND SERVICE. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS HAVE BEEN SUBMITTED TO ClearFlow AT ClearFlow's PRINCIPAL PLACE OF BUSINESS IN THE PROVINCE OF ONTARIO, WILL BE PERFORMED BY THE PARTIES IN THE PROVINCE OF ONTARIO, AND SHALL BE DEEMED TO HAVE BEEN MADE IN THE PROVINCE OF ONTARIO. THE VALIDITY OF EACH OF THE TRANSACTION DOCUMENTS AND THE CONSTRUCTION, INTERPRETATION AND ENFORCEMENT THEREOF, AND THE RIGHTS OF THE PARTIES THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO.**

(b) Notices. All notices required or permitted pursuant to this Agreement shall be in writing and either personally delivered, sent by facsimile transmission or electronic transmission in PDF file format (provided evidence of transmission is maintained and the original of the transmittal notice is sent by mail), or courier delivery service, addressed to the respective addresses or facsimile number of the parties set forth on the last page of this Agreement. Notices given in the manner prescribed herein shall be deemed given on the date sent or transmitted (as the case may be).

(c) Severability. The Sections of this Agreement are severable, and in the event that any Section or portion of this Agreement is declared illegal or unenforceable, the remainder of this Agreement will be effective and binding upon the parties.

(d) Waiver; Entire Agreement. This Agreement and the other Transaction Documents contain the entire understanding of the parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements, understandings, or arrangements. No waiver of or modifications to the provisions of this Agreement will be valid unless in writing and signed by all parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors, assigns, and legal representatives.

ClearFlow's failure at any time or times hereafter to require strict performance by Client of any provision of this Agreement shall not waive, affect or diminish any right of ClearFlow thereafter to demand strict compliance and performance therewith. Any suspension or waiver by ClearFlow of an Event of Default by Client under this Agreement shall not suspend, waive or affect any other Event of Default by Client under this Agreement, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. None of the undertakings, agreements, warranties, covenants and representations of Client contained in this Agreement and no Event of Default by Client hereunder shall be deemed to have been suspended or waived by ClearFlow unless such suspension or waiver is in writing signed by an officer of ClearFlow and directed to Client specifying such suspension or waiver, and then such suspension or waiver shall be effective only for the specific purpose for which given.

(e) No Withholding. Any amount payable by the Client under the Transaction Documents will be paid in Canadian Dollars via wire transfer or otherwise in immediately available funds free and clear of any wiring fees and without deduction of any withholding taxes. Withholding taxes are taxes, duties or governmental charges of any kind whatsoever which are imposed or levied in, by or on behalf of the country, state or province in which the Client is situated, and which are deducted from any payment hereunder and/or under the Transaction Documents. If the deduction of withholding taxes is required by law, then Client shall pay such additional amounts as may be necessary in order that the net amounts received by ClearFlow after such deduction shall equal the amount that would have been receivable had no such deduction been required.

(f) Reinstatement of Obligations. To the extent that Client makes a payment or payments to ClearFlow or ClearFlow receives any payment or proceeds of collateral for Client's benefit, which payment(s) or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state, provincial, or federal law, common law or equitable cause, then, to the extent of such payment(s) or proceeds received, the obligations or part thereof intended to be satisfied shall be reinstated and shall continue in full force and effect, as if such payment(s) or proceeds had not been received by ClearFlow.

(g) Assignment. The Client may not transfer or assign its rights or obligations under the Transaction Documents without the prior written consent of ClearFlow, and any attempted transfer or assignment by Client shall be null and void. ClearFlow may assign its rights and obligations under the Transaction Documents, without the consent of Client, and upon such assignment, the assignee of ClearFlow shall enjoy and be entitled to all of ClearFlow's rights, remedies, powers, privileges and benefits under the Transaction Documents, as if the assignee were originally named in the Transaction Documents, instead of ClearFlow.

(h) Performance. Time is of the essence in making payments of all amounts due ClearFlow under this Agreement and all other Transaction Documents and in the performance and observance by the Client of each covenant, agreement, provision and term of this Agreement and all other Transaction Documents.

(i) Further Assurances. From and after the date hereof, each party will execute all documents and take such further actions as the other may from time to time reasonably request in order to carry out the transactions provided for herein and accomplish the purposes contemplated hereby.

(j) Counterparts: Facsimile Delivery. This Agreement may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument, admissible into evidence. Delivery of an executed counterpart of this Agreement by facsimile or email shall be equally as effective as delivery of a manually executed original counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or email shall also promptly deliver a manually executed original counterpart of this Agreement to the other party, but the failure to deliver a manually executed original counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

Signature Page Follows

This Agreement has been signed on the day and year first above written.

CLIENT:

TRIGGER WHOLESALE, INC.

Per: ______________________________

Name: Mark Gdak
Title: President
I have the authority to bind the corporation

Address:

558 Colby Drive, Unit 1
Waterloo, ON N2V 1A2
Facsimile No. 877-767-2292

CLEARFLOW COMMERCIAL FINANCE CORP.

Per: ______________________________

Name: Glenn Petersen
Title: President
I have the authority to bind the corporation

Address:

217 Speers Road, Unit 3
Oakville, ON L6K 0J3
Facsimile No.: 888-551-1518

EXHIBIT A

ACCOUNTS RECEIVABLE PURCHASE AGREEMENT

Section 1(c)

Provided Separately

EXHIBIT B

INVENTORY PURCHASE ADDENDUM

Section 1(d) and Section 2(b)

This Addendum is executed by ●, who is the ● of ● (**"Client"**), on behalf of Client, in connection with the Master Purchase Order Financing Agreement dated as of ●, ● (as amended or restated from time to time, the **"Agreement"**) with ClearFlow Commercial Finance Corp. (**"ClearFlow"**). All capitalized terms used herein and not defined shall have the meaning ascribed in the Agreement.

The undersigned certifies to ClearFlow that all of the information contained in this Addendum is true, complete and accurate and is furnished to ClearFlow to induce ClearFlow to purchase Product in accordance with the Agreement:

1. Client's P.O. to Supplier Information

Attached is a purchase order number __________ dated _____________, 20____ to be submitted by Client to Supplier (name with complete address for letter of credit issuance and contact person with telephone number and e-mail address):

____
____
____
____

Supplier's advising bank name, address, and swift code:

____
____

Requested letter of credit issuance date: ____________________________________

Estimated shipping date from supplier's facility: ____________________________________

Shipping terms from Supplier: (i.e. FOB geographical point) ____________________________________

Latest shipment date for letter of credit per ____________________________________

Inspection Agent: ____________________________________

2. Customer P.O. Information

Attached is a purchase order issued by company: ____________________

For Product: ____________________

Cancel date of order: ____________________

Shipping terms: ____________________

Transfer Date (date no later than which ownership of the goods will transfer to the Client to be invoiced to the customer) : ____________________

3. Cost of Goods Information

Specify Currency for Purchase Price and all Costs: ____________________

Purchase Price from Supplier: ____________________

Cost of Freight and handling: ____________________

Cost of Customs Duties: ____________________

Other Transaction Costs: ____________________

Due Date for Balance of Purchase Price and source (i.e. Factor): ____________________

4. Logistics Information

Shipment from Supplier to be by air or ocean: ____________________

Shipment to be made in one lot or in partial shipments: ____________________

Port or airport of entry in the U.S. or Canada: ____________________

Name, Address and other Contact Information of Freight Forwarder: ____________________

Name, address, and other contact information of customs' broker: ____________________

Due Date for Balance of Purchase Price: ____________________

The facility to which the Product will be delivered: ______________________________

____

5. Reaffirmation.

Client hereby reaffirms to ClearFlow and agrees to abide by all terms and provisions set forth in the Agreement. Client hereby represents and warrants to ClearFlow, its successors and assigns, that as of the date hereto, each of the representations and warranties set forth in the Agreement are true and correct and the Client is in full compliance with all of the terms and conditions of the Agreement, and no Event of Default has occurred and is continuing.

Dated: ____________________, 201___.

CLIENT:

●

Per: ______________________________
Name:
Title:
I have the authority to bind the corporation

ACCEPTANCE OF PURCHASE ORDER:

The foregoing P.O., as prepared and delivered by the Client, is hereby accepted and approved.

Dated: ____________________, 201___.

CLEARFLOW COMMERCIAL FINANCE CORP.

Per: ______________________________
Name:
Title:
I have the authority to bind the corporation

EXHIBIT C

<u>GUARANTEE(S)</u>

Section 1(q)

Provided Separately

EXHIBIT D

<u>SECURITY AGREEMENT</u>

Section 1(z)

Provided Separately

EXHIBIT E

AGREEMENT OF FREIGHT FORWARDER

Section 1(n)

Provided Separately

EXHIBIT F

LANDLORD'S WAIVER

Section 4(b)

Provided Separately

EXHIBIT G

ASSIGNMENT OF PURCHASE ORDER

Section 3(b)(vi)

For value received, ● (the "**Assignor**") hereby assigns, transfers and delivers to ClearFlow Commercial Finance Corp. (the "**Assignee**") all of the Assignor's right, title and interest in, to, and under that certain Purchase Order, identified as follows, for the purposes and pursuant to the terms and conditions of that certain Master Purchase Order Financing Agreement dated as of ● (as amended or restated from time to time) between the Assignor and the Assignee:

Assignor's P.O. No.: ______________________________

Customer Name: ______________________________

P.O. Date: ______________________________

DATED ____________________, 20_____.

●

Per: ______________________________

Name:

Title:

I have the authority to bind the corporation

SCHEDULE 1

PERMITTED LIENS

Section 10(f)

None

SCHEDULE 2

SUITS, PROCEEDINGS, ETC.

Section 10(g)

None

SCHEDULE 3

Section 1(p) and Section 17(a)(iv) and (v)

Guarantor(s):	Mark Gdak The En Cadre Group Inc.
Subordinated Lender(s):	Mark Gdak The En Cadre Group Inc.

SCHEDULE 4

DEFAULT UNDER LOAN AGREEMENT, LETTER OF CREDIT AGREEMENT, GUARANTEE, MORTGAGE, LEASE, TRUST DEED, SECURITY AGREEMENT, OR OTHER AGREEMENT RELATING TO THE BORROWING OF MONEY

Section 10(d)

None

This is Exhibit "E" referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

ClearFlow Commercial Finance Corp.

217 Speers Road, Unit 3
Oakville, Ontario L6K 0J3
ClearFlowFinance.com

General Security Agreement

Customer: **TRIGGER WHOLESALE, INC.** Date: **May , 2019**

SECURITY INTEREST

In consideration of our dealing with or continuing to deal with you, you grant to us a continuing security interest in all of your Assets and Undertakings (defined below) and an assignment of your Accounts (defined below). The Assets and Undertakings over which you have granted us a security interest hereby, the Accounts assigned to us, together with the Proceeds (defined below) thereof, are herein collectively called the "**Collateral**". You agree that we have not agreed to postpone the time for attachment of the security interest granted hereby with respect to your presently existing Collateral, that such security interest shall attach to any Collateral acquired after the date hereof as soon as you obtain rights in such Collateral and that value has been given.

INDEBTEDNESS AND LIABILITY SECURED

You agree that the obligations secured by the security interest granted hereby (collectively, the "**Obligations**") include all your present and future obligations, indebtedness and liability to us, direct and indirect, absolute and contingent, whether matured or not matured, and include all costs and expenses (including legal fees and expenses) incurred by us in connection with our dealings with you, including (without limitation) pursuant to any Master Purchase and Sale Agreement, Master Purchase Order Financing Agreement, or Guarantee now or at any time hereafter executed by you in our favour.

1. DEFINITIONS OF COLLATERAL

ASSETS AND UNDERTAKINGS - all of your present and after acquired personal property and undertakings including without limitation, Inventory, Equipment, Deposits and Credit Balances, Investment Property, Life Insurance (all as defined herein), all intangible and intellectual property, and all real and immovable property both freehold and leasehold, except for the last day of the term of any lease.

INVENTORY - all presently owned and after acquired goods and other property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in your business or profession.

EQUIPMENT - all presently owned and after acquired goods that are owned by you other than Inventory and consumer goods.

DEPOSITS AND CREDIT BALANCES - all monies and credit balances which are now or may hereafter be on deposit with or standing to your credit with us, and/or with any of our subsidiaries and affiliates, up to the amount set out on Schedule A (or all deposit and credit balances, if no amount is set out on Schedule A) and any amount of interest due or accruing due to you in connection with any such deposit or credit balance.

INVESTMENT PROPERTY - all present and future investment property held by you, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of yours in property or in an enterprise or which constitute evidence of an obligation of the issuer (collectively called "**Investment Property**") including, without limitation, any Investment Property specifically identified in Schedule A; and all substitutions therefor and, subject to Section 5, dividends and income derived therefrom.

LIFE INSURANCE - the life insurance policy or policies described on Schedule A and any proceeds derived therefrom, and any amounts held by the insurer as pre-paid premiums or for the payment of future premiums.

2. ACCOUNTS

You absolutely assign and transfer to us all debts, accounts, choses in action, claims, demands, and moneys now due, owing, accruing, or which may hereafter become due, owing or accruing to you, together with all rights, benefits, security interests, mortgages, instruments, rights of action, deeds, books and records and documents now or hereafter belonging to you in respect of or as security for any of the foregoing (collectively called "**Accounts**"). This assignment is and shall be a continuing security to us for the Obligations. All money or any other form of payment received by you in payment of any Accounts shall, following any continuing Event of Default under this Agreement, be received and held by you in trust for us.

3. INVESTMENT PROPERTY

If any of the Collateral consists of Investment Property, (a) you authorize us to transfer such Collateral or any part thereof into our own name or that of our nominee so that we or our nominee may appear of record as the sole owner of such Collateral; provided, that until the occurrence of any continuing Event of Default, we shall deliver promptly to you all notices, statements or other communications received by us or our nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give you or your designee a proxy or proxies to vote and take all action with respect to such Collateral; provided further that after the occurrence of any continuing Event of Default, you waive all rights to be advised of or to receive any notices, statements or communications received by us or our nominee as such registered owner, and agree that no proxy or proxies given to you or your designee by us shall thereafter be effective; and (b) you further agree to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give us "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as we shall designate in our sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by us, whether before or after the occurrence of any continuing Event of Default, without further consent from you.

4. PROCEEDS

You grant us a security interest on all of your property in any form derived directly or indirectly from any use or dealing with any Assets and Undertakings or Accounts or that indemnifies or compensates for Assets and Undertakings destroyed or damaged (all of which property is herein collectively called "**Proceeds**"). Proceeds shall be received and held by you in trust for us.

