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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

Comsale Group Inc., *et al.*,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 19-13625 (JLG)

Joint Administration Requested

**DECLARATION OF ROB STELZER IN SUPPORT OF (I) VERIFIED PETITION
UNDER CHAPTER 15 FOR RECOGNITION OF A FOREIGN MAIN PROCEEDING
AND RELATED RELIEF AND (II) MOTION OF
THE FOREIGN REPRESENTATIVE FOR PROVISIONAL RELIEF**

I, Rob Stelzer, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury under the laws of the United States of America, as follows:

1. I am a Vice President in the Toronto office of Grant Thornton Limited (“Grant Thornton”). Grant Thornton is the court-appointed receiver and manager (in such capacities, the “Receiver”) and authorized foreign representative (the “Foreign Representative”) of all of the assets, undertakings and properties of Comsale Group Inc. (“CGI”), Comsale Computer Inc. (“CCI” or the “Borrower”) and Comsale Inc. (“CI” and together with CGI and CCI, the “Debtors”). The Receiver was appointed by the Superior Court of Justice (Commercial List)

¹ The Debtors in these chapter 15 cases, along with the last four digits of each Debtor’s U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

in Ontario, Canada (the “Canadian Court”) in the proceedings with respect to the Comsale Entities² captioned under Court File No. CV-19-630501-00CL (the “Canadian Proceeding”) by the *Order (appointing Receiver)* (the “Receivership Order”) entered on November 5, 2019 under *Courts of Justice Act* of the Province of Ontario (the “CJA”) and *Bankruptcy and Insolvency Act* of Canada (the “BIA”).

2. I am a Chartered Professional Accountant, a Chartered Insolvency and Restructuring Professional and Licensed Insolvency Trustee in Canada and a member of the Turnaround Management Association. I hold a Bachelor of Commerce from Queen’s University. For over 12 years, I have provided advice to senior representatives of debtors, creditors and other key stakeholders in a variety of Canadian and cross-border restructuring situations. I have significant experience in the agriculture, automotive, distribution, manufacturing, and retail sectors. I have been a key member of the teams that have acted in engagements such as Sears Canada, US Steel Canada and Nortel Networks.

3. Prior to the commencement of the Canadian Proceeding and its appointment as Receiver, in October of 2019, Grant Thornton was contacted by HSBC Bank Canada (“HSBC Canada”), the Borrower’s lender, to act as HSBC Canada’s financial advisor in connection with the Credit Facilities (as defined below) with the Borrower. I have assisted in the engagement for Grant Thornton as Receiver since its appointment. In this capacity, I have investigated the business and affairs of the Debtors to the best of my ability, and based on the records of the Debtors as same exist, I make this declaration based on that investigation. I am authorized to submit this declaration on behalf of the Debtors, and if called upon to testify, I would testify competently to the facts set forth herein.

² Grant Thornton was also appointed as the Receiver for Comsale Hong Kong Limited (“Comsale Hong Kong”) and Comsale Malaysia Sdn. Bhd. (“Comsale Malaysia”) and together with Comsale Hong Kong and the Debtors, the “Comsale Entities”). Comsale Hong Kong and Comsale Malaysia are not debtors in these chapter 15 cases.

4. I submit this declaration in support of the *Verified Petition Under Chapter 15 for Recognition of a Foreign Proceeding and Related Relief* (the “Verified Petition”³ and together with the Forms of Voluntary Petition [Dkt. No. 1], the “Petition”) and the *Motion of the Receiver for Provisional Relief in Aid of a Foreign Proceeding* filed contemporaneously herewith (the “Provisional Relief Motion”). I have reviewed the Petition and the Provisional Relief Motion, and it is my belief that the relief sought therein is necessary to preserve, protect and realize upon the Debtors’ assets located within the territorial jurisdiction of the United States for the benefit of the Debtors’ creditors.

I. Overview

5. Prior to the commencement of the Canadian Proceeding, the Debtors repaired and refurbished used electronic equipment and accessories, including desktop and laptop computers and tablets.

6. Beginning in August, 2019, the Borrower was in default under the terms of the Credit Agreement (defined below), which was continuing, as a result of, among other things, failure to deliver timely reporting and comply with certain financial covenants. In October 2019, the Debtors advised that they experienced a cyber-attack that caused extreme disruption to the Debtors’ day to day business. HSBC Canada issued demands and notices of intention to enforce its security under the BIA to the Debtors on November 4, 2019. Later on the same date, the Debtors advised HSBC Canada that they would immediately cease operations. In light of their financial and operational challenges, the Debtors advised HSBC Canada that they would consent to the immediate appointment of a receiver in Canada.

7. On November 5, 2019, the Canadian Court entered the Receivership Order. On the date hereof, the Foreign Representative filed petitions under chapter 15 of the Bankruptcy

³ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Verified Petition.

Code on behalf of each of the Debtors seeking recognition of the Canadian Proceeding and certain related relief.

II. Introduction to the Comsale Entities

A. The Comsale Entities

8. The Borrower and CGI were incorporated under the laws of, and their registered head offices are located in, the Province of Ontario. CI was incorporated under the laws of New York, and its registered head office is located in Ohio. CI, Comsale Malaysia and Comsale Hong Kong are wholly-owned subsidiaries of CGI. Each of the Borrower and CGI is 50% owned by individual shareholders Neil Shaul and Wenqiang Feng (together, the “Shareholders”).