5. INCOME AND INTEREST ON INVESTMENT PROPERTY

Until the occurrence of any continuing Event of Default, you reserve the right to receive all income from or interest on the Collateral consisting of Investment Property, and if we receive any such income or interest prior to the occurrence of any continuing Event of Default, we agree to pay you such income or interest promptly. After the occurrence of any continuing Event of Default, you will not demand or receive any income from or interest on such Collateral, and if you receive any such income or interest, such income or interest shall be held by you in trust for us in the same medium in which received, shall not be commingled with any of your other assets and shall be delivered to us in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. We may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that we account for and pay over to you any such income or interest remaining after payment in full of the Obligations.

6. COSTS AND EXPENSES

You agree to pay the costs and expenses we incur to enforce this Agreement, register this Agreement or notice of it, repossess, maintain, preserve, repair or sell the Collateral, or appoint a consultant, receiver, receiver and manager or agent, and to pay interest thereon. You also agree to pay all legal costs and fees (including in-house legal fees, charges and expenses), incurred by us to do any of the above or to defend any legal claim or counterclaim by you or others respecting the manner of our enforcement of, or our right to enforce, this Agreement. You will pay the legal fees incurred by us on a solicitor and own client basis.

7. FREE AND CLEAR

You hereby represent and warrant to us that you are the owner of the Collateral free from any hypothec, mortgage, lien, charge, security interest or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party. You hereby covenant and agree to keep the Collateral free and clear of all taxes, assessments, and security or proprietary interests in favour of third parties. You hereby covenant and agree to not sell, give away, part with possession of or otherwise dispose of any part of the Collateral, (except Inventory sold in the normal course of business and obsolete equipment) without our prior written consent

8. INSURANCE

You will, at your cost, keep the Collateral insured from all risk of loss, theft or damage as are customarily insured by businesses in the industry in which you are engaged. If requested, you will provide us with a copy of the insurance policy. The insurance policy will name us as first loss payee and additional insured. We may, in our absolute discretion, pay any premium due on any insurance policy, including any life insurance policy forming part of the Collateral, and the amount of any premium we pay will be added to and form part of the Obligations.

9. LOCATION OF COLLATERAL

You will keep the Collateral at the location or locations set out on Schedule A. You will not remove the Collateral from this location (except in the ordinary course of your business) without our prior written consent. If no location is set out on Schedule A, you will keep the Collateral at the address shown below your signature to this Agreement.

10. LIMITATION ON OBLIGATIONS OF CLEARFLOW

Our sole obligation with respect to the custody, safekeeping and physical preservation of Collateral in our possession shall be to use reasonable care in the custody and safekeeping thereof, and we shall be deemed to have used reasonable care if we deal with such Collateral in the same manner as we deal with similar property for our own account. Neither we nor any of our directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon the Collateral or any part thereof or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral whether at your request or otherwise.

11. REPRESENTATIONS AND WARRANTIES

You hereby represent and warrant to us that:

(a) if applicable, you are a corporation duly existing, or a partnership duly established, under the laws of the jurisdiction of your incorporation or establishment, have all necessary power and authority to own your property and assets, to carry on your business as currently carried on by you and hold all necessary licenses, permits and consents as are required so to own your property and assets and so to carry on business in each jurisdiction in which you do so;

(b) you have the capacity, power and authority and the legal right to execute and deliver, to perform your obligations under, this Agreement, and have taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of your obligations hereunder;

(c) this Agreement constitutes a legal, valid and binding obligation of yours enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;

(d) except for consents which have been obtained and are in full force and effect, no consent of any person is required, or purports to be required, in connection with the execution and delivery of this Agreement by you or the performance of your obligations hereunder;

(e) the execution and delivery by you of this Agreement and the performance of your obligations hereunder will not violate any applicable law or contractual obligation applicable to you; and

(f) the representations and warranties set out in clauses (a) through (e) above or in any certificate or other document delivered to us by you or on your behalf are material, shall be deemed to have been relied upon by us notwithstanding any investigation heretofore or hereafter made by us or on our behalf, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit.

12. REPORTING

You will:

(a) if you are a corporation, a partnership or a sole proprietorship, provide to us accountant-prepared financial statements within 120 days of each of your fiscal year ends;

(b) if you are an individual, provide to us your personal net worth statement upon request by us;

(c) advise us of any Event of Default immediately upon the occurrence of such event;

(d) inform us of any actual or probable material litigation and provide us with copies of all relevant documents upon request; and

(e) provide us with such other information and financial data as we may request from time to time.

(f) provide us with a monthly aged accounts receivable listing within 15 days of each month end.

13. POSITIVE COVENANTS

You agree to:

(a) make all payments when due or demanded to us (without any condition, deduction, set-off or holdback) at our address noted above (or any other address that we advise);

(b) if applicable, maintain your existence as a corporation, partnership, or sole proprietorship, as the case may be, and keep all material agreements, rights, franchises, licences, operations, contracts or other arrangements in full force and effect;

(c) pay all taxes, which may result in a lien or charge on any of your property and assets;

(d) maintain, protect and preserve the Collateral in good repair and working condition;

(e) provide such security as we may require;

(f) continue to carry on, and maintain in good standing, the business being carried on by you at the date hereof;

(g) permit us or our authorized representatives full and reasonable access to your premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom;

(h) notify us in writing at least 20 days prior to any change of your name; and

(i) notify us in writing promptly of any significant loss of or damage to the Collateral.

14. NEGATIVE COVENANTS

You will not:

(a) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to the Collateral, or sign or file under the *Personal Property Security Act* (Ontario) (the "**PPSA**") or similar registry system of any jurisdiction a financing statement which names you as a debtor, or sign any security agreement authorizing any secured party thereunder to file such financing statement creating a security interest in the Collateral;

(b) if you are a corporation, a partnership or a sole proprietorship, as the case may be, permit any change of ownership or change your capital structure without our prior written consent, such consent not to be unreasonably withheld; or

(c) transfer your interest in any part of the Collateral not expressly permitted under this Agreement or change the location(s) of the Collateral without our prior written consent.

15. DEFAULT

You shall be in default under this Agreement upon the happening of any of the following events (each, an "**Event of Default**"):

(a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;

(b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else, subject to the passage of any applicable grace period;

(c) you fail to perform any of the terms or conditions of this Agreement or any other agreement between you and us;

(d) you become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for you or for a substantial part of your property without your consent;

(e) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against you;

(f) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;

(g) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;

(h) if you are an individual, you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;

(i) you pledge, encumber, mortgage or otherwise create or permit the continued existence of any lien or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party with respect to any of the Collateral, except for any lien granted by you in our favour;

(j) you incur any indebtedness for borrowed money (including, without limitation, by guaranteeing the obligations of others) outside of the ordinary course of business;

(k) you fail to deliver to us on a timely basis the financial information required by any agreement between us; or

(l) any other event occurs which causes us in good faith, to deem ourselves insecure, or to believe that the Collateral, or any part thereof, or the value thereof, is or is about to be placed in jeopardy.

16. REMEDIES

Upon the occurrence of an Event of Default, we may require you to repay any or all of the Obligations in full, whether matured or not, and we may enforce this Agreement by any method permitted by law, and we may exercise any rights and remedies under applicable law, and we may appoint any person, including our employee, to be an agent, a receiver or receiver and manager (the "**Receiver**") of the Collateral. We and the Receiver shall be entitled to:

(a) seize and possess the Collateral;

(b) carry on your business;

(c) sell, lease or otherwise dispose of the Collateral;

(d) foreclose on the Collateral;

(e) in the case of Life Insurance, exercise any options available to you under the Life Insurance;

(f) demand, sue for and receive Accounts, give effectual receipts and discharges for the Accounts, compromise any Accounts which may seem bad or doubtful to us and give time for payment thereof with or without security;

(g) make any arrangement or compromise in our interest, or

(h) take any other action deemed necessary to carry into effect the provisions of this Agreement.

The Receiver shall be your agent and you shall be solely responsible for the Receiver's actions. We shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. If the proceeds of the realization of the Collateral are insufficient to repay us the Obligations in full, then you forthwith shall pay us such deficiency. The rights and powers in this paragraph are supplemental to and not in substitution for any other rights we may have from time to time.

17. POWER OF ATTORNEY

You irrevocably appoint us your attorney, with power of substitution and appointment, to sign for you, at our option, all documents necessary or desirable to permit us to exercise any of our rights and remedies under this Agreement and to complete the Schedule attached hereto, with the right to use your name and to take proceedings in your name.

18. NON WAIVER BY US

Any breach by you of this Agreement or the occurrence of an Event of Default may only be waived by us in writing. Any waiver by us does not mean that any subsequent breach or Event of Default is also waived. Any failure by us to notify you of an Event of Default shall not be deemed to be a waiver of such Event of Default. No course of conduct or omission on our part or on your part shall give rise to any expectation by you that we will not insist on strict compliance with the terms of this Agreement.

19. DEALING WITH SECURITY INTEREST

We may take and give up any of the Collateral or modify or abstain from perfecting or taking advantage of our security interest in the Collateral and otherwise deal with any of the Collateral as we shall see fit without prejudice to your liability or to our rights under this Agreement or at law.

20. PAY ENCUMBRANCES

We or the Receiver may pay any encumbrance that may exist or be threatened against the Collateral. In addition, we or the Receiver may borrow money required for the maintenance, preservation or protection of the Collateral and may grant further security interests in the Collateral in priority to the secured interest created hereby as security for the money so borrowed. In every such case, the amounts so paid or borrowed together with costs, charges, and expenses incurred in connection therewith shall become part of the Obligations, shall bear interest at the highest rate per annum charged by us on the Obligations and shall be secured by this Agreement.

21. PAYMENTS

We shall have the right to appropriate any payment made by you to any of your Obligations as we see fit, and to revoke or alter any such appropriation.

22. DEFINITIONS

In this agreement "you", "your" and "yours" refer to the Customer named above. "We", "our", "ours", and "us" refer to ClearFlow Commercial Finance Corp.

23. CONTINUING EFFECTIVENESS

This Agreement shall be a continuing agreement in every respect, securing the payment of the Obligations. If any part of this Agreement is invalid or void, the remaining terms and provisions of this Agreement shall remain in full force and effect.

24. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

25. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon you, your heirs and your successors and assigns and shall enure to our benefit and to the benefit of our successors and assigns; provided that you shall not assign any of your rights or obligations hereunder without our prior written consent. We may assign our rights under this Agreement without your consent and without providing you notice of such assignment. This Agreement shall continue in full force and effect notwithstanding any change in the composition of or membership of any firm or corporation, which is a party hereto.

26. NOTICES

Any notice required to be given under this Agreement may be delivered directly to you or us or may be sent by prepaid registered mail addressed to our address shown above or your address shown below, or such further address as we or you may notify to the other in writing from time to time, and if so given the notice shall be deemed to have been given on the day of delivery or the day when it is deemed or otherwise considered to have been received for the purposes of the PPSA, as the case may be.

27. DISCHARGE

If you pay us all of the Obligations secured by this Agreement and otherwise observe and perform the terms and conditions hereof, then we shall, at your request and expense, release and discharge the security interest created by this Agreement and execute and deliver to you such deeds and other instruments as shall be required to effect any such release and discharge.

28. ENTIRE AGREEMENT

You acknowledge that this is the entire agreement between you and us and there are no other written or oral representations or warranties, which apply to the Collateral or to this Agreement. This Agreement may only be amended by an agreement in writing signed by us.

29. NO MERGER

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish your liability to make payment of or satisfy the Obligations.

30. FURTHER ASSURANCES

You shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every such further act, deed, conveyance, instrument, transfer, assignment, security agreement and assurance as we may reasonably require in order to give effect to the provisions and purposes of this Agreement.

31. GOVERNING LAW

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

TRIGGER WHOLESALE, INC.

BY:		BY:	
Name:	Mark Gdak	Name:	
Title:	President	Title:	

Address: 588 Colby Drive, Unit 1
Waterloo, ON N2V 1A2

SCHEDULE A

DEPOSITS AND CREDIT BALANCES

Unlimited

INVESTMENT PROPERTY

LIFE INSURANCE POLICIES

LOCATIONS OF COLLATERAL

34656.0004/12611678_.2

This is Exhibit “F” referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

ClearFlow Commercial Finance Corp.

217 Speers Road, Unit 3
Oakville, Ontario L6K 0J3
ClearFlowFinance.com

General Security Agreement

Customer: **THE EN CADRE GROUP INC.** Date: **May , 2019**

SECURITY INTEREST

In consideration of our dealing with or continuing to deal with you, you grant to us a continuing security interest in all of your Assets and Undertakings (defined below) and an assignment of your Accounts (defined below). The Assets and Undertakings over which you have granted us a security interest hereby, the Accounts assigned to us, together with the Proceeds (defined below) thereof, are herein collectively called the "**Collateral**". You agree that we have not agreed to postpone the time for attachment of the security interest granted hereby with respect to your presently existing Collateral, that such security interest shall attach to any Collateral acquired after the date hereof as soon as you obtain rights in such Collateral and that value has been given.

INDEBTEDNESS AND LIABILITY SECURED

You agree that the obligations secured by the security interest granted hereby (collectively, the "**Obligations**") include all your present and future obligations, indebtedness and liability to us, direct and indirect, absolute and contingent, whether matured or not matured, and include all costs and expenses (including legal fees and expenses) incurred by us in connection with our dealings with you, including (without limitation) pursuant to any Master Purchase and Sale Agreement, Master Purchase Order Financing Agreement, or Guarantee now or at any time hereafter executed by you in our favour.

1. DEFINITIONS OF COLLATERAL

ASSETS AND UNDERTAKINGS - all of your present and after acquired personal property and undertakings including without limitation, Inventory, Equipment, Deposits and Credit Balances, Investment Property, Life Insurance (all as defined herein), all intangible and intellectual property, and all real and immovable property both freehold and leasehold, except for the last day of the term of any lease.

INVENTORY - all presently owned and after acquired goods and other property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in your business or profession.

EQUIPMENT - all presently owned and after acquired goods that are owned by you other than Inventory and consumer goods.

DEPOSITS AND CREDIT BALANCES - all monies and credit balances which are now or may hereafter be on deposit with or standing to your credit with us, and/or with any of our subsidiaries and affiliates, up to the amount set out on Schedule A (or all deposit and credit balances, if no amount is set out on Schedule A) and any amount of interest due or accruing due to you in connection with any such deposit or credit balance.

INVESTMENT PROPERTY - all present and future investment property held by you, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of yours in property or in an enterprise or which constitute evidence of an obligation of the issuer (collectively called "**Investment Property**") including, without limitation, any Investment Property specifically identified in Schedule A; and all substitutions therefor and, subject to Section 5, dividends and income derived therefrom.

LIFE INSURANCE - the life insurance policy or policies described on Schedule A and any proceeds derived therefrom, and any amounts held by the insurer as pre-paid premiums or for the payment of future premiums.

2. ACCOUNTS

You absolutely assign and transfer to us all debts, accounts, choses in action, claims, demands, and moneys now due, owing, accruing, or which may hereafter become due, owing or accruing to you, together with all rights, benefits, security interests, mortgages, instruments, rights of action, deeds, books and records and documents now or hereafter belonging to you in respect of or as security for any of the foregoing (collectively called "**Accounts**"). This assignment is and shall be a continuing security to us for the Obligations. All money or any other form of payment received by you in payment of any Accounts shall, following any continuing Event of Default under this Agreement, be received and held by you in trust for us.

3. INVESTMENT PROPERTY

If any of the Collateral consists of Investment Property, (a) you authorize us to transfer such Collateral or any part thereof into our own name or that of our nominee so that we or our nominee may appear of record as the sole owner of such Collateral; provided, that until the occurrence of any continuing Event of Default, we shall deliver promptly to you all notices, statements or other communications received by us or our nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give you or your designee a proxy or proxies to vote and take all action with respect to such Collateral; provided further that after the occurrence of any continuing Event of Default, you waive all rights to be advised of or to receive any notices, statements or communications received by us or our nominee as such registered owner, and agree that no proxy or proxies given to you or your designee by us shall thereafter be effective; and (b) you further agree to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give us "control" of such Investment Property, as defined in the *Securities Transfer Act, 2006* (Ontario), which "control" shall be in such manner as we shall designate in our sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by us, whether before or after the occurrence of any continuing Event of Default, without further consent from you.

4. PROCEEDS

You grant us a security interest on all of your property in any form derived directly or indirectly from any use or dealing with any Assets and Undertakings or Accounts or that indemnifies or compensates for Assets and Undertakings destroyed or damaged (all of which property is herein collectively called "**Proceeds**"). Proceeds shall be received and held by you in trust for us.

5. INCOME AND INTEREST ON INVESTMENT PROPERTY

Until the occurrence of any continuing Event of Default, you reserve the right to receive all income from or interest on the Collateral consisting of Investment Property, and if we receive any such income or interest prior to the occurrence of any continuing Event of Default, we agree to pay you such income or interest promptly. After the occurrence of any continuing Event of Default, you will not demand or receive any income from or interest on such Collateral, and if you receive any such income or interest, such income or interest shall be held by you in trust for us in the same medium in which received, shall not be commingled with any of your other assets and shall be delivered to us in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. We may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that we account for and pay over to you any such income or interest remaining after payment in full of the Obligations.

6. COSTS AND EXPENSES

You agree to pay the costs and expenses we incur to enforce this Agreement, register this Agreement or notice of it, repossess, maintain, preserve, repair or sell the Collateral, or appoint a consultant, receiver, receiver and manager or agent, and to pay interest thereon. You also agree to pay all legal costs and fees (including in-house legal fees, charges and expenses), incurred by us to do any of the above or to defend any legal claim or counterclaim by you or others respecting the manner of our enforcement of, or our right to enforce, this Agreement. You will pay the legal fees incurred by us on a solicitor and own client basis.

7. FREE AND CLEAR

You hereby represent and warrant to us that you are the owner of the Collateral free from any hypothec, mortgage, lien, charge, security interest or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party. You hereby covenant and agree to keep the Collateral free and clear of all taxes, assessments, and security or proprietary interests in favour of third parties. You hereby covenant and agree to not sell, give away, part with possession of or otherwise dispose of any part of the Collateral, (except Inventory sold in the normal course of business and obsolete equipment) without our prior written consent

8. INSURANCE

You will, at your cost, keep the Collateral insured from all risk of loss, theft or damage as are customarily insured by businesses in the industry in which you are engaged. If requested, you will provide us with a copy of the insurance policy. The insurance policy will name us as first loss payee and additional insured. We may, in our absolute discretion, pay any premium due on any insurance policy, including any life insurance policy forming part of the Collateral, and the amount of any premium we pay will be added to and form part of the Obligations.

9. LOCATION OF COLLATERAL

You will keep the Collateral at the location or locations set out on Schedule A. You will not remove the Collateral from this location (except in the ordinary course of your business) without our prior written consent. If no location is set out on Schedule A, you will keep the Collateral at the address shown below your signature to this Agreement.

10. LIMITATION ON OBLIGATIONS OF CLEARFLOW

Our sole obligation with respect to the custody, safekeeping and physical preservation of Collateral in our possession shall be to use reasonable care in the custody and safekeeping thereof, and we shall be deemed to have used reasonable care if we deal with such Collateral in the same manner as we deal with similar property for our own account. Neither we nor any of our directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon the Collateral or any part thereof or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral whether at your request or otherwise.

11. REPRESENTATIONS AND WARRANTIES

You hereby represent and warrant to us that:

(a) if applicable, you are a corporation duly existing, or a partnership duly established, under the laws of the jurisdiction of your incorporation or establishment, have all necessary power and authority to own your property and assets, to carry on your business as currently carried on by you and hold all necessary licenses, permits and consents as are required so to own your property and assets and so to carry on business in each jurisdiction in which you do so;

(b) you have the capacity, power and authority and the legal right to execute and deliver, to perform your obligations under, this Agreement, and have taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of your obligations hereunder;

(c) this Agreement constitutes a legal, valid and binding obligation of yours enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;

(d) except for consents which have been obtained and are in full force and effect, no consent of any person is required, or purports to be required, in connection with the execution and delivery of this Agreement by you or the performance of your obligations hereunder;

(e) the execution and delivery by you of this Agreement and the performance of your obligations hereunder will not violate any applicable law or contractual obligation applicable to you; and

(f) the representations and warranties set out in clauses (a) through (e) above or in any certificate or other document delivered to us by you or on your behalf are material, shall be deemed to have been relied upon by us notwithstanding any investigation heretofore or hereafter made by us or on our behalf, shall survive the execution and delivery of this Agreement and shall continue in full force and effect without time limit.

12. REPORTING

You will:

(a) if you are a corporation, a partnership or a sole proprietorship, provide to us accountant-prepared financial statements within 120 days of each of your fiscal year ends;

(b) if you are an individual, provide to us your personal net worth statement upon request by us;

(c) advise us of any Event of Default immediately upon the occurrence of such event;

(d) inform us of any actual or probable material litigation and provide us with copies of all relevant documents upon request; and

(e) provide us with such other information and financial data as we may request from time to time.

(f) provide us with a monthly aged accounts receivable listing within 15 days of each month end.

13. POSITIVE COVENANTS

You agree to:

(a) make all payments when due or demanded to us (without any condition, deduction, set-off or holdback) at our address noted above (or any other address that we advise);

(b) if applicable, maintain your existence as a corporation, partnership, or sole proprietorship, as the case may be, and keep all material agreements, rights, franchises, licences, operations, contracts or other arrangements in full force and effect;

(c) pay all taxes, which may result in a lien or charge on any of your property and assets;

(d) maintain, protect and preserve the Collateral in good repair and working condition;

(e) provide such security as we may require;

(f) continue to carry on, and maintain in good standing, the business being carried on by you at the date hereof;

(g) permit us or our authorized representatives full and reasonable access to your premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom;

(h) notify us in writing at least 20 days prior to any change of your name; and

(i) notify us in writing promptly of any significant loss of or damage to the Collateral.

14. NEGATIVE COVENANTS

You will not:

(a) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to the Collateral, or sign or file under the *Personal Property Security Act* (Ontario) (the "**PPSA**") or similar registry system of any jurisdiction a financing statement which names you as a debtor, or sign any security agreement authorizing any secured party thereunder to file such financing statement creating a security interest in the Collateral;

(b) if you are a corporation, a partnership or a sole proprietorship, as the case may be, permit any change of ownership or change your capital structure without our prior written consent, such consent not to be unreasonably withheld; or

(c) transfer your interest in any part of the Collateral not expressly permitted under this Agreement or change the location(s) of the Collateral without our prior written consent.

15. DEFAULT

You shall be in default under this Agreement upon the happening of any of the following events (each, an "**Event of Default**"):

(a) you or any other person liable for the Obligations is in default under any agreement relating to the Obligations or any part thereof;

(b) you or any other person liable for the Obligations is in default under any other loan, debt or obligation owed to anyone else, subject to the passage of any applicable grace period;

(c) you fail to perform any of the terms or conditions of this Agreement or any other agreement between you and us;

(d) you become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for you or for a substantial part of your property without your consent;

(e) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against you;

(f) any statement made by you to induce us to extend credit to you was false in any material respect when made, or becomes false;

(g) anyone takes possession of or applies to any court for possession of the Collateral, or anyone claims to have rights in the Collateral superior to our rights;

(h) if you are an individual, you are declared incompetent by a court, or you die, or, if you are a partnership, a partner dies;

(i) you pledge, encumber, mortgage or otherwise create or permit the continued existence of any lien or any other interest or claim including any proprietary or trust interest or encumbrance claimed by any third party with respect to any of the Collateral, except for any lien granted by you in our favour;

(j) you incur any indebtedness for borrowed money (including, without limitation, by guaranteeing the obligations of others) outside of the ordinary course of business;

(k) you fail to deliver to us on a timely basis the financial information required by any agreement between us; or

(l) any other event occurs which causes us in good faith, to deem ourselves insecure, or to believe that the Collateral, or any part thereof, or the value thereof, is or is about to be placed in jeopardy.

16. REMEDIES

Upon the occurrence of an Event of Default, we may require you to repay any or all of the Obligations in full, whether matured or not, and we may enforce this Agreement by any method permitted by law, and we may exercise any rights and remedies under applicable law, and we may appoint any person, including our employee, to be an agent, a receiver or receiver and manager (the "**Receiver**") of the Collateral. We and the Receiver shall be entitled to:

(a) seize and possess the Collateral;

(b) carry on your business;

(c) sell, lease or otherwise dispose of the Collateral;

(d) foreclose on the Collateral;

(e) in the case of Life Insurance, exercise any options available to you under the Life Insurance;

(f) demand, sue for and receive Accounts, give effectual receipts and discharges for the Accounts, compromise any Accounts which may seem bad or doubtful to us and give time for payment thereof with or without security;

(g) make any arrangement or compromise in our interest, or

(h) take any other action deemed necessary to carry into effect the provisions of this Agreement.

The Receiver shall be your agent and you shall be solely responsible for the Receiver's actions. We shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. If the proceeds of the realization of the Collateral are insufficient to repay us the Obligations in full, then you forthwith shall pay us such deficiency. The rights and powers in this paragraph are supplemental to and not in substitution for any other rights we may have from time to time.

17. POWER OF ATTORNEY

You irrevocably appoint us your attorney, with power of substitution and appointment, to sign for you, at our option, all documents necessary or desirable to permit us to exercise any of our rights and remedies under this Agreement and to complete the Schedule attached hereto, with the right to use your name and to take proceedings in your name.

18. NON WAIVER BY US

Any breach by you of this Agreement or the occurrence of an Event of Default may only be waived by us in writing. Any waiver by us does not mean that any subsequent breach or Event of Default is also waived. Any failure by us to notify you of an Event of Default shall not be deemed to be a waiver of such Event of Default. No course of conduct or omission on our part or on your part shall give rise to any expectation by you that we will not insist on strict compliance with the terms of this Agreement.

19. DEALING WITH SECURITY INTEREST

We may take and give up any of the Collateral or modify or abstain from perfecting or taking advantage of our security interest in the Collateral and otherwise deal with any of the Collateral as we shall see fit without prejudice to your liability or to our rights under this Agreement or at law.

20. PAY ENCUMBRANCES

We or the Receiver may pay any encumbrance that may exist or be threatened against the Collateral. In addition, we or the Receiver may borrow money required for the maintenance, preservation or protection of the Collateral and may grant further security interests in the Collateral in priority to the secured interest created hereby as security for the money so borrowed. In every such case, the amounts so paid or borrowed together with costs, charges, and expenses incurred in connection therewith shall become part of the Obligations, shall bear interest at the highest rate per annum charged by us on the Obligations and shall be secured by this Agreement.

21. PAYMENTS

We shall have the right to appropriate any payment made by you to any of your Obligations as we see fit, and to revoke or alter any such appropriation.

22. DEFINITIONS

In this agreement "you", "your" and "yours" refer to the Customer named above. "We", "our", "ours", and "us" refer to ClearFlow Commercial Finance Corp.

23. CONTINUING EFFECTIVENESS

This Agreement shall be a continuing agreement in every respect, securing the payment of the Obligations. If any part of this Agreement is invalid or void, the remaining terms and provisions of this Agreement shall remain in full force and effect.

24. ACKNOWLEDGEMENT & WAIVER

You acknowledge receipt of a copy of this Agreement. You waive any right you may have to receive a copy of any financing statement, verification statement, or similar document we register or that we may receive by way of confirmation of a security registration in respect of this Agreement or any agreement amending, supplementing or replacing it.

25. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon you, your heirs and your successors and assigns and shall enure to our benefit and to the benefit of our successors and assigns; provided that you shall not assign any of your rights or obligations hereunder without our prior written consent. We may assign our rights under this Agreement without your consent and without providing you notice of such assignment. This Agreement shall continue in full force and effect notwithstanding any change in the composition of or membership of any firm or corporation, which is a party hereto.

26. NOTICES

Any notice required to be given under this Agreement may be delivered directly to you or us or may be sent by prepaid registered mail addressed to our address shown above or your address shown below, or such further address as we or you may notify to the other in writing from time to time, and if so given the notice shall be deemed to have been given on the day of delivery or the day when it is deemed or otherwise considered to have been received for the purposes of the PPSA, as the case may be.

27. DISCHARGE

If you pay us all of the Obligations secured by this Agreement and otherwise observe and perform the terms and conditions hereof, then we shall, at your request and expense, release and discharge the security interest created by this Agreement and execute and deliver to you such deeds and other instruments as shall be required to effect any such release and discharge.

28. ENTIRE AGREEMENT

You acknowledge that this is the entire agreement between you and us and there are no other written or oral representations or warranties, which apply to the Collateral or to this Agreement. This Agreement may only be amended by an agreement in writing signed by us.

29. NO MERGER

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish your liability to make payment of or satisfy the Obligations.

30. FURTHER ASSURANCES

You shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered every such further act, deed, conveyance, instrument, transfer, assignment, security agreement and assurance as we may reasonably require in order to give effect to the provisions and purposes of this Agreement.

31. GOVERNING LAW

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

THE ENCADRE GROUP INC.