9. Before the Debtors ceased operations, they managed their businesses primarily from Canada and maintained assets, facilities and operations in the United States (in New York, Nevada and Tennessee), Malaysia and Hong Kong.⁴ The Debtors’ business operations, financing, global headquarters and strategic decision-making were all located in or executed from Canada. Upon the Receiver’s appointment on November 5, 2019, the Receiver has had exclusive management and control over the Debtors and all of their assets, undertakings, and properties. The Receiver’s offices are located in Ontario, Canada.

10. The Debtors’ assets consist of, among other things, bank accounts, inventory, equipment and receivables. Each of the Debtors has property located in New York consisting of a retainer deposited with counsel to the Foreign Representative that is being held in a New York bank account for the benefit of all of the Debtors. CGI owns 100% of the equity interests in CI, which is a New York entity. In addition, CI also owns a bank account at HSBC Bank USA located in New York and issued a guarantee in favor of HSBC Canada pursuant to an agreement that is governed by New York law and contains a New York forum selection clause.

⁴ Comsale Malaysia stores certain assets and inventory of the Borrower in Malaysia.

B. The Comsale Entities' Capital Structure

11. The Debtors are party to that certain: (i) Credit Agreement, dated as of June 4, 2018 (the "Credit Agreement"), by and among the Borrower, CGI and CI, as guarantors (collectively, the "Guarantors") and HSBC Canada, as lender and (ii) HSBC Commercial MasterCard Agreement, dated August 23, 2018, pursuant to which HSBC Canada made the following facilities (the "Credit Facilities") available to the Debtors:

- Demand operating revolving loan facility (the "Operating Loan Facility") in the maximum principal amount of CAD\$16,000,000 to finance day-to-day operations;
- Demand operating revolving loan facility in the maximum aggregate principal amount of CAD\$4,000,000 to finance the Borrower's inventories outside of North America, which was subsequently reduced to the maximum principal amount of CAD\$2,000,000;
- Demand non-revolving loan facility in the maximum principal amount of CAD\$600,000 to repay and refinance a previously outstanding equipment loan that had been obtained by the Borrower from The Toronto-Dominion Bank;
- Demand revolving foreign exchange facility (the "Foreign Exchange Facility") up to a notional limit of USD\$640,000, to purchase foreign exchange forward contracts;
- Interest rate swap facility (the "Swap Facility") in the notional amount of CAD\$600,000, to allow for a sixty-month interest rate swap contract; and
- Commercial MasterCard with a credit limit of USD\$303,030.

12. As of November 4, 2019, the Borrower was indebted to HSBC Canada under the Credit Facilities in the aggregate amounts of CAD\$17,404,122.21 and USD\$896,781.96,⁵ together with accruing interest, costs and fees, including legal fees and disbursements incurred by HSBC Canada.

13. As security for their obligations to HSBC Canada, each of the Debtors granted security interests to HSBC Canada in all of their real and personal property pursuant to General Security Agreements, each dated July 5, 2018. The Borrower also granted security interests in

⁵ There are no amounts currently owing under the Foreign Exchange Facility or the Swap Facility.

all of its personal property to HSBC Canada pursuant to a Debenture dated July 27, 2018 that is governed by the laws of Malaysia.

14. Each of the Guarantors guaranteed all obligations of the Borrower to HSBC Canada pursuant to unlimited guarantees, each dated July 5, 2018 (collectively, the “Guarantees”). Each of the Comsale Entities also executed a Negative Pledge Agreement, dated as of July 5, 2018 (the “Negative Pledge Agreement”), that prohibits each of the Comsale Entities from selling, leasing or otherwise transferring any of such entity’s assets or property, or making any payment to any of its partners or affiliates, without the prior consent of HSBC Canada.⁶ Pursuant to the Negative Pledge Agreement, each of Comsale Hong Kong and Comsale Malaysia agreed that it would not, without the prior consent of HSBC Canada, incur any indebtedness or grant a security interest in any of their respective assets.

III. Circumstances Leading to the Canadian Proceeding

17. Pursuant to letters dated as of August 30, 2019 and September 27, 2019, HSBC Canada advised the Borrower of several defaults that had occurred and were continuing under the Credit Agreement in respect of the Borrower’s failure to comply with its financial covenants and reporting obligations. As a result of such defaults, HSBC Canada required the Borrower to provide a 13-week cash flow forecast, which the Borrower delivered, and consolidated audited financial statements of the Comsale Entities, which the Borrower did not deliver.

18. On or around October 2, 2019 and October 4, 2019, the Borrower advised that it experienced a serious cyber-attack that caused extreme disruption to the Borrower’s day to day operations.

⁶ Each of the Borrower and CI have also granted a subordinated security interest in all of their personal property to BDC Capital Inc. (“BDC”), a wholly-owned subsidiary of Business Development Bank of Canada. Pursuant to a Priority Agreement among HSBC Canada, BDC, the Borrower and CI executed on July 25, 2018, BDC agreed to subordinate the security granted to it by the Borrower and CI to the security that these entities granted to HSBC Canada, except for the life insurance policies insuring the lives of the Shareholders and the proceeds thereof.

19. Following an additional default under the Credit Agreement in October 2019, upon the Borrower's request, HSBC Canada agreed to permit further borrowings to fund critical disbursements, despite the fact that this would result in an overdrawn position under the Operating Loan Facility. The borrowings were conditioned on the Borrower's immediate engagement of: (i) a consultant to review the Borrower's financial position and prepare a restructuring plan to be presented to HSBC Canada by November 8, 2019; and (ii) a consultant to provide advisory services with respect to the recent cyber-attacks. Although the Borrower engaged Deloitte Restructuring Inc. to provide restructuring advice, it failed to engage a consultant to assist with the cyber-attacks.