BY:		BY:	
Name:	Mark Gdak	Name:	
Title:	President	Title:	

Address: 588 Colby Drive, Unit 1
Waterloo, ON N2V 1A2

SCHEDULE A

DEPOSITS AND CREDIT BALANCES

Unlimited

INVESTMENT PROPERTY

LIFE INSURANCE POLICIES

LOCATIONS OF COLLATERAL

34656.0004/12611703_.2

This is Exhibit “G” referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

NOTICE OF ASSIGNMENT OF ACCOUNTS RECEIVABLE

DATE: ____________ __, 20__

RE: TRIGGER WHOLESALE, INC.

Attention: Accounts Payable Manager/Supervisor

We are pleased to advise that Trigger Wholesale, Inc. has entered into a financial relationship with ClearFlow Commercial Finance Corp. ("ClearFlow"). The availability of additional capital will enable Trigger Wholesale, Inc. to further increase the growth and development of their business, while maintaining their high standard of client service.

As part of this program, Trigger Wholesale, Inc. has assigned to ClearFlow all its right, title and interest in all present and future accounts due from you. Accordingly, all payments due to Trigger Wholesale, Inc., now or in the future must be made payable and remitted directly to:

ClearFlow Commercial Finance Corp.
217 Speers Road, Unit 3
Oakville, Ontario L6K 0J3

This notice of Assignment and payment instructions remain in full force and effect until ClearFlow advises you to the contrary in writing. Please note that ClearFlow's receipt of payment is the only valid discharge of the debt and that ClearFlow's interests have been duly registered in accordance with the appropriate Provincial/State statutes.

Although this notification is effective upon receipt by you, in order to better assist us in correctly applying your payment, please complete and return a copy of this notice to us by fax to 416-455-8340 or 1-888-551-1518, mail at the address below, and/or email at SandyK@ClearFlowFinance.com. If not correctly noted above please provide your correct address, phone and fax number below.

Should you be or become aware of any disputes, set-offs, or any other reason for non-payment, please contact ClearFlow immediately at (416) 455-8340. We thank you in advance for your cooperation in the administration of this program.

Sincerely,
ClearFlow Commercial Finance Corp.

____
Martin Rees, Director

TRIGGER WHOLESALE, INC.

____
Mark Gdak, President

Please complete and return by fax to 416-455-8340 or 1-888-551-1518, or by mail at the address below and/or email to: SandyK@ClearFlowFinance.com

Received by:	**Print Company Name:**
Print Name:	**Address:**
Date:	
Phone:	**City:**
Fax:	**Province/State:**
Email:	**Postal Code/Zip**

This is Exhibit “H” referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

(Mark Gdak)

GUARANTEE AND POSTPONEMENT

TO: ClearFlow Commercial Finance Corp.
217 Speers Road, Unit 3
Oakville, Ontario L6K 0J3

RECITALS:

A. **Trigger Wholesale, Inc.** (the "**Debtor**") is indebted or liable or may become indebted or liable to **ClearFlow Commercial Finance Corp.** (the "**Creditor**"); and

B. It is in the interests of **Mark Gdak** (the "**Guarantor**") that the Creditor extend credit (or continue to extend credit) to the Debtor and therefore the Guarantor is prepared to issue this Guarantee to the Creditor;

For valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by the Guarantor, the Guarantor hereby agrees in favour of the Creditor as follows:

1. **GUARANTEE.** The Guarantor hereby unconditionally and irrevocably guarantees, jointly and severally as a primary obligor and not merely as a surety, the prompt payment and performance to the Creditor, forthwith upon demand by the Creditor, of all indebtedness, liabilities and obligations of any kind whatsoever (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) which the Debtor has incurred or may incur or be under to the Creditor (collectively, the "**Obligations**"). All amounts payable by the Guarantor hereunder will be paid to the Creditor at the address of the Creditor shown above or as otherwise directed in writing by the Creditor. Any amounts payable by the Guarantor under this Guarantee which are not paid forthwith upon demand therefor by the Creditor will bear interest from the date of such demand at the rate or rates applicable to the corresponding Obligations.

2. **GUARANTEE UNCONDITIONAL.** The obligations of the Guarantor under this Guarantee are continuing, unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged, diminished, limited or otherwise affected by (and the Guarantor hereby waives, to the fullest extent permitted by applicable law): (a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Obligation, security, person or otherwise; (b) any modification or amendment of or supplement to the Obligations, including any increase or decrease in the principal, the rates of interest or other amounts payable thereunder; (c) any release, non-perfection or invalidity of any direct or indirect security for any Obligation; (d) any change in the existence, structure, constitution, name, objects, powers, business, control or ownership of the Debtor or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Debtor or any other person or its assets; (e) the existence of any claim, set-off or other rights which the Guarantor may have at any time against the Debtor, the Creditor, or any other person, whether in connection herewith or any unrelated transactions; (f) any invalidity, illegality or unenforceability relating to or against the Debtor or any provision of applicable law or regulation purporting to prohibit the payment by the Debtor of the principal or interest under the Obligations; (g) any limitation, postponement, prohibition, subordination or other restriction on the rights of the Creditor to payment of the Obligations; (h) any release, substitution or addition of any co-signer, endorser or other guarantor of the Obligations; (i) any defence arising by reason of any failure of the Creditor to make any presentment, demand for performance, notice of non-performance, protest, and any other notice, including notice of all of the following: acceptance of this Guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations; (j) any defence arising by reason of any failure of the Creditor to proceed against the Debtor or any other person, to proceed against, apply or exhaust any security held from the Debtor or any other person for the Obligations, to proceed against, apply or exhaust any security held from the Guarantor or any other person for this Guarantee or to pursue any other remedy in the power of the Creditor whatsoever; (k) any law which provides that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation; (l) any defence arising by reason of any incapacity, lack of authority, or other defence of the Debtor or any other person, or by reason of any limitation, postponement, prohibition on the Creditor's right to payment of the Obligations or any part thereof, or by reason of the cessation from any cause whatsoever of the liability of the Debtor or any other person with respect to all or any part of the Obligations, or by reason of any act or omission of the Creditor or others which directly or indirectly results in the discharge or release of the Debtor or any other person or all or any part of the Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise; (m) any defence arising by reason of any failure by the Creditor to obtain, perfect or maintain a perfected or prior (or any) security interest in or lien or encumbrance upon any property of the Debtor or any other person, or by reason of any interest of the Creditor in any property, whether as owner thereof or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Creditor of any right to recourse or collateral; (n) any defence arising by reason of the failure of the Creditor to marshall any assets; (o) any defence based upon any failure of the Creditor to give to the Debtor or the Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of the Creditor to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by the Creditor to dispose of any such property in a commercially reasonable manner; (p) any dealing whatsoever with the Debtor or other person or any security, whether negligently or not, or any failure to do so; (q) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Debtor or any other person, including any discharge of, or bar against collecting, any of the Obligations, in or as a result of any such proceeding; or (r) any other act or omission to act or delay of any kind by the Debtor, the Creditor, or any other person or any other circumstance whatsoever, whether similar or dissimilar to the foregoing, which might, but for the provisions of this Section 2, constitute a legal or equitable discharge, limitation or reduction of the Guarantor's obligations hereunder (other than the payment or extinguishment in full of all of the Obligations). The foregoing provisions apply (and the foregoing waivers will be effective) even if the effect of any action (or failure to take action) by the Creditor is to destroy or diminish the Guarantor's subrogation rights, the Guarantor's right to proceed against the Debtor for reimbursement, the Guarantor's right to recover contribution from any other guarantor or any other right or remedy.

3. RELIANCE ON AGENTS. The Creditor is entitled to assume, notwithstanding any investigation by or on behalf of the Creditor, the power of the Debtor and the Guarantor and the authority of the officers, directors or agents acting or purporting to act on behalf of the Debtor or the Guarantor, and any Obligations made or created in reliance upon the exercise of such power or authority will be guaranteed hereunder.

4. RECOURSE AGAINST DEBTOR. The Creditor is not required to exhaust its recourse against the Debtor or others or under any other security or guarantee before being entitled to payment from the Guarantor under this Guarantee.

5. SETTLEMENT OF ACCOUNTS. Any account settled or stated between the Creditor and the Debtor will be accepted by the Guarantor as prima facie evidence that the amount thereby appearing due by the Debtor to the Creditor is so due.

6. NO WAIVER. No delay on the part of the Creditor in exercising any of its options, powers or rights, or partial or single exercise thereof, will constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, will be deemed to be made by the Creditor unless the same will be in writing, duly signed on behalf of the Creditor, and each such waiver, if any, will apply only with respect to the specific instance involved, and will in no way impair the rights of the Creditor or the liabilities of the Guarantor to the Creditor in any other respect at any other time.

7. GUARANTEE OF ALL MONEYS BORROWED. All moneys and credits in fact borrowed or obtained by the Debtor from the Creditor, will be deemed to form part of the Obligations notwithstanding any incapacity, disability or lack or limitation of status or power of the Debtor or of the directors, officers, employees, partners or agents thereof, or that the Debtor may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys or credits. Any amount which may not be recoverable from the Guarantor by the Creditor on the basis of a guarantee will be recoverable by the Creditor from the Guarantor as principal debtor in respect thereof and will be paid to the Creditor forthwith after demand therefor as herein provided.

8. **STAY OF ACCELERATION.** If acceleration of the time for payment of any amount payable by the Debtor in respect of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Debtor or any moratorium affecting the payment of the Obligations, all such amounts otherwise subject to acceleration will nonetheless be payable by the Guarantor hereunder forthwith on demand by the Creditor.

9. **REINSTATEMENT.** If, at any time, all or any part of any payment previously applied by the Creditor to any Obligation is or must be rescinded or returned by the Creditor for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Debtor), such Obligation will, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Creditor, and this Guarantee will continue to be effective or be reinstated, as the case may be, as to such Obligation, all as though such application by the Creditor had not been made.

10. **NO SUBROGATION.** Notwithstanding any payment made by the Guarantor under this Guarantee or any setoff or application of funds of the Guarantor by the Creditor, the Guarantor will have no right of subrogation to, and waives, to the fullest extent permitted by law, any right to enforce any remedy which the Creditor now has or may hereafter have against the Debtor, until all of the Obligations have been indefeasibly paid in full; and until that time, the Guarantor waives any benefit of, and any right to participate in, any security, whether real or personal property, now or hereafter held by the Creditor for the Obligations.

11. **ASSIGNMENT AND POSTPONEMENT.** All present and future indebtedness and liability of the Debtor to the Guarantor is hereby assigned by the Guarantor to the Creditor and postponed to the Obligations and all moneys received by the Guarantor in respect thereof will be received in trust for and, unless prior written authorization from the Creditor to the contrary will have been obtained by the Guarantor, will be paid over to the Creditor upon demand by the Creditor. If the Creditor receives from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor will not be entitled to claim repayment against the Debtor until the Creditor's claims against the Debtor have been paid in full. In case of liquidation, winding up or bankruptcy of the Debtor (whether voluntary or involuntary) or if the Debtor will make a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, the Creditor will have the right to rank for its full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until the claims of the Creditor have been paid in full, and the Guarantor will continue liable hereunder for any balance which may be owing to the Creditor by the Debtor. In the event of the valuation by the Creditor of any of its security and/or the retention thereof by the Creditor, such valuation and/or retention will not, as between the Creditor and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Obligations or any part thereof. The foregoing provisions of this Section 11 will not in any way limit or lessen the liability of the Guarantor under any other Section of this Guarantee.

12. **FOREIGN CURRENCY OBLIGATIONS.** The Guarantor will make payment relative to each Obligation in the currency (the "**Original Currency**") in which the Debtor is required to pay such Obligation. If the Guarantor makes payment relative to any Obligation to the Creditor in a currency (the "**Other Currency**") other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment will constitute a discharge of the liability of the Guarantor hereunder in respect of such Obligation only to the extent of the amount of the Original Currency which the Creditor is able to purchase at Toronto, Ontario with the amount it receives on the date of receipt. If the amount of the Original Currency which the Creditor is able to purchase is less than the amount of such currency originally due to it in respect to the relevant Obligation, the Guarantor will indemnify and save the Creditor harmless from and against any loss or damage arising as a result of such deficiency. This indemnity will constitute an obligation separate and independent from the other obligations contained in this Guarantee, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Creditor and will continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

13. **TAXES AND SET-OFF BY GUARANTOR.** All payments to be made by the Guarantor hereunder will be made without set-off or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions of any nature whatsoever. If at any time any applicable law, regulation or international agreement requires the Guarantor to make any such deduction or withholding from any such payment, the sum due from the Guarantor with respect to such payment will be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Creditor receives a net sum equal to the sum which it would have received had no deduction or withholding been required.

14. PAYMENT OF EXPENSES; INDEMNIFICATION. The Guarantor will pay on demand, and will indemnify and save the Creditor harmless from, any and all liabilities, costs and expenses (including legal fees and expenses on a solicitor and own client basis and any sales, goods and services or other similar taxes payable to any governmental authority with respect to any such liabilities, costs and expenses) (a) incurred by the Creditor in the preparation, registration, administration or enforcement of this Guarantee, (b) with respect to, or resulting from, any failure or delay by the Guarantor in performing or observing any of its obligations under this Guarantee, or (c) incurred by the Creditor in performing or observing any of the other covenants of the Guarantor under this Guarantee.

15. ADDITIONAL SECURITY. This Guarantee is in addition and without prejudice to any security of any kind (including other guarantees) now or hereafter held by the Creditor and any other rights or remedies that the Creditor might have.

16. SET-OFF BY CREDITOR. The Creditor may, to the fullest extent permitted by law, set-off and apply any and all deposits at any time held by the Creditor and any other indebtedness at any time owing by the Creditor to or for the credit or for the account of the Guarantor against any and all of the Obligations of the Guarantor now or hereafter existing under this Guarantee even if (a) the Creditor has not made any demand hereunder, (b) Obligations are contingent or unmatured, or (c) the Obligations are not in the same currency as the offsetting deposits or indebtedness which may be owing by the Creditor.

17. CORPORATE CHANGES. If the Guarantor is a corporation, the Guarantor will not engage in any fundamental corporate change including, without limitation, any amalgamation, continuation, reorganization, arrangement, reduction in capital, liquidation, dissolution or winding-up, without the Creditor's prior written consent.

18. RELEASE OF INFORMATION. The Guarantor authorizes the Creditor to provide a copy of this Guarantee and such other information as may be requested of the Creditor by persons entitled thereto pursuant to any applicable legislation, and otherwise with the consent of the Debtor.

19. GOVERNING LAW; ATTORNMENT. This Guarantee will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Creditor to enforce this Guarantee in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the NON-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Guarantor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Guarantee in the courts of such Province.