20. On November 4, 2019, Shareholder and President of the Borrower, Neil Shaul, advised HSBC Canada that he would (i) shutdown the Borrower's operations, including advising all of the Borrower's employees to cease working and (ii) consent to the immediate appointment of a receiver.

IV. The Canadian Proceeding

25. On November 5, 2019, HSBC Canada filed a *Notice of Application* with the Canadian Court seeking the appointment of the Receiver with the consent of each of the Debtors.⁷ That same day, the Canadian Court granted HSBC Canada's application and entered the Receivership Order.

26. The Receivership Order expressly empowered and authorized the Receiver "to apply to any court . . . wherever located, for the recognition of [the Receivership Order] and for assistance in carrying out the terms of [the Receivership Order]" Receivership Order ¶ 33. Additionally, the Canadian Court has requested the aid and recognition of the United States courts to give effect to the Receivership Order and to assist the Receiver and its agents in carrying out the terms of the Receivership Order. *Id.* ¶ 32. Since its appointment, the

⁷ A true and correct copy of the full application record filed with the Canadian Court to commence the Canadian Proceeding is attached hereto as **Exhibit A**.

Receiver has managed all of the Debtors' assets, operations, and other affairs and interests from the Receiver's offices in Ontario, Canada.

V. The Need for Chapter 15 Relief

25. As Foreign Representative for the Debtors, the Receiver seeks provisional relief to ensure the orderly liquidation of the Debtors' assets located in the territorial jurisdiction of the United States, recognition of the Canadian Proceeding and certain related relief. I believe this relief is necessary to enjoin current and future creditor enforcement actions, to protect the Debtors' assets in the United States, and to promote the orderly liquidation of the Debtors' assets for the benefit of the Debtors' creditors.

26. I believe that the relief requested in the Provisional Relief Motion is also necessary to empower the Receiver to take control of, and ensure appropriate measures are taken to protect, the Debtors' properties and assets and to enjoin creditors from commencing or continuing actions against the Debtors in the U.S., including at least one litigation commenced by FPIP-Memphis, L.P. against CI for allegedly past due rent in the Shelby County Court of General Sessions in Memphis, Tennessee. The relief requested in the Provisional Relief Motion is necessary to avoid immediate and irreparable harm to the Debtors if creditors or contract counterparties "race to the courthouse" or resort to other self-help remedies, resulting in a piece-meal and preferential distribution of the Debtors' assets.⁸

VI. Conclusion

27. For the reasons stated herein and in the Petition and the Provisional Relief Motion, I respectfully request that the Petition and the Provisional Relief Motion be granted in their entirety, together with such other and further relief as this Court deems just and proper.

[Signature Page Follows]

⁸ It may also be necessary for the Receiver to operate the Debtors' businesses on a partial or temporary basis to protect and preserve assets. Accordingly, the relief requested in the Provisional Relief Motion also includes provisional authority for the Receiver to operate the Debtors' businesses and administer the Debtors' assets and affairs in the United States to the extent necessary pending recognition.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: November 13, 2019

/s/ Rob Stelzer

Rob Stelzer

Vice President

Grant Thornton Limited, solely in its
capacity as Receiver for the Debtors, and
not in its personal or corporate capacity

Exhibit A

Application Record Filed with the Canadian Court

Court File No.: CV-19-630501-00CL

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

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE
HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.**

Respondents

**APPLICATION RECORD
(Returnable November 5, 2019)**

November 5, 2019

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Lawyers for the Applicant, HSBC Bank Canada

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Court File No.: CV-19-630501-00CL

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

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE
HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.**

Respondents

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P	Email dated November 4, 2019 confirming that each of Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. consent to the appointment of a receiver
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TAB 1

Court File No.: CV-19- 630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

BETWEEN:



HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE
HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

Respondents

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing before a Judge on Tuesday, November 5, 2019 at 2:00 p.m. or as soon after that time as the application can be heard at 330 University Avenue, in the City of Toronto, in the Province of Ontario, M5G 1E6.

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does

not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, AN ORDER MAY BE MADE IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. If you wish to oppose this application but are unable to pay legal fees, legal aid may be available to you by contracting a Local Legal Aid office.

DATE: November 5, 2019

Issued by: *Ray Williams*

Ray Williams Registrar

Address of Court office:

330 University Avenue

Toronto, Ontario M5G 1E6

R7

TO: THIS HONOURABLE COURT

AND TO THE COMSALE COMPUTER INC.
RESPONDENTS: 18B-3200 Dufferin St., Suite # 323
Toronto, ON M6A 0A

COMSALE GROUP INC.
18B-3200 Dufferin St., Suite # 323
Toronto, ON M6A 0A

COMSALE INC.
4800 Van Epps Rd., Unit 105
Brooklyn Heights, Ohio 44131

COMSALE MALAYSIA SDN. BHD
Level 10, Menara LGB, 1 Jalan Wan Kadir
Taman Tun Dr Ismail
Kuala Lumpur, Wilayah Perskutan

COMSALE HONG KONG LIMITED
Unit 1203, 12/F, CEO Tower
77 Wing Hong Street
Cheung Sha Wan, Hong Kong

APPLICATION

THE APPLICANT, HSBC Bank Canada (the “**Applicant**”), makes an application for an Order:

1. abridging the time for service of this Notice of Application and the materials filed in support of the application and dispensing with further service thereof;
2. appointing Grant Thornton Limited (“**Grant Thornton**”) as the receiver (the “**Receiver**”) of the property, assets and undertaking of (i) Comsale Computer Inc. (the “**Borrower**”), Comsale Group Inc. and Comsale Inc. (together, the “**Guarantors**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), and (ii) Comsale Hong Kong Limited (“**Comsale Hong Kong**”) and Comsale Malaysia Sdn. Bhd. (“**Comsale Malaysia**”, and together with the Borrower, the Guarantors and Comsale Hong Kong, the “**Comsale Entities**”) pursuant to section 101 of the CJA; and
3. granting such other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

4. the Borrower refurbishes used electronic equipment and accessories, including desktop and laptop computers and cell phones. The Borrower, through its related entities, operates in Ontario, the United States (in Nevada and Ohio), Malaysia and Hong Kong;
5. the Borrower also has assets located in Ontario, the United States and Malaysia;

6. pursuant to a credit agreement most recently dated June 4, 2018 (the “**Credit Agreement**”), the Bank made available certain credit facilities to the Borrower (the “**Credit Facilities**”);
7. as at the opening of business on November 4, 2019, the Borrower was indebted to the Bank under the Credit Facilities in the amounts of CAD\$17,404,122.21 and USD\$896,781.96, together with all costs and fees, including legal fees and disbursements, incurred by the Bank to the date of payment;
8. as security for its obligations to the Bank, each of the Borrower and the Guarantors granted security over all of their personal property to the Bank pursuant to general security agreements each dated July 5, 2018 (collectively, the “**GSAs**”). It is a term of each of the GSAs that the Bank may appoint a receiver upon default by such debtor in any of its obligations to the Bank;
9. the Guarantors guaranteed the obligations of the Borrower to the Bank pursuant to unlimited guarantees each dated July 5, 2018;
10. each of the Comsale Entities executed a Negative Pledge Agreement dated July 5, 2018 (the “**Negative Pledge Agreement**”), pursuant to which the Comsale Entities each agreed that, either following a default under the Credit Agreement or upon a demand for payment being issued by the Bank, each party will not sell, transfer, lease or otherwise convey or dispose of any of its assets or property, or make any payment to any of its shareholders, partners, subsidiaries, affiliates or related parties, without the prior consent of the Bank;
11. further, pursuant to the Negative Pledge Agreement, each of Comsale Hong Kong and Comsale Malaysia agreed that it shall not, without the prior consent of the Bank, create or

incur any indebtedness or charge or create a security interest on any of its assets, property or undertaking;

12. the Bank registered its security interest against the Borrower and Comsale Group Inc. pursuant to the *Personal Property Security Act* (Ontario);
13. the Bank registered its security interest against Comsale Inc. in the State of New York pursuant to the Uniform Commercial Code;
14. by letters dated August 30, 2019 and September 27, 2019, the Bank advised the Borrower that certain defaults under the Credit Agreement had occurred, including breaches in its reporting requirements and financial covenants;
15. the Bank was advised that, on or around October 2, 2019 and October 4, 2019, the Borrower experienced serious cyber-attacks, which were extremely disruptive to the Borrower's day to day operations and were of great concern to the Bank, which the Borrower was remedying;
16. by letter dated October 26, 2019, the Bank advised the Borrower that, as the Borrower had failed to deliver a current margin certificate, which was a default under the Credit Agreement, the Bank was unable to verify the level of permitted borrowings that may be made available to the Borrower under the Credit Agreement;
17. the Bank advised the Borrower that, at the request of and as an accommodation to the Borrower, the Bank was prepared to temporarily permit the Borrower to fund the critical disbursements identified in the cash flow forecast delivered to the Bank up to November

9, 2019 on the terms that the Borrower would engage consultants to provide restructuring advice and advisory services with respect to the cyber-attacks;

18. the Borrower proceeded to engage a consultant to provide advice on the Borrower's financial position and to prepare a restructuring plan, but did not engage a consultant to provide advisory services in respect of the cyber-attacks, although required;
19. by letters dated November 4, 2019, the Bank demanded repayment from each of the Borrower and Guarantors of all amounts then outstanding to it by the Borrower and together therewith delivered Notices of Intention to Enforce Security (collectively, the "**BIA Notices**") pursuant to section 244 of the BIA;
20. by email to the Bank in the evening on November 4, 2019, the Borrower advised the Bank that it would be sending home all employees in Malaysia and North America and would consent to the appointment of a receiver;
21. on November 5, 2019, the Borrower and Guarantors delivered consents to the immediate enforcement by the Bank of its security in respect of the BIA Notices;
22. by email dated November 5, 2019, each of Comsale Malaysia and Comsale Hong Kong confirmed its consent to the appointment of a receiver;
23. the Bank's need for the appointment of a Receiver in respect of the assets, property and undertaking of each of the Borrower and the Guarantors pursuant to section 243(1) of the BIA and section 101 of the CJA is necessary and appropriate as a result of the following:
 - (a) the Borrower's principal has elected to cease all operations and is in the process of advising employees that they should not return to work;