20. SUCCESSORS AND ASSIGNS. This Guarantee will extend and enure to the benefit of the Creditor and its successors and assigns and will be binding upon the Guarantor and its successors. The Guarantor's obligations hereunder will not be assigned or delegated. The Creditor may from time to time, and without notice to or the consent of the Guarantor, assign or transfer all or any of the Obligations or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, any such Obligation or part thereof so transferred or assigned will remain an "Obligation" for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Obligation or any interest therein will, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if such person were the Creditor.

21. TIME. Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee may be strictly enforced by the Creditor.

22. SEVERABILITY. If any provision of this Guarantee is determined to be illegal, unconscionable or unenforceable, all other terms and provisions hereof will nevertheless remain effective and will be enforced to the fullest extent permitted by law.

23. COMMUNICATION. Any communication required or permitted to be given under this Guarantee will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Guarantor or Creditor set out in this Guarantee. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a business day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following business day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth business day following mailing, provided that no disruption of postal service is in effect. The Guarantor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

24. REPRESENTATIONS AND WARRANTIES. The Guarantor represents and warrants to the Creditor, upon each of which representations and warranties the Creditor specifically relies, as follows:

(1) Litigation. There is no litigation or governmental proceeding pending or, to the best of its knowledge, threatened against the Guarantor which, if adversely determined, would materially adversely affect the financial condition of the Guarantor.

(2) Burdensome Provisions, etc. The Guarantor is not a party to any agreement or instrument, or subject to any corporate restriction or any judgment, order, writ, injunction, decree, award, rule or regulation, which materially adversely affects or, to the best of its knowledge, in the future is likely to materially and adversely affect, its ability to issue the Guarantee or to perform its obligations under this Guarantee.

(3) Contingent Liabilities and Debt. The Guarantor has no contingent liabilities which are not disclosed on or referred to in the financial statements most recently delivered to the Creditor which would have a material adverse effect on its business or prospects.

(4) Full Disclosure. Neither the financial statements most recently delivered to the Creditor nor any other written statement furnished by or on behalf of and at the direction of the Guarantor to the Creditor in connection with the negotiation or consummation of the transactions as contemplated hereby contain, as of the time such statements were so furnished, any untrue statement of a material fact or omitted as of such time, a material fact necessary to make the statements contained therein not misleading, and all such statements, taken as a whole, together with this Guarantee, do not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained herein or therein not misleading.

(5) Material Adverse Change. Since the date of the most recent financial statements delivered to the Creditor and except as otherwise disclosed to the Creditor in writing (i) there has been no material adverse change in the financial condition of the Guarantor as shown on its balance sheet as at that date; and (ii) the business, operations, properties, condition, financial or otherwise, or prospects of the Guarantor have not, so far as the Guarantor can reasonably foresee, been materially and adversely affected as a result of any act or event including, without limitation, fire, accident, strike, expropriation or act of any government in Canada or elsewhere.

(6) Consents. No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action, in respect of, any Person, governmental authority or agency is required on the part of the Guarantor in connection with the execution and delivery and enforcement of this Guarantee.

(7) Due Execution, etc. This Guarantee has been duly executed and delivered by or on behalf of the Guarantor and constitutes a valid and binding obligation of the Guarantor enforceable in accordance with its terms, except as enforceability may be limited by any bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(8) No Default, etc. Neither the execution nor the delivery of this Guarantee, the consummation of the transactions herein contemplated, nor compliance with the terms, conditions and provisions hereof conflicts with or will conflict with, or results or will result in, any breach of, or constitutes a default under any of the provisions of any agreement or instrument to which the Guarantor is a party or by which the Guarantor, or any of its property or assets are bound or (except as contemplated by this Guarantee) results or will result in the creation or imposition of any encumbrance upon any of the properties or assets of the Guarantor or results or will result in the contravention of any law or rule or regulation to which the Guarantor or its property or assets are subject and as a consequence of

which the ability of the Guarantor to perform its obligations under this Guarantee is or would likely be adversely affected.

(9) Tax Returns. The Guarantor has filed all tax returns which are required to be filed and has paid all taxes which have become due as shown on such returns or any assessments received by the Guarantor where failure to do so would have a material adverse effect on the business, operations or financial condition of the Guarantor or its ability to perform its obligations under this Guarantee, except such taxes (if any) as are being contested in good faith by appropriate proceedings and for which a reserve reasonably satisfactory to the Creditor is provided; and the Guarantor is not aware of any proposed additional tax assessment against it.

25. REPORTING REQUIREMENTS. The Guarantor shall furnish to the Creditor:

(i) promptly upon the Guarantor obtaining knowledge of any condition or event which constitutes a default or an event of default under the credit arrangements between the Debtor and the Creditor, a certificate of the Guarantor specifying the nature and occurrence of such default or event of default and what action the Debtor or the Guarantor has taken or proposes to take with respect thereto;

(ii) promptly upon the Guarantor obtaining knowledge of any material litigation pending or threatened against the Guarantor, a certificate of the Guarantor specifying the particulars of such litigation and what action the Guarantor has taken or proposes to take with respect thereto;

(iii) promptly, such other information concerning the Guarantor as the Creditor may from time to time reasonably request.

26. DEBTOR'S FINANCIAL CONDITION. The Guarantor is fully aware of the financial condition of the Debtor.

27. INTERPRETATION. Unless otherwise expressly provided in this Guarantee, if any matter in this Guarantee is subject to the consent or approval of the Creditor or is to be acceptable to the Creditor, such consent, approval or determination of acceptability will be in the sole discretion of the Creditor. If any provision in this Guarantee refers to any action taken or to be taken by the Guarantor, or which the Guarantor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Guarantee into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Guarantee. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Guarantee, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Guarantee to a "Section" means the relevant Section of this Guarantee. If more than one person executes this Guarantee, their obligations under this Guarantee are joint and several. Any reference in this Guarantee to a "person" will be deemed to include an individual, corporation, partnership, trust, unincorporated organization, government and the heirs, executors, administrators or other legal representatives of an individual. Any reference to a "business day" will be deemed to include any day which is not a Saturday, Sunday or a statutory holiday in the jurisdiction referred to in the "Governing Law; Attornment" Section of this Guarantee.

28. COPY OF GUARANTEE. The Guarantor acknowledges receipt of an executed copy of this Guarantee.

[SIGNATURE PAGE TO FOLLOW]

GUARANTOR CONFIRMS THAT IT HAS REVIEWED THE CONTENTS OF THIS GUARANTEE, THAT IT HAS HAD AN OPPORTUNITY TO SEEK THE ADVICE OF LEGAL AND OTHER COUNSEL PRIOR TO EXECUTING THIS GUARANTEE AND THAT IT HAS AVAILED ITSELF OF SUCH OPPORTUNITY AND OBTAINED WHATEVER ADVICE NECESSARY TO ENSURE THAT IT FULLY UNDERSTANDS AND APPRECIATES ITS RIGHTS AND OBLIGATIONS UNDER THIS GUARANTEE.

Dated this _____ day of May, 2019.

Witness	**MARK GDAK**

This is Exhibit “I” referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

____
A Commissioner, Etc.

GUARANTEE AND POSTPONEMENT

TO: ClearFlow Commercial Finance Corp.
217 Speers Road, Unit 3
Oakville, Ontario L6K 0J3

RECITALS:

A. **Trigger Wholesale, Inc.** (the "**Debtor**") is indebted or liable or may become indebted or liable to **ClearFlow Commercial Finance Corp.** (the "**Creditor**"); and

B. It is in the interests of **The En Cadre Group Inc.** (the "**Guarantor**") that the Creditor extend credit (or continue to extend credit) to the Debtor and therefore the Guarantor is prepared to issue this Guarantee to the Creditor;

For valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by the Guarantor, the Guarantor hereby agrees in favour of the Creditor as follows:

1. **GUARANTEE.** The Guarantor hereby unconditionally and irrevocably guarantees, jointly and severally as a primary obligor and not merely as a surety, the prompt payment and performance to the Creditor, forthwith upon demand by the Creditor, of all indebtedness, liabilities and obligations of any kind whatsoever (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) which the Debtor has incurred or may incur or be under to the Creditor (collectively, the "**Obligations**"). All amounts payable by the Guarantor hereunder will be paid to the Creditor at the address of the Creditor shown above or as otherwise directed in writing by the Creditor. Any amounts payable by the Guarantor under this Guarantee which are not paid forthwith upon demand therefor by the Creditor will bear interest from the date of such demand at the rate or rates applicable to the corresponding Obligations.

2. **GUARANTEE UNCONDITIONAL.** The obligations of the Guarantor under this Guarantee are continuing, unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged, diminished, limited or otherwise affected by (and the Guarantor hereby waives, to the fullest extent permitted by applicable law): (a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Obligation, security, person or otherwise; (b) any modification or amendment of or supplement to the Obligations, including any increase or decrease in the principal, the rates of interest or other amounts payable thereunder; (c) any release, non-perfection or invalidity of any direct or indirect security for any Obligation; (d) any change in the existence, structure, constitution, name, objects, powers, business, control or ownership of the Debtor or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Debtor or any other person or its assets; (e) the existence of any claim, set-off or other rights which the Guarantor may have at any time against the Debtor, the Creditor, or any other person, whether in connection herewith or any unrelated transactions; (f) any invalidity, illegality or unenforceability relating to or against the Debtor or any provision of applicable law or regulation purporting to prohibit the payment by the Debtor of the principal or interest under the Obligations; (g) any limitation, postponement, prohibition, subordination or other restriction on the rights of the Creditor to payment of the Obligations; (h) any release, substitution or addition of any co-signer, endorser or other guarantor of the Obligations; (i) any defence arising by reason of any failure of the Creditor to make any presentment, demand for performance, notice of non-performance, protest, and any other notice, including notice of all of the following: acceptance of this Guarantee, partial payment or non-payment of all or any part of the Obligations and the existence, creation, or incurring of new or additional Obligations; (j) any defence arising by reason of any failure of the Creditor to proceed against the Debtor or any other person, to proceed against, apply or exhaust any security held from the Debtor or any other person for the Obligations, to proceed against, apply or exhaust any security held from the Guarantor or any other person for this Guarantee or to pursue any other remedy in the power of the Creditor whatsoever; (k) any law which provides that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation; (l) any defence arising by reason of any incapacity, lack of authority, or other defence of the Debtor or any other person, or by reason of any limitation, postponement, prohibition on the Creditor's right to payment of the Obligations or any part thereof, or by reason of the cessation from any cause whatsoever of the liability of the Debtor or any other person with respect to all or any part of the Obligations, or by reason of any act or omission of the Creditor or others which directly or indirectly results in the discharge or release of the Debtor or any other person or all or any part of the Obligations or any security or guarantee therefor, whether by contract, operation of law or otherwise; (m) any defence arising by reason of any failure by the Creditor to obtain, perfect or maintain a perfected or prior (or any) security interest in or lien or encumbrance upon any property of the Debtor or any other person, or by reason of any interest of the Creditor in any property, whether as owner thereof or the holder of a security interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Creditor of any right to recourse or collateral; (n) any defence arising by reason of the failure of the Creditor to marshall any assets; (o) any defence based upon any failure of the Creditor to give to the Debtor or the Guarantor notice of any sale or other disposition of any property securing any or all of the Obligations or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of the Creditor to comply with any provision of applicable law in enforcing any security interest in or lien upon any such property, including any failure by the Creditor to dispose of any such property in a commercially reasonable manner; (p) any dealing whatsoever with the Debtor or other person or any security, whether negligently or not, or any failure to do so; (q) any defence based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Debtor or any other person, including any discharge of, or bar against collecting, any of the Obligations, in or as a result of any such proceeding; or (r) any other act or omission to act or delay of any kind by the Debtor, the Creditor, or any other person or any other circumstance whatsoever, whether similar or dissimilar to the foregoing, which might, but for the provisions of this Section 2, constitute a legal or equitable discharge, limitation or reduction of the Guarantor's obligations hereunder (other than the payment or extinguishment in full of all of the Obligations). The foregoing provisions apply (and the foregoing waivers will be effective) even if the effect of any action (or failure to take action) by the Creditor is to destroy or diminish the Guarantor's subrogation rights, the Guarantor's right to proceed against the Debtor for reimbursement, the Guarantor's right to recover contribution from any other guarantor or any other right or remedy.

3. **RELIANCE ON AGENTS.** The Creditor is entitled to assume, notwithstanding any investigation by or on behalf of the Creditor, the power of the Debtor and the Guarantor and the authority of the officers, directors or agents acting or purporting to act on behalf of the Debtor or the Guarantor, and any Obligations made or created in reliance upon the exercise of such power or authority will be guaranteed hereunder.

4. **RECOURSE AGAINST DEBTOR.** The Creditor is not required to exhaust its recourse against the Debtor or others or under any other security or guarantee before being entitled to payment from the Guarantor under this Guarantee.

5. **SETTLEMENT OF ACCOUNTS.** Any account settled or stated between the Creditor and the Debtor will be accepted by the Guarantor as prima facie evidence that the amount thereby appearing due by the Debtor to the Creditor is so due.

6. **NO WAIVER.** No delay on the part of the Creditor in exercising any of its options, powers or rights, or partial or single exercise thereof, will constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, will be deemed to be made by the Creditor unless the same will be in writing, duly signed on behalf of the Creditor, and each such waiver, if any, will apply only with respect to the specific instance involved, and will in no way impair the rights of the Creditor or the liabilities of the Guarantor to the Creditor in any other respect at any other time.

7. **GUARANTEE OF ALL MONEYS BORROWED.** All moneys and credits in fact borrowed or obtained by the Debtor from the Creditor, will be deemed to form part of the Obligations notwithstanding any incapacity, disability or lack or limitation of status or power of the Debtor or of the directors, officers, employees, partners or agents thereof, or that the Debtor may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys or credits. Any amount which may not be recoverable from the Guarantor by the Creditor on the basis of a guarantee will be recoverable by the Creditor from the Guarantor as principal debtor in respect thereof and will be paid to the Creditor forthwith after demand therefor as herein provided.

8. **STAY OF ACCELERATION.** If acceleration of the time for payment of any amount payable by the Debtor in respect of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Debtor or any moratorium affecting the payment of the Obligations, all such amounts otherwise subject to acceleration will nonetheless be payable by the Guarantor hereunder forthwith on demand by the Creditor.

9. **REINSTATEMENT.** If, at any time, all or any part of any payment previously applied by the Creditor to any Obligation is or must be rescinded or returned by the Creditor for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Debtor), such Obligation will, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Creditor, and this Guarantee will continue to be effective or be reinstated, as the case may be, as to such Obligation, all as though such application by the Creditor had not been made.