- (b) the Bank has little to no visibility into the financial position of the Borrower and the Guarantors and has not received recent reporting;
 - (c) the Borrower has experienced cyber-attacks and there is insufficient data at the Borrower's operations to allow the Bank to make any informed decisions as to the current borrowings or its resulting security position;
 - (d) the Bank is concerned that its security position will significantly deteriorate absent the appointment of the Receiver;
 - (e) the appointment of the Receiver is necessary to stabilize operations, if appropriate, and protect and ultimately realize on the collateral subject to the Bank's security;
 - (f) the Borrower and Guarantors have consented to the appointment of the Receiver; and
 - (g) it is just and convenient to appoint the Receiver.
24. further, it is necessary and appropriate to appoint a Receiver over the assets, properties and undertakings of Comsale Hong Kong and Comsale Malaysia pursuant to section 101 of the CJA, despite such entities not having granted general security interests to the Bank, for the following reasons:
- (a) Comsale Group Inc. is the sole shareholder of each of Comsale Hong Kong and Comsale Malaysia and, pursuant to the General Security Agreement granted by Comsale Group Inc. to the Bank, the Bank has a security interest in the shares of Comsale Hong Kong and Comsale Malaysia;
 - (b) while the Bank does not have visibility into the division of operations amongst the related entities, the Bank understands that the entities' global operations are

intertwined. For example, certain assets and inventory of the Borrower located in Malaysia are stored by Comsale Malaysia;

- (c) the Bank requires immediate insight into the assets and operations of the entire Comsale group, which includes the appointment of a Receiver over the assets of Comsale Hong Kong and Comsale Malaysia to protect its security interests and collateral;
- (d) the Bank is currently in discussions with professionals in foreign jurisdictions with a view to potentially seeking foreign recognition of the Receivership Order, if granted, in order to realize on the assets located in such jurisdictions;
- (e) Comsale Hong Kong and Comsale Malaysia have consented to the appointment of the Receiver; and
- (f) it is just and convenient to do so.

25. Grant Thornton has consented to act as the Receiver;

26. Rules 2.03, 3.02, 14.05(2), 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, Section 243(1) of the BIA and Section 101 of the CJA; and

27. such other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this application:

- 1. the Affidavit of John Borch, sworn November 5, 2019;
- 2. Consent of Grant Thornton Limited;

3. Consents to the BIA Notices by the Borrower; and
4. such further and other evidence as counsel may advise and this Honourable Court may permit.

November 5, 2019

Thornton Grout Finnigan LLP

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Lawyers for the Applicant, HSBC Bank Canada

HSBC BANK CANADA

and
Applicant

COMSALE COMPUTER INC. *et al.*

Respondents

Court File No.: CV-19-630501-0066

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at Toronto

NOTICE OF APPLICATION

Thornton Grout Finnigan LLP
Barristers and Solicitors
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Toronto, ON M5K 1K7

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Lawyers for the Applicant

TAB 2

Court File No.: CV-19-630501-00CL

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

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE
HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.**

Respondents

**AFFIDAVIT OF JOHN BORCH
(Sworn November 5, 2019)**

I, **JOHN BORCH**, of the City of Markham, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:

1. I am Assistant Vice-President, North America Risk Loan Management Unit at HSBC Bank Canada (the “**Bank**”) and, as such, I have knowledge of the matters to which I depose herein and attest to the fact that they are true. Unless I indicate to the contrary, the facts herein are within my own personal knowledge. Where I have indicated that I have obtained facts from other sources, I have identified the sources and believe those facts to be true.

Overview

2. This affidavit is sworn in support of an application by the Bank for an order appointing Grant Thornton Limited as the receiver (the “**Receiver**”), of the property, assets and undertaking of (i) Comsale Computer Inc. (the “**Borrower**”), Comsale Group Inc. and Comsale Inc. (together, the “**Guarantors**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), and (ii) Comsale Hong Kong Limited (“**Comsale Hong Kong**”) and Comsale Malaysia Sdn. Bhd. (“**Comsale Malaysia**”, and together with the Borrower, the Guarantors and Comsale Hong Kong, the “**Comsale Entities**”) pursuant to section 101 of the CJA.
3. On October 26, 2019, the Bank delivered a letter to the Borrower advising that the Borrower was in default of its obligations under the Credit Agreement (as defined below). The Bank further advised that, at the request of and as an accommodation to the Borrower, the Bank would permit further borrowings to fund disbursements that were identified by the Borrower as critical to be paid, despite such payments resulting in an overdrawn position under the Operating Loan Facility (as defined below). The conditions upon which the Bank would permit such continued borrowings to occur in the face of defaults under the Credit Agreement, was that the Borrower immediately engage: (i) a consultant to review the Borrower’s financial position and prepare a restructuring plan to be presented to the Borrower, and shared by the Borrower with the Bank by November 8, 2019, and (ii) a consultant to provide advisory services with respect to recent cyber-attacks experienced by the Borrower. Although the Borrower did engage Deloitte Restructuring Inc. pursuant

to an engagement letter dated October 28, 2019 to provide restructuring advice, it did not engage a consultant to assist with the cyber-attacks, as required.

4. By email dated November 4, 2019 sent at 6:42 p.m., the Borrower's principal advised the Bank that he was not prepared to continue the Borrower's operations in the ordinary course, would immediately advise all employees (including those in Malaysia) to cease working and would accept the appointment of a receiver immediately. By responding email sent at 7:52 pm on that same date on which I was copied, the Bank advised the Borrower that if it was consenting to the appointment of a receiver, it should execute consents to the immediate enforcement of the Bank's security pursuant to the BIA Notices (as defined below). This would help to address the resulting instability on an urgent basis. The Bank also advised that until such time as a receiver is appointed, the Borrower should ensure that no steps are taken to jeopardize the ability of the receiver, once appointed, to take possession and control of the assets.
5. In view of the email received from the Borrower last night with respect to its intention to terminate all employees, including in foreign jurisdictions, the Bank is seeking the urgent appointment of the Receiver to be effective immediately.

The Respondents

6. According to the records maintained by the Ontario Ministry of Government Services, the Borrower was incorporated pursuant to the laws of the Province of Ontario on April 21, 2008. The registered head office of the Borrower is 18B – 3200 Dufferin Street, Suite 323, Toronto, ON, M6A 0A1 (the “**Head Office**”). The Corporation Profile Report for the Borrower lists Neil Shaul and Wenquian Feng as Directors.

7. According to the records maintained by the Ontario Ministry of Government Services, Comsale Group Inc. was incorporated pursuant to the laws of the Province of Ontario on January 20, 2017. The registered head office of Comsale Group Inc. is the Head Office. The Corporation Profile Report for Comsale Group Inc. lists Neil Shaul and Wenquian Feng as Directors.
8. According to the records maintained by the NYS State Department of State, Division of Corporations, Comsale Inc. was incorporated pursuant to the laws of the State of New York on February 27, 2009. The registered head office of Comsale Inc. is 4800 Van Epps Rd, Unit 105, Brooklyn Heights, Ohio, 44131. The Entity Information search lists Neil Shaul as the Chief Executive Officer.
9. According to the records maintained by the Integrated Companies Registry Information System in Hong Kong, Comsale Hong Kong was incorporated pursuant to the laws of Hong Kong on March 31, 2017. The registered head office of Comsale Hong Kong is Unit 1203, 12/F, CEO Tower, 77 Wing Hong Street, Cheung Sha Wan, Hong Kong, and the Company Particulars Search lists Neil Shaul as Director of Comsale Hong Kong.
10. Pursuant to the records maintained by the Companies Commission of Malaysia, Comsale Malaysia was incorporated on June 10, 2017. As at July 12, 2018, its registered address was listed at Level 10, Menara LGB, 1 Jalan Wan Kadir, Taman Tun Dr Ismail, Kuala Lumpur, Wilayah Perskutan, and each of Neil Shaul, Wenqiang Feng and Khaleed Bin Abdullah were listed as Directors and Yap Kim May was listed as Secretary.
11. Copies of the corporate search results with respect to the Comsale Entities are attached hereto as **Exhibit "A"**.

12. The Borrower refurbishes used electronic equipment and accessories, including desktop and laptop computers and cell phones. The Borrower, through its related entities, operates in Ontario, the United States (in Nevada and Ohio), Malaysia and Hong Kong. A copy of the Borrower's most recent organizational chart provided to the Bank is attached hereto as **Exhibit "B"**.
13. The Bank has been advised by the Borrower that all assets and inventory utilized in the operations of the Comsale Entities is owned by the Borrower and that such assets are located in each of Ontario, the United States and Malaysia.

Obligations of the Borrower

14. Pursuant to a credit facility agreement most recently dated June 4, 2018 (the "**Credit Agreement**") and the HSBC Commercial MasterCard Agreement dated August 23, 2018, the Bank made the following credit facilities available to the Borrower (collectively, the "**Credit Facilities**"):
- a) Demand operating revolving loan facility (the "**Operating Loan Facility**") in the maximum principal amount of \$16,000,000, subject to the Maximum Limit (as defined in the Credit Agreement), to finance the day-to-day operating requirements of the Borrower;
 - b) Demand operating revolving loan facility (the "**Foreign Inventory Facility**") in the maximum aggregate principal amount of \$4,000,000, subject to the Maximum Limit, to finance the Borrower's inventories outside of North America, which has subsequently been reduced to the maximum principal amount of \$2,000,000;
 - c) Demand non-revolving loan facility in the maximum principal amount of \$600,000, to repay and refinance a previously outstanding equipment loan that had been obtained by the Borrower from The Toronto-Dominion Bank;

- d) Demand revolving foreign exchange facility (the “**Foreign Exchange Facility**”) up to a notional limit of USD\$640,000, to purchase foreign exchange forward contracts;
 - e) Interest rate swap facility (the “**Swap Facility**”) in the notional amount of \$600,000, to allow for a sixty-month interest rate swap contract; and
 - f) Commercial MasterCard with a credit limit of USD\$303,030.
15. As at the opening of business on November 4, 2019, the Borrower was indebted to the Bank under the Credit Facilities in the amounts of CAD\$17,404,122.21 and USD\$896,781.96,¹ together with accruing interest, costs and fees, including legal fees and disbursements, incurred by the Bank to the date of payment. Attached as **Exhibit “C”** is a true copy of the Credit Agreement.

Security Held by the Bank

16. Pursuant to the Credit Agreement and as security for its obligations to the Bank, the Borrower and the Guarantors each granted to the Bank security over all of their real and personal property pursuant to General Security Agreements, each dated July 5, 2018 (collectively, the “**GSAs**”). Attached as **Exhibit “D”** are copies of the GSAs.
17. Additionally, the Borrower granted to the Bank security over all of its personal property pursuant to a Debenture governed by the laws of Malaysia dated July 27, 2018 (the “**Debenture**”), which is attached as **Exhibit “E”**.

¹ There are no amounts currently outstanding under the Foreign Exchange Facility and Swap Facility.