10. **NO SUBROGATION.** Notwithstanding any payment made by the Guarantor under this Guarantee or any setoff or application of funds of the Guarantor by the Creditor, the Guarantor will have no right of subrogation to, and waives, to the fullest extent permitted by law, any right to enforce any remedy which the Creditor now has or may hereafter have against the Debtor, until all of the Obligations have been indefeasibly paid in full; and until that time, the Guarantor waives any benefit of, and any right to participate in, any security, whether real or personal property, now or hereafter held by the Creditor for the Obligations.

11. **ASSIGNMENT AND POSTPONEMENT.** All present and future indebtedness and liability of the Debtor to the Guarantor is hereby assigned by the Guarantor to the Creditor and postponed to the Obligations and all moneys received by the Guarantor in respect thereof will be received in trust for and, unless prior written authorization from the Creditor to the contrary will have been obtained by the Guarantor, will be paid over to the Creditor upon demand by the Creditor. If the Creditor receives from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor will not be entitled to claim repayment against the Debtor until the Creditor's claims against the Debtor have been paid in full. In case of liquidation, winding up or bankruptcy of the Debtor (whether voluntary or involuntary) or if the Debtor will make a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, the Creditor will have the right to rank for its full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until the claims of the Creditor have been paid in full, and the Guarantor will continue liable hereunder for any balance which may be owing to the Creditor by the Debtor. In the event of the valuation by the Creditor of any of its security and/or the retention thereof by the Creditor, such valuation and/or retention will not, as between the Creditor and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Obligations or any part thereof. The foregoing provisions of this Section 11 will not in any way limit or lessen the liability of the Guarantor under any other Section of this Guarantee.

12. **FOREIGN CURRENCY OBLIGATIONS.** The Guarantor will make payment relative to each Obligation in the currency (the "**Original Currency**") in which the Debtor is required to pay such Obligation. If the Guarantor makes payment relative to any Obligation to the Creditor in a currency (the "**Other Currency**") other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment will constitute a discharge of the liability of the Guarantor hereunder in respect of such Obligation only to the extent of the amount of the Original Currency which the Creditor is able to purchase at Toronto, Ontario with the amount it receives on the date of receipt. If the amount of the Original Currency which the Creditor is able to purchase is less than the amount of such currency originally due to it in respect to the relevant Obligation, the Guarantor will indemnify and save the Creditor harmless from and against any loss or damage arising as a result of such deficiency. This indemnity will constitute an obligation separate and independent from the other obligations contained in this Guarantee, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Creditor and will continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

13. **TAXES AND SET-OFF BY GUARANTOR.** All payments to be made by the Guarantor hereunder will be made without set-off or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions of any nature whatsoever. If at any time any applicable law, regulation or international agreement requires the Guarantor to make any such deduction or withholding from any such payment, the sum due from the Guarantor with respect to such payment will be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Creditor receives a net sum equal to the sum which it would have received had no deduction or withholding been required.

14. **PAYMENT OF EXPENSES; INDEMNIFICATION.** The Guarantor will pay on demand, and will indemnify and save the Creditor harmless from, any and all liabilities, costs and expenses (including legal fees and expenses on a solicitor and own client basis and any sales, goods and services or other similar taxes payable to any governmental authority with respect to any such liabilities, costs and expenses) (a) incurred by the Creditor in the preparation, registration, administration or enforcement of this Guarantee, (b) with respect to, or resulting from, any failure or delay by the Guarantor in performing or observing any of its obligations under this Guarantee, or (c) incurred by the Creditor in performing or observing any of the other covenants of the Guarantor under this Guarantee.

15. **ADDITIONAL SECURITY.** This Guarantee is in addition and without prejudice to any security of any kind (including other guarantees) now or hereafter held by the Creditor and any other rights or remedies that the Creditor might have.

16. **SET-OFF BY CREDITOR.** The Creditor may, to the fullest extent permitted by law, set-off and apply any and all deposits at any time held by the Creditor and any other indebtedness at any time owing by the Creditor to or for the credit or for the account of the Guarantor against any and all of the Obligations of the Guarantor now or hereafter existing under this Guarantee even if (a) the Creditor has not made any demand hereunder, (b) Obligations are contingent or unmatured, or (c) the Obligations are not in the same currency as the offsetting deposits or indebtedness which may be owing by the Creditor.

17. **CORPORATE CHANGES.** If the Guarantor is a corporation, the Guarantor will not engage in any fundamental corporate change including, without limitation, any amalgamation, continuation, reorganization, arrangement, reduction in capital, liquidation, dissolution or winding-up, without the Creditor's prior written consent.

18. **RELEASE OF INFORMATION.** The Guarantor authorizes the Creditor to provide a copy of this Guarantee and such other information as may be requested of the Creditor by persons entitled thereto pursuant to any applicable legislation, and otherwise with the consent of the Debtor.

19. **GOVERNING LAW; ATTORNMENT.** This Guarantee will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Creditor to enforce this Guarantee in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the NON-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Guarantor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Guarantee in the courts of such Province.

20. **SUCCESSORS AND ASSIGNS.** This Guarantee will extend and enure to the benefit of the Creditor and its successors and assigns and will be binding upon the Guarantor and its successors. The Guarantor's obligations hereunder will not be assigned or delegated. The Creditor may from time to time, and without notice to or the consent of the Guarantor, assign or transfer all or any of the Obligations or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, any such Obligation or part thereof so transferred or assigned will remain an "Obligation" for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Obligation or any interest therein will, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if such person were the Creditor.

21. **TIME.** Time is of the essence with respect to this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee may be strictly enforced by the Creditor.

22. **SEVERABILITY.** If any provision of this Guarantee is determined to be illegal, unconscionable or unenforceable, all other terms and provisions hereof will nevertheless remain effective and will be enforced to the fullest extent permitted by law.

23. **COMMUNICATION.** Any communication required or permitted to be given under this Guarantee will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Guarantor or Creditor set out in this Guarantee. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a business day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following business day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth business day following mailing, provided that no disruption of postal service is in effect. The Guarantor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

24. REPRESENTATIONS AND WARRANTIES. The Guarantor represents and warrants to the Creditor, upon each of which representations and warranties the Creditor specifically relies, as follows:

(1) Litigation. There is no litigation or governmental proceeding pending or, to the best of its knowledge, threatened against the Guarantor which, if adversely determined, would materially adversely affect the financial condition of the Guarantor.

(2) Burdensome Provisions, etc. The Guarantor is not a party to any agreement or instrument, or subject to any corporate restriction or any judgment, order, writ, injunction, decree, award, rule or regulation, which materially adversely affects or, to the best of its knowledge, in the future is likely to materially and adversely affect, its ability to issue the Guarantee or to perform its obligations under this Guarantee.

(3) Contingent Liabilities and Debt. The Guarantor has no contingent liabilities which are not disclosed on or referred to in the financial statements most recently delivered to the Creditor which would have a material adverse effect on its business or prospects.

(4) Full Disclosure. Neither the financial statements most recently delivered to the Creditor nor any other written statement furnished by or on behalf of and at the direction of the Guarantor to the Creditor in connection with the negotiation or consummation of the transactions as contemplated hereby contain, as of the time such statements were so furnished, any untrue statement of a material fact or omitted as of such time, a material fact necessary to make the statements contained therein not misleading, and all such statements, taken as a whole, together with this Guarantee, do not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained herein or therein not misleading.

(5) Material Adverse Change. Since the date of the most recent financial statements delivered to the Creditor and except as otherwise disclosed to the Creditor in writing (i) there has been no material adverse change in the financial condition of the Guarantor as shown on its balance sheet as at that date; and (ii) the business, operations, properties, condition, financial or otherwise, or prospects of the Guarantor have not, so far as the Guarantor can reasonably foresee, been materially and adversely affected as a result of any act or event including, without limitation, fire, accident, strike, expropriation or act of any government in Canada or elsewhere.

(6) Consents. No consent, approval or authorization of, or declaration, registration, filing or qualification with, or giving of notice to, or taking of any other action, in respect of, any Person, governmental authority or agency is required on the part of the Guarantor in connection with the execution and delivery and enforcement of this Guarantee.

(7) Due Execution, etc. This Guarantee has been duly executed and delivered by or on behalf of the Guarantor and constitutes a valid and binding obligation of the Guarantor enforceable in accordance with its terms, except as enforceability may be limited by any bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(8) No Default, etc. Neither the execution nor the delivery of this Guarantee, the consummation of the transactions herein contemplated, nor compliance with the terms, conditions and provisions hereof conflicts with or will conflict with, or results or will result in, any breach of, or constitutes a default under any of the provisions of any agreement or instrument to which the Guarantor is a party or by which the Guarantor, or any of its property or assets are bound or (except as contemplated by this Guarantee) results or will result in the creation or imposition of any encumbrance upon any of the properties or assets of the Guarantor or results or will result in the contravention of any law or rule or regulation to which the Guarantor or its property or assets are subject and as a consequence of

which the ability of the Guarantor to perform its obligations under this Guarantee is or would likely be adversely affected.

(9) Tax Returns. The Guarantor has filed all tax returns which are required to be filed and has paid all taxes which have become due as shown on such returns or any assessments received by the Guarantor where failure to do so would have a material adverse effect on the business, operations or financial condition of the Guarantor or its ability to perform its obligations under this Guarantee, except such taxes (if any) as are being contested in good faith by appropriate proceedings and for which a reserve reasonably satisfactory to the Creditor is provided; and the Guarantor is not aware of any proposed additional tax assessment against it.

25. REPORTING REQUIREMENTS. The Guarantor shall furnish to the Creditor:

(i) promptly upon the Guarantor obtaining knowledge of any condition or event which constitutes a default or an event of default under the credit arrangements between the Debtor and the Creditor, a certificate of the Guarantor specifying the nature and occurrence of such default or event of default and what action the Debtor or the Guarantor has taken or proposes to take with respect thereto;

(ii) promptly upon the Guarantor obtaining knowledge of any material litigation pending or threatened against the Guarantor, a certificate of the Guarantor specifying the particulars of such litigation and what action the Guarantor has taken or proposes to take with respect thereto;

(iii) promptly, such other information concerning the Guarantor as the Creditor may from time to time reasonably request.

26. DEBTOR'S FINANCIAL CONDITION. The Guarantor is fully aware of the financial condition of the Debtor.

27. INTERPRETATION. Unless otherwise expressly provided in this Guarantee, if any matter in this Guarantee is subject to the consent or approval of the Creditor or is to be acceptable to the Creditor, such consent, approval or determination of acceptability will be in the sole discretion of the Creditor. If any provision in this Guarantee refers to any action taken or to be taken by the Guarantor, or which the Guarantor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Guarantee into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Guarantee. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Guarantee, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Guarantee to a "Section" means the relevant Section of this Guarantee. If more than one person executes this Guarantee, their obligations under this Guarantee are joint and several. Any reference in this Guarantee to a "person" will be deemed to include an individual, corporation, partnership, trust, unincorporated organization, government and the heirs, executors, administrators or other legal representatives of an individual. Any reference to a "business day" will be deemed to include any day which is not a Saturday, Sunday or a statutory holiday in the jurisdiction referred to in the "Governing Law; Attornment" Section of this Guarantee.

28. COPY OF GUARANTEE. The Guarantor acknowledges receipt of an executed copy of this Guarantee.

[SIGNATURE PAGE TO FOLLOW]

GUARANTOR CONFIRMS THAT IT HAS REVIEWED THE CONTENTS OF THIS GUARANTEE, THAT IT HAS HAD AN OPPORTUNITY TO SEEK THE ADVICE OF LEGAL AND OTHER COUNSEL PRIOR TO EXECUTING THIS GUARANTEE AND THAT IT HAS AVAILED ITSELF OF SUCH OPPORTUNITY AND OBTAINED WHATEVER ADVICE NECESSARY TO ENSURE THAT IT FULLY UNDERSTANDS AND APPRECIATES ITS RIGHTS AND OBLIGATIONS UNDER THIS GUARANTEE.

Dated this _____ day of May, 2019.

THE EN CADRE GROUP INC.

Per: ______________________________

Name: Mark Gdak
Title: President

I have the authority to bind the corporation

This is Exhibit "J" referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

<u>TERMINATION OF ROYALTY AGREEMENT</u>

WHEREAS TRIGGER WHOLESALE, INC. (the "**Client**") and **CLEARFLOW COMMERCIAL FINANCE CORP.** ("**ClearFlow**") entered into a royalty agreement made as of the 30th day of April, 2015 (the "**Royalty Agreement**");

AND WHEREAS pursuant to a proposal letter dated May 2, 2019 (the "**Proposal Letter**") from ClearFlow to the Client, which Proposal Letter was accepted and agreed to by the Client on May 6, 2019, the Client and ClearFlow agreed that the Royalty Agreement would be terminated and replaced by the terms and conditions of the new Master Purchase and Sale Agreement between ClearFlow and the Client bearing even date herewith (the "MPSA");

NOW THEREFORE IN CONSIDERATION of the sum of Two Dollars ($2.00) of lawful money of Canada and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), ClearFlow and the Client agree that the Royalty Agreement is hereby terminated and do hereby release each other from all of their respective obligations under the Royalty Agreement, including (without limitation) the Client's obligations to repurchase the Royalty pursuant to Section 2.3 of the Royalty Agreement.

DATED the __________ day of May, 2019.

TRIGGER WHOLESALE, INC.

Per: ______________________________

Name: Mark Gdak
Title: President

I have the authority to bind the corporation

CLEARFLOW COMMERCIAL FINANCE CORP.

Per: ______________________________

Name: Glen Petersen
Title: President

I have the authority to bind the corporation

34656.0004/12610508_.2

This is Exhibit "K" referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

ACKNOWLEDGMENT RE EXISTING SECURITY

TO:	CLEARFLOW COMMERCIAL FINANCE CORP. ("**ClearFlow**")
FROM:	TRIGGER WHOLESALE, INC. (the "**Client**")
AND FROM:	Mark Gdak (the "**Personal Guarantor**") and The En Cadre Group Inc. (the "**Corporate Guarantor**") (collectively called the "**Guarantors**")
RE:	Proposal letter from ClearFlow to the Client dated April 23, 2015 (the "**Old Proposal Letter**")
AND RE:	Proposal letter from ClearFlow to the Client dated May 2, 2019 (the "**New Proposal Letter**")

WHEREAS pursuant to the Old Proposal Letter, ClearFlow proposed to provide to the Client certain funding more particularly described therein;

AND WHEREAS pursuant to the Old Proposal Letter, the Client and the Guarantors executed and delivered to ClearFlow the security documents more particularly described in Schedule "A" attached hereto (the "**Existing Security**");

AND WHEREAS pursuant to the New Proposal Letter, ClearFlow proposed to provide to the Client certain funding more particularly described therein;

AND WHEREAS pursuant to the New Proposal Letter, ClearFlow and the Client have entered into a new Master Purchase and Sale Agreement bearing even date herewith (the "**MPSA**") and a new Master Purchase Order Financing Agreement bearing even date herewith (the "**P.O. Agreement**");

NOW THEREFORE the Client and the Guarantors hereby acknowledge and confirm to ClearFlow as follows:

1. All of the Existing Security secures all of the Client's or the Guarantors' (as applicable) present and future obligations to ClearFlow pursuant to the New Proposal Letter, the MPSA, and the P.O. Agreement.