18. It is a term of each of the GSAs and the Debenture that the Bank may appoint a receiver upon default by the respective debtor in any of its obligations to the Bank.
19. The Guarantors guaranteed the obligations of the Borrower to the Bank pursuant to unlimited guarantees, each dated July 5, 2018 (collectively, the “**Guarantees**”). Attached as **Exhibit “F”** are copies of the Guarantees.
20. Each of the Comsale Entities executed a Negative Pledge Agreement on July 5, 2018 (the “**Negative Pledge Agreement**”), pursuant to which the Comsale Entities each agreed that, either following a default under the Credit Agreement or upon a demand for payment being issued by the Bank, each of the parties will not sell, transfer, lease or otherwise convey or dispose of any of its assets or property, or make any payment to any of its shareholders, partners, subsidiaries, affiliates or related parties, without the prior consent of the Bank. Further, pursuant to the Negative Pledge Agreement, each of Comsale Hong Kong and Comsale Malaysia agreed that it shall not, without the prior consent of the Bank, create or incur any indebtedness or charge or create a security interest on any of its assets, property or undertaking. A copy of the Negative Pledge Agreement is attached as **Exhibit “G”**.
21. Export Development Canada issued a guarantee (Reference No. 880-68450) to the Bank dated July 16, 2018 (as amended, the “**EDC Guarantee**”) in respect of the Foreign Inventory Facility in favour of the Bank up to the lesser of (i) \$2 million; or (ii) 50% of the outstanding balance of the Foreign Inventory Facility, in each case plus accrued and unpaid interest at the Guaranteed Interest Rate (as defined in the EDC Guarantee) of up to 120 days. A copy of the EDC Guarantee is attached as **Exhibit “H”**.

Defaults under the Credit Facilities

22. By letter dated August 30, 2019 (the “**August Letter**”), the Bank advised the Borrower that, for the fiscal year ended March 31, 2019, it was in breach of several financial covenants under the Credit Agreement, which were defaults thereunder. In the August Letter, the Bank required that the covenant breaches be rectified by September 30, 2019. The Comsale Entities each acknowledged and accepted the terms of the August Letter, which is attached hereto as **Exhibit “I”**.
23. By letter dated September 27, 2019 (the “**September Letter**”), the Bank advised the Borrower that the following defaults under the Credit Agreement had occurred:
- (a) The draft financial statements of the Borrower for its fiscal year ended March 31, 2019 reported a Debt Service Coverage (as defined in the Credit Agreement) less than the minimum permitted under the Credit Agreement;
 - (b) The amounts advanced under the Operating Loan Facility exceeded the margined availability under the Credit Agreement;
 - (c) The annual reporting required to be delivered within 120 days of the Borrower’s fiscal year end had not been delivered; and
 - (d) Certain monthly and quarterly reporting required under the Credit Agreement had not been delivered.
24. As a result of such defaults, the Bank required the Borrower to provide (i) a 13 week cash flow forecast (the “**Forecast**”); (ii) a budget forecast for the remainder of the Borrower’s

2020 fiscal year; and (iii) consolidated audited financial statements of the Comsale Entities.

A copy of the September Letter is attached as **Exhibit “J”**.

25. The required Forecast was subsequently delivered to the Bank. The Forecast set forth required critical disbursements that, if not paid, could potentially jeopardize the Borrower's operations, including rent and payroll. The payment of such disbursements, however, in the absence of sufficient deposits would result in the Borrower exceeding its maximum permitted limit under the Operating Loan Facility, resulting in an overdrawn position.
26. The Borrower failed to deliver the required consolidated audited financial statements as requested in the September Letter.
27. Additionally, the Bank was advised that on or around October 2, 2019 and October 4, 2019, the Borrower experienced serious cyber-attacks, which were extremely disruptive to the Borrower's day to day operations. The cyber-attacks were of great concern to the Bank, and while the Bank has received little information on the actual impact of such attacks, had been advised that the Borrower was making efforts to remedy the situation.
28. By letter dated October 26, 2019 (the “**October Letter**”), the Bank advised the Borrower that, as the Borrower had failed to deliver a current margin certificate, which was a default under the Credit Agreement, the Bank was unable to verify the level of permitted borrowings that may be made available to the Borrower under the Credit Agreement.
29. The October Letter further stated that, at the request of and as an accommodation to the Borrower, the Bank is prepared to temporarily permit the Borrower to fund the critical

disbursements identified in the Forecast up to November 9, 2019, in accordance with the Forecast, on the following terms:

- (a) The Borrower will immediately (by no later than the opening of business on Monday, October 28, 2019), engage (i) a consultant to review the Borrower's financial position and prepare a restructuring plan to be presented to the Borrower, and to be shared by the Borrower with the Bank by no later than November 8, 2019, and (ii) a consultant to provide advisory services with respect to the cyber attacks;
 - (b) The Borrower shall strictly comply with the Forecast and all reporting obligations as required under the Credit Agreement; and
 - (c) Upon the outstanding balance under the Operating Loan Facility exceeding the Canadian dollar equivalent of \$16,000,000 at any time, the maximum permitted overdrawn position shall be permanently reduced by an amount equal to all deposits made to the Borrower's accounts up to and including November 9, 2019.
30. A fully executed copy of the October Letter is attached as **Exhibit "K"**.
31. Pursuant to the terms of the October Letter, the Bank was advised that the Borrower engaged Deloitte Restructuring Inc. to discuss restructuring advisory services, and which firm met with the Borrower on October 28, 2019. The Borrower did not engage a consultant to provide advisory services with respect to the cyber-attacks, notwithstanding the terms of the October Letter.
32. By email to the Bank on October 29, 2019, the Borrower's principal, Neil Shaul, advised the Bank that he does not wish to continue with the business and plans to advise all employees that they are to cease working and not return to work. The following day,

however, Mr. Shaul maintained correspondence with the Bank in respect of a path forward and advised that he is working with his finance team and Deloitte Restructuring Inc. to prepare a restructuring plan to present to the Bank. In response, the Bank requested a meeting on November 1, 2019 to discuss various areas, including the Borrower's inventory location and position, receivables and more details with respect to the Forecast.