DATED the ________ day of May, 2019.

TRIGGER WHOLESALE, INC.

Per: ________________________________

Name: Mark Gdak
Title: President

I have the authority to bind the corporation

THE EN CADRE GROUP INC.

Per: ______________________

Name: Mark Gdak

Title: President

I have the authority to bind the corporation

______________________ Witness

______________________ **MARK GDAK**

34656.0004/12610832_.2

SCHEDULE "A"

EXISTING SECURITY

(all dated April 30, 2015)

1. General security agreement by the Client.
2. Guarantee by the Corporate Guarantor in support of the Client's obligations to ClearFlow.
3. General security agreement by the Corporate Guarantor.
4. Subordination agreement between the Corporate Guarantor, ClearFlow and the Client.
5. Guarantee by the Personal Guarantor in support of the Client's obligations to ClearFlow.
6. Subordination agreement between the Personal Guarantor, ClearFlow and the Client.

This is Exhibit “L” referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

May 2nd, 2019

clearflow
commercialfinance

Trigger Wholesale, Inc.
588 Colby Drive, Unit 1
Waterloo
Ontario
N2V 1A2

Attention of Mark Gdak – President

Dear Mark,

Ref: Proposal Letter

Further to our recent conversations.

I write to confirm that Clearflow Commercial Finance Corp. ("Clearflow") is pleased to present the following proposal to renew the Master Purchase and Sale Agreement dated April 30th, 2015 and to terminate and replace the Royalty Agreement dated April 30th, 2015, as amended in various correspondence, which confirmed Clearflow's willingness to provide funding up to a Total Credit Facility of **Thirty Million Canadian Dollars** ($30,000,000) to Trigger Wholesale, Inc. ("Trigger Wholesale") by a purchase facility of Accounts Receivable limited to Twenty Seven Million Five Hundred Thousand Canadian Dollars ($27,500,000), plus a Purchase Order Demand Loan (Facility 2) limited to Two Million Five Hundred Thousand Canadian Dollars ($2,500,000).

FACILITY 1	**Master Purchase and Sale Agreement**
CUSTOMER:	Trigger Wholesale, Inc. ("Trigger Wholesale")
CREDIT FACILITY:	$27,500,000 (Twenty Seven Million Five Hundred Thousand Canadian Dollars)
ADVANCE RATE:	85% of eligible accounts receivable.
RECOURSE:	Recourse to Trigger Wholesale at 90 days
PLATFORM:	All Accounts Receivable.
FEES:	An Administration Fee in the amount of 1.95% (one point nine five percent) on the face value amount of each eligible invoice purchased. An Additional Administration Fee in the amount of 1.00% (one percent) of the face value of each Account Purchased for every thirty (30) days from and including the 30th day after Account Purchased remains unpaid, or partial increment thereof until each Account Purchased is paid.

	An additional Over 90 Day Administration Fee rate fee of 1.0% (one percent) shall apply to any receivable outstanding after 90 days from the purchase date for each thirty (30) days or any portion thereof for as long as such Account Purchased remains over 90 days old
TERM OF AGREEMENT:	36 months from the date of signature of agreement. The contract will be automatically renewed for periods of one (1) year unless either party gives written notice of at least ninety (90) days prior to termination.
ELIGIGBLE ACCOUNTS:	Eligible accounts are invoices (along with required supporting documentation) related to credit worthy customers billed in arrears and due payable within 60 days of invoice date.
COLLECTION:	Clearflow reserves the right to verify invoices and payments as required.
DOCUMENTATION:	Amended Master Purchase and Sale Agreement
FACILITY 2	**Master Purchase Order Financing Agreement**
CUSTOMER:	Trigger Wholesale, Inc ("Trigger Wholesale")
CREDIT FACILITY:	$2,500,000 (Two Million Five Hundred Thousand Canadian Dollars)
LOAN:	To fund on a revolving basis, Purchase Order Agreements from Vendors approved by Clearflow. All terms and conditions of each Purchase Order to be submitted and approved by Clearflow.
TERM:	36month maximum term loan. Payable by monthly repayment schedule of capital and interest with interest calculated daily and applied monthly. This Facility is payable on demand, and will be coterminous with Facility 1.
INTEREST RATE:	2% per month (equivalent to annual rate of 24% per annum)
DUE DILLIGENCE FEE:	No Due Diligence Fee will be charged
DOCUMENTATION	Amended Master Purchase Order Financing Agreement
LEGAL FEES:	Any fees incurred by Clearflow Commercial Finance Corp. in the production of documentation for these amended facilities are for the account of Trigger Wholesale.
COLLATERAL:	Trigger Wholesale, Inc. will continue to grant a first position priority security interest in all its assets.

All registered security granted to Clearflow Commercial Finance Corp. will remain unchanged as at todays date.

COTERMINOUS: The Master Purchase and Sale Agreement and the Master Purchase Order Financing Agreement will be written on a coterminous basis.

TERMINATION: If Trigger Wholesale wished to terminate the Master Purchase and Sale Agreement and/or the Master Purchase Order Financing Agreement the following Termination Fee shall be payable: -

If Trigger Wholesale Terminates the Facilities within the initial 12 month period of the contracted 36 month period, a Termination Fee equal to all fees paid by the client to Clearflow over the most recent 12 months ended shall apply.

If Trigger Wholesale terminates the facilities within the initial 24 month period, but after the initial 12 month period of the contracted 36 month period, a Termination Fee equal to all fees paid by the client to Clearflow over the most recent 6 months ended shall apply.

If Trigger Wholesale terminates the facilities within the initial 36month period. but after the initial 24 month period of the contracted 36 month period, a Termination Fee equal to all fees paid by the client to Clearflow over the most recent 3 months ended shall apply.

The contract will be automatically renewed for periods of one (1) year unless either party gives written notice of at least ninety (90) days prior to Termination.

ROYALTY AGREEMENT

The Royalty Agreement between Trigger Wholesale Inc. and Clearflow Commercial Finance Corp. will be terminated and replaced by the terms and conditions as set out in the proposed amended Master Purchase and Sale Agreement.

ADDITIONAL INFORMATION AND AGREEMENT:

Trigger Wholesale must continue to submit all credit and/or financial supporting schedules required by Clearflow. Trigger Wholesale acknowledges that all information is true and correct as of the stated date and there exists no liabilities (direct or contingent) except as described by Trigger Wholesale in writing, and that title to all assets disclosed are owned by Trigger Wholesale and in Trigger Wholesales' name except as noted. Trigger Wholesale shall immediately notify Clearflow of any material change in the information held and represented.

A full and comprehensive review to take place after 24 months and a fee reduction to be considered by Clearflow, considering income levels received within the first 24 months (related to repayment of Royalty Fee)

No Personal Guarantees moving forward from Jaimee Gdak

Clearflow to understand and approve the Corporate Restructuring of all related companies, and its existing security position. Consideration for pending request from Real Estate Lenders for a Priority Agreement (BMO being considered) to be given.

All invoices to be 60-day net terms unless expressly stated (e.g. Home Hardware)

90-day recourse fee to be additional 1% on day 90 and followed by on day 120 at 1% every subsequent 30 days unless recourse to Trigger Wholesale Inc.

Clearflow to provide comprehensive month end report setting out all charges and fees applied

Life Assurance policy in the sum of not less than $10 million Canadian Dollars on life of Mark Gdak, with such a policy assigned as a dividend to Trigger Wholesale Inc.

Initial Total Credit Facility Limit of Thirty Million Canadian Dollars ($30,000,000), with any increase to be considered by Clearflow upon requirement.

Purchase Order funding to be reduced to 2% every 30 days outstanding

Clearflow will not require evidence of 100% of pre-sales as a condition of funding any approved Purchase Order

The foregoing Proposal does not constitute an offer, commitment or binding agreement to enter the Amended Credit Facilities unless and until approved by Clearflow's Credit Committee and/or Board in writing and execution of Documentation as described herein. It is offered with the understanding that neither it, nor its substance, shall be disclosed to any third party, except those who are in confidential relationship with seller, such as its financial advisor(s), bankers, legal counsel or accountant.

By executing this letter, Trigger Wholesale authorizes all companies with whom business is conducted, all consumers reporting agencies or other persons, organizations, and all banks or institutions, to release any credit and/or financial information to Clearflow, or its authorized representatives, which Clearflow deems necessary to conduct its financial analysis. Trigger Wholesale also authorizes Clearflow to share this information with Clearflow's affiliates, assigns, lenders, designees or other third parties Clearflow deems necessary to receive the appropriate approvals.

If the above terms and conditions meet with your approval, please indicate your acceptance by signing and completing details below and return this signed

Proposal to Clearflow. Upon receipt of same Clearflow will forward to you the applicable agreements for your consideration and execution.

Sincerely,
CLEARFLOW COMMERCIAL FINANCE CORP.

Martin Rees
Director

ACCEPTED AND AGREED TO THIS 6th DAY OF MAY, 2019
Trigger Wholesale, Inc

Authorized Signatory

NAME: ______________
Mark Gdak

TITLE: President
President

DATE: May 06/19

This is Exhibit “M” referred to
in the affidavit of **Jaimee Lynn Gdak**
sworn remotely before me November 13, 2020.

A Commissioner, Etc.

Gmail

Mark Gdak <mwgdak@gmail.com>

Fwd: Amended Proposal Letter dated May 2nd - to be signed and returned.

7 messages

Mike Nero <mike@melero.ca> Wed, Oct 21, 2020 at 11:46 PM
To: Mark Gdak <mwgdak@gmail.com>

See email below and attached document re: Jaimee being removed.

Also as part of the legal docs signed, the attached acknowledgement as to you being only guarantor.

Regards,

Mike Nero
Business Consultant
Melero Consulting
Tel: 519-831-8063

---------- Forwarded message ---------
From: **Martin Rees** <MartinR@clearflowfinance.com>
Date: Thu, 2 May 2019 at 16:21
Subject: Amended Proposal Letter dated May 2nd - to be signed and returned.
To: Mark Gdak <mark@triggerwholesale.com>
Cc: Mike Nero <mike@melero.ca>, Sandy Kanichis <SandyK@clearflowfinance.com>

Hi Mark,

Please find attached a Proposal Letter date May 2nd, 2019 to amend and replace our original Offer Letter dated April 5th, 2019.

This amended letter incorporates the 12 points we agreed, as set out in my email dated April 25th 2019 – see below.

I have asked our lawyer Jeffrey Alpert of Torkins Manes to prepare amended documents for your consideration.

Can you please sign the attached and return it directly to me at your earliest convenience?

All Fees associated with the production of the amended documents is for the account of Clearflow.

We are eager to continue to support Trigger in their growth plans.

Regards

Martin N Rees

clearflow
commercialfinance

217 Speers Road Unit 3, Oakville, Ont., L6K 0J3

Tel. and Fax: 416-455-8340 or 888-551-1518

Cell: 416-894-7946

Martinr@clearflowfinance.com

Hi Mike/Mark,

I am in the process of amending the Offer Letter (attached) to incorporate all issues to which we spoke.

The detail will be in the amended Master Purchase Agreement and Master Purchase Order Agreement which will be presented for your consideration (I am aware Brian is away for another week).

Can you please review the list below and advise of your agreement or amend as you see fit:-

1. All Terms and conditions of Original Offer Letter dated April 5th remain.
2. Full and comprehensive review to take place after 24 months and fee reduction to be considered by Clearflow, in light of income levels received within the first 24 months (related to repayment of Royalty Fee)
3. Royal Agreement to cease and be replaced by amended Master Purchase & Sale Agreement as proposed.
4. No Personal Guarantees moving forward from Jaimee Gdak
5. Clearflow to understand and approve the Corporate restructuring of all related companies, and it's existing security position. Consideration for pending request from Real Estate Lenders for a Priority Agreement (BMO being considered) to be given.

6. All invoices to be 60 day net terms unless expressly stated (e.g. Home Hardware)
7. 90 day recourse fee to be additional 1% on day 90 and followed by on day 120 at 1% every subsequent 30 days unless recourse to Trigger Wholesale Inc.
8. Clearflow to provide comprehensive month end report setting out all charges and fees applied
9. Life Assurance policy in the sum of not less than $10 million Canadian Dollars on life of Mark Gdak with such a policy assigned as a divided to Trigger Wholesale Inc.
10. Initial Total Credit Facility Limit of Thirty Million Canadian Dollars ($30,000,000), with any increase to be considered by Clearflow upon requirement.
11. Purchase Order funding to be reduced to 2% every 30 days outstanding
12. Clearflow will not require evidence of 100% pre-sales as a condition of funding.

I think the above lists captures everything?

Regards

Martin N Rees

clearflow
commercialfinance

217 Speers Road Unit 3, Oakville, Ont., L6K 0J3

Tel. and Fax: 416-455-8340 or 888-551-1518

Cell: 416-894-7946

Martinr@clearflowfinance.com

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2 attachments

Trigger Wholesale,Inc. Proposal Letter May 5th 2019 mnr.pdf
2322K

Acknowledgement of Exisiting Security.pdf
89K

Mark Gdak <mwgdak@gmail.com> Wed, Oct 21, 2020 at 11:49 PM
To: Mike Nero <mike@melero.ca>

Thanks Mike!

May 2nd, 2019

clearflow
commercialfinance

Trigger Wholesale, Inc.
588 Colby Drive, Unit 1
Waterloo
Ontario
N2V 1A2

Not signed by MG

Attention of Mark Gdak – President

Dear Mark,

Ref: Proposal Letter

Further to our recent conversations.

I write to confirm that Clearflow Commercial Finance Corp. ("Clearflow") is pleased to present the following proposal to renew the Master Purchase and Sale Agreement dated April 30th, 2015 and to terminate and replace the Royalty Agreement dated April 30th, 2015, as amended in various correspondence, which confirmed Clearflow's willingness to provide funding up to a Total Credit Facility of **Thirty Million Canadian Dollars** ($30,000,000) to Trigger Wholesale, Inc. ("Trigger Wholesale") by a purchase facility of Accounts Receivable limited to Twenty Seven Million Five Hundred Thousand Canadian Dollars ($27,500,000), plus a Purchase Order Demand Loan (Facility 2) limited to Two Million Five Hundred Thousand Canadian Dollars ($2,500,000).

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CREDIT FACILITY:	$27,500,000 (Twenty Seven Million Five Hundred Thousand Canadian Dollars)
ADVANCE RATE:	85% of eligible accounts receivable.
RECOURSE:	Recourse to Trigger Wholesale at 90 days
PLATFORM:	All Accounts Receivable.
FEES:	An Administration Fee in the amount of 1.95% (one point nine five percent) on the face value amount of each eligible invoice purchased. An Additional Administration Fee in the amount of 1.00% (one percent) of the face value of each Account Purchased for every thirty (30) days from and including the 30th day after Account Purchased remains unpaid, or partial increment thereof until each Account Purchased is paid.

An additional Over 90 Day Administration Fee rate fee of 1.0% (one percent) shall apply to any receivable outstanding after 90 days from the purchase date for each thirty (30) days or any portion thereof for as long as such Account Purchased remains over 90 days old

TERM OF AGREEMENT:	36 months from the date of signature of agreement. The contract will be automatically renewed for periods of one (1) year unless either party gives written notice of at least ninety (90) days prior to termination.
ELIGIGBLE ACCOUNTS:	Eligible accounts are invoices (along with required supporting documentation) related to credit worthy customers billed in arrears and due payable within 60 days of invoice date.
COLLECTION:	Clearflow reserves the right to verify invoices and payments as required.
DOCUMENTATION:	Amended Master Purchase and Sale Agreement
FACILITY 2	**Master Purchase Order Financing Agreement**
CUSTOMER:	Trigger Wholesale, Inc ("Trigger Wholesale")
CREDIT FACILITY:	$2,500,000 (Two Million Five Hundred Thousand Canadian Dollars)
LOAN:	To fund on a revolving basis, Purchase Order Agreements from Vendors approved by Clearflow. All terms and conditions of each Purchase Order to be submitted and approved by Clearflow.
TERM:	36month maximum term loan. Payable by monthly repayment schedule of capital and interest with interest calculated daily and applied monthly. This Facility is payable on demand, and will be coterminous with Facility 1.
INTEREST RATE:	2% per month (equivalent to annual rate of 24% per annum)
DUE DILLIGENCE FEE:	No Due Diligence Fee will be charged
DOCUMENTATION	Amended Master Purchase Order Financing Agreement
LEGAL FEES:	Any fees incurred by Clearflow Commercial Finance Corp. in the production of documentation for these amended facilities are for the account of Trigger Wholesale.
COLLATERAL:	Trigger Wholesale, Inc. will continue to grant a first position priority security interest in all its assets.

All registered security granted to Clearflow Commercial Finance Corp. will remain unchanged as at todays date.

COTERMINOUS: The Master Purchase and Sale Agreement and the Master Purchase Order Financing Agreement will be written on a coterminous basis.

TERMINATION: If Trigger Wholesale wished to terminate the Master Purchase and Sale Agreement and/or the Master Purchase Order Financing Agreement the following Termination Fee shall be payable: -

If Trigger Wholesale Terminates the Facilities within the initial 12 month period of the contracted 36 month period, a Termination Fee equal to all fees paid by the client to Clearflow over the most recent 12 months ended shall apply.

If Trigger Wholesale terminates the facilities within the initial 24 month period, but after the initial 12 month period of the contracted 36 month period, a Termination Fee equal to all fees paid by the client to Clearflow over the most recent 6 months ended shall apply.

If Trigger Wholesale terminates the facilities within the initial 36month period. but after the initial 24 month period of the contracted 36 month period, a Termination Fee equal to all fees paid by the client to Clearflow over the most recent 3 months ended shall apply.

The contract will be automatically renewed for periods of one (1) year unless either party gives written notice of at least ninety (90) days prior to Termination.

ROYALTY AGREEMENT

The Royalty Agreement between Trigger Wholesale Inc. and Clearflow Commercial Finance Corp. will be terminated and replaced by the terms and conditions as set out in the proposed amended Master Purchase and Sale Agreement.

ADDITIONAL INFORMATION AND AGREEMENT:

Trigger Wholesale must continue to submit all credit and/or financial supporting schedules required by Clearflow. Trigger Wholesale acknowledges that all information is true and correct as of the stated date and there exists no liabilities (direct or contingent) except as described by Trigger Wholesale in writing, and that title to all assets disclosed are owned by Trigger Wholesale and in Trigger Wholesales' name except as noted. Trigger Wholesale shall immediately notify Clearflow of any material change in the information held and represented.

A full and comprehensive review to take place after 24 months and a fee reduction to be considered by Clearflow, considering income levels received within the first 24 months (related to repayment of Royalty Fee)

No Personal Guarantees moving forward from Jaimee Gdak

Clearflow to understand and approve the Corporate Restructuring of all related companies, and its existing security position. Consideration for pending request from Real Estate Lenders for a Priority Agreement (BMO being considered) to be given.

All invoices to be 60-day net terms unless expressly stated (e.g. Home Hardware)

90-day recourse fee to be additional 1% on day 90 and followed by on day 120 at 1% every subsequent 30 days unless recourse to Trigger Wholesale Inc.

Clearflow to provide comprehensive month end report setting out all charges and fees applied

Life Assurance policy in the sum of not less than $10 million Canadian Dollars on life of Mark Gdak, with such a policy assigned as a dividend to Trigger Wholesale Inc.

Initial Total Credit Facility Limit of Thirty Million Canadian Dollars ($30,000,000), with any increase to be considered by Clearflow upon requirement.

Purchase Order funding to be reduced to 2% every 30 days outstanding

Clearflow will not require evidence of 100% of pre-sales as a condition of funding any approved Purchase Order

The foregoing Proposal does not constitute an offer, commitment or binding agreement to enter the Amended Credit Facilities unless and until approved by Clearflow's Credit Committee and/or Board in writing and execution of Documentation as described herein. It is offered with the understanding that neither it, nor its substance, shall be disclosed to any third party, except those who are in confidential relationship with seller, such as its financial advisor(s), bankers, legal counsel or accountant.

By executing this letter, Trigger Wholesale authorizes all companies with whom business is conducted, all consumers reporting agencies or other persons, organizations, and all banks or institutions, to release any credit and/or financial information to Clearflow, or its authorized representatives, which Clearflow deems necessary to conduct its financial analysis. Trigger Wholesale also authorizes Clearflow to share this information with Clearflow's affiliates, assigns, lenders, designees or other third parties Clearflow deems necessary to receive the appropriate approvals.

If the above terms and conditions meet with your approval, please indicate your acceptance by signing and completing details below and return this signed

Proposal to Clearflow. Upon receipt of same Clearflow will forward to you the applicable agreements for your consideration and execution.

Sincerely,
CLEARFLOW COMMERCIAL FINANCE CORP.

____
Martin Rees
Director

ACCEPTED AND AGREED TO THIS ________DAY OF MAY, 2019
Trigger Wholesale, Inc

Authorized Signatory

NAME: ______________________________
Mark Gdak

TITLE: ______________________________
President

DATE: ______________________________

Signed by
MG

May 2nd, 2019

clearflow
commercialfinance

Trigger Wholesale, Inc.
588 Colby Drive, Unit 1
Waterloo
Ontario
N2V 1A2

Attention of Mark Gdak – President

Dear Mark,

Ref: Proposal Letter

Further to our recent conversations.

I write to confirm that Clearflow Commercial Finance Corp. ("Clearflow") is pleased to present the following proposal to renew the Master Purchase and Sale Agreement dated April 30th, 2015 and to terminate and replace the Royalty Agreement dated April 30th, 2015, as amended in various correspondence, which confirmed Clearflow's willingness to provide funding up to a Total Credit Facility of **Thirty Million Canadian Dollars** ($30,000,000) to Trigger Wholesale, Inc. ("Trigger Wholesale") by a purchase facility of Accounts Receivable limited to Twenty Seven Million Five Hundred Thousand Canadian Dollars ($27,500,000), plus a Purchase Order Demand Loan (Facility 2) limited to Two Million Five Hundred Thousand Canadian Dollars ($2,500,000).

FACILITY 1	**Master Purchase and Sale Agreement**
CUSTOMER:	Trigger Wholesale, Inc. ("Trigger Wholesale")
CREDIT FACILITY:	$27,500,000 (Twenty Seven Million Five Hundred Thousand Canadian Dollars)
ADVANCE RATE:	85% of eligible accounts receivable.
RECOURSE:	Recourse to Trigger Wholesale at 90 days
PLATFORM:	All Accounts Receivable.
FEES:	An Administration Fee in the amount of 1.95% (one point nine five percent) on the face value amount of each eligible invoice purchased. An Additional Administration Fee in the amount of 1.00% (one percent) of the face value of each Account Purchased for every thirty (30) days from and including the 30th day after Account Purchased remains unpaid, or partial increment thereof until each Account Purchased is paid.

All registered security granted to Clearflow Commercial Finance Corp. will remain unchanged as at todays date.

COTERMINOUS: The Master Purchase and Sale Agreement and the Master Purchase Order Financing Agreement will be written on a coterminous basis.

TERMINATION: If Trigger Wholesale wished to terminate the Master Purchase and Sale Agreement and/or the Master Purchase Order Financing Agreement the following Termination Fee shall be payable: -

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If Trigger Wholesale terminates the facilities within the initial 24 month period, but after the initial 12 month period of the contracted 36 month period, a Termination Fee equal to all fees paid by the client to Clearflow over the most recent 6 months ended shall apply.

If Trigger Wholesale terminates the facilities within the initial 36month period. but after the initial 24 month period of the contracted 36 month period, a Termination Fee equal to all fees paid by the client to Clearflow over the most recent 3 months ended shall apply.

The contract will be automatically renewed for periods of one (1) year unless either party gives written notice of at least ninety (90) days prior to Termination.

ROYALTY AGREEMENT

The Royalty Agreement between Trigger Wholesale Inc. and Clearflow Commercial Finance Corp. will be terminated and replaced by the terms and conditions as set out in the proposed amended Master Purchase and Sale Agreement.

ADDITIONAL INFORMATION AND AGREEMENT:

Trigger Wholesale must continue to submit all credit and/or financial supporting schedules required by Clearflow. Trigger Wholesale acknowledges that all information is true and correct as of the stated date and there exists no liabilities (direct or contingent) except as described by Trigger Wholesale in writing, and that title to all assets disclosed are owned by Trigger Wholesale and in Trigger Wholesales' name except as noted. Trigger Wholesale shall immediately notify Clearflow of any material change in the information held and represented.

A full and comprehensive review to take place after 24 months and a fee reduction to be considered by Clearflow, considering income levels received within the first 24 months (related to repayment of Royalty Fee)

Proposal to Clearflow. Upon receipt of same Clearflow will forward to you the applicable agreements for your consideration and execution.

Sincerely,
CLEARFLOW COMMERCIAL FINANCE CORP.

____

Martin Rees
Director

ACCEPTED AND AGREED TO THIS 6th DAY OF MAY, 2019
Trigger Wholesale, Inc

Authorized Signatory

NAME: ______________________
Mark Gdak

TITLE: President
President

DATE: May 06/19

Acknowledgement of
New conditions

ACKNOWLEDGMENT RE EXISTING SECURITY

TO:	CLEARFLOW COMMERCIAL FINANCE CORP. ("**ClearFlow**")
FROM:	TRIGGER WHOLESALE, INC. (the "**Client**")
AND FROM:	Mark Gdak (the "**Personal Guarantor**") and The En Cadre Group Inc. (the "**Corporate Guarantor**") (collectively called the "**Guarantors**")
RE:	Proposal letter from ClearFlow to the Client dated April 23, 2015 (the "**Old Proposal Letter**")
AND RE:	Proposal letter from ClearFlow to the Client dated May 2, 2019 (the "**New Proposal Letter**")

WHEREAS pursuant to the Old Proposal Letter, ClearFlow proposed to provide to the Client certain funding more particularly described therein;

AND WHEREAS pursuant to the Old Proposal Letter, the Client and the Guarantors executed and delivered to ClearFlow the security documents more particularly described in Schedule "A" attached hereto (the "**Existing Security**");

AND WHEREAS pursuant to the New Proposal Letter, ClearFlow proposed to provide to the Client certain funding more particularly described therein;

AND WHEREAS pursuant to the New Proposal Letter, ClearFlow and the Client have entered into a new Master Purchase and Sale Agreement bearing even date herewith (the "**MPSA**") and a new Master Purchase Order Financing Agreement bearing even date herewith (the "**P.O. Agreement**");

NOW THEREFORE the Client and the Guarantors hereby acknowledge and confirm to ClearFlow as follows:

1. All of the Existing Security secures all of the Client's or the Guarantors' (as applicable) present and future obligations to ClearFlow pursuant to the New Proposal Letter, the MPSA, and the P.O. Agreement.

DATED the 03 day of ~~May~~ July, 2019.

MG.

TRIGGER WHOLESALE, INC.

Per: MGdak

Name: Mark Gdak
Title: President

I have the authority to bind the corporation

THE EN CADRE GROUP INC.

Per: ______________________

Name: Mark Gdak

Title: President

I have the authority to bind the corporation

____
Witness

____
MARK GDAK

34656.0004/12610832_.2

SCHEDULE "A"

EXISTING SECURITY

(all dated April 30, 2015)

1. General security agreement by the Client.
2. Guarantee by the Corporate Guarantor in support of the Client's obligations to ClearFlow.
3. General security agreement by the Corporate Guarantor.
4. Subordination agreement between the Corporate Guarantor, ClearFlow and the Client.
5. Guarantee by the Personal Guarantor in support of the Client's obligations to ClearFlow.
6. Subordination agreement between the Personal Guarantor, ClearFlow and the Client.

Court File No. CV-20-00649154-00CL

CLEARFLOW COMMERCIAL FINANCE CORP. -and- TRIGGER WHOLESALE INC. et al.

Applicant Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT

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Lawyers
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London ON N6A 5R8

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blay@cohenhighley.com
Tel: 519-672-9330
Fax: 519-672-5960

Lawyers for the Respondent
Jaimee Lynn Gdak

Court File No. CV-20-00649154-00CL

CLEARFLOW COMMERCIAL FINANCE CORP.	-and-	TRIGGER WHOLESALE INC. et al.
Applicant		Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED AT TORONTO

RESPONDING APPLICATION RECORD

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Tel: 519-672-9330
Fax: 519-672-5960
Lawyers for the Respondent
Jaimee Lynn Gdak
Fax number and Email for parties served: (see service list)