33. On November 1, 2019, Mr. Shaul advised the Bank that the Borrower would require additional time to gather the requested information and was not in a position to meet with the Bank that day. Further, Mr. Shaul stated that the Borrower would require additional funding of approximately \$1.5 million - \$2.5 million over the next three weeks to complete purchase orders.
34. By subsequent email to the Bank dated November 4, 2019 (the "**November 4 Email**"), Mr. Shaul stated that he would send all employees home in Malaysia and North America.
35. By reply email (the "**November 4 Reply**" and together with the November 4 Email, the "**Email Correspondence**"), the Bank provided its position on the Borrower's statements and intentions. Further, in the November 4 Reply, the Bank requested that the consents attached to the BIA Notices (as defined below) be executed and returned to the Bank as soon as possible, in order for the Bank to seek the appointment of a Receiver by the Court without delay, so that the instability could be addressed on an urgent basis. Further, the Bank stated that, until such time as the Receiver has been appointed, the Borrower should ensure that no steps are taken by any employees or anyone else that could jeopardize the ability of the Receiver to take possession and control of the assets.
36. A copy of the November 4 Email is attached here as **Exhibit "L"**.

37. By responding email later that night on November 4, 2019, the Borrower advised that the requested consents would be provided this morning, which have since been received by the Bank.

Issuance of Demand for Payment

38. By letters dated November 4, 2019, (the “**Borrower Demand**”), the Bank demanded payment from the Borrower of all amounts then outstanding under the Credit Facilities and together therewith delivered a Notice of Intention to Enforce Security (the “**Borrower BIA Notice**”) pursuant to Section 244 of the BIA. Attached as **Exhibit “M”** are copies of the Borrower Demand and the Borrower BIA Notice.
39. By letters dated November 4, 2019 (the “**Guarantor Demands**” and together with the Borrower Demand, the “**Demands**”), the Bank demanded payment from each of the Guarantors of all amounts outstanding under the Credit Facilities and together therewith delivered a Notice of Intention to Enforce Security (the “**Guarantor BIA Notices**” and together with the Borrower BIA Notice, the “**BIA Notices**”) pursuant to Section 244 of the BIA. Attached as **Exhibit “N”** are copies of the Guarantor Demands and the Guarantor BIA Notices.
40. The Borrower and the Guarantors have executed consents to the immediate enforcement by the Bank, which are attached here as **Exhibit “O”**. Further, by email dated November 5, 2019, each of Comsale Hong Kong and Comsale Malaysia consented to the appointment of a receiver, a copy of which is attached here as **Exhibit “P”**.

Registrations under the PPSA

Borrower

41. On June 27, 2018, the Bank made a registration against the Borrower pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) against all classes of collateral, except “consumer goods” (the “**Bank Borrower Registration**”).
42. There are registrations against the Borrower under the PPSA prior in time to the Bank Borrower Registration in favour of (i) BDC Capital Inc. (“**BDC**”) against all classes of collateral except “consumer goods”; (i) each of The Toronto-Dominion Bank and VFS Canada Inc., registered in respect of “equipment”, “motor vehicle” and “other” and listing specific equipment; and (iii) Canadian Dealer Lease Services Inc. together with Bank of Nova Scotia–DLAC registered in respect of “equipment”, “accounts” and “motor vehicle” and listing specific equipment.
43. Pursuant to a Priority Agreement among the Bank, BDC, the Borrower and Comsale Inc., executed July 25, 2018 (“**BDC Priority Agreement**”), BDC agreed to subordinate the security granted to it by the Borrower and Comsale Inc. to the security granted to the Bank by the Borrower and Comsale Inc., with the exception of the life insurance policies insuring the lives of Neil Shaul and Wenqiang Feng and the proceeds thereof. Attached as **Exhibit “Q”** is a copy of the BDC Priority Agreement.
44. There are also registrations against the Borrower under the PPSA subsequent in time to the Bank Borrower Registration in favour of (i) Mercedes-Benz Financial Services Canada Corporation and Mercedes-Benz Financial against “equipment”, “motor vehicle” and

“other” and listing a specific motor vehicle; and (ii) CWB National Leasing Inc. against “equipment” and “motor vehicle” and listing specific equipment.

Comsale Group Inc.

45. On June 27, 2018, the Bank made a registration against Comsale Group Inc. pursuant to the PPSA against all classes of collateral, except “consumer goods”. There is one registration prior in time in favour of BDC against all classes of collateral, except “consumer goods”.
46. Attached as **Exhibit “R”** is a copy of the certified PPSA search conducted in Ontario in respect of the Borrower and Comsale Group Inc.

Comsale Inc.

47. On May 7, 2018, the Bank made a registration against Comsale Inc. pursuant to the Uniform Commercial Code in the State of New York against all assets of the Borrower (the “**UCC Registration**”). There are three registrations prior in time to the UCC Registration, two in favour of The Toronto-Dominion Bank and one in favour of BDC, each in respect of all assets of the Borrower. The registration in favour of BDC has been subordinated to the Bank’s security interest pursuant to the BDC Priority Agreement (subject to the exceptions set out therein).
48. Attached as **Exhibit “S”** is a copy of the certified search conducted under the Uniform Commercial Code in the State of New York in respect Comsale Inc.

49. Upon an Order being granted appointing the Receiver, all parties with registrations against the Borrower, Comsale Group Inc. and Comsale Inc. will receive notice of the appointment of the Receiver.

Need for a Receiver

50. The appointment of a Receiver is necessary and appropriate as a result of the following:
- (a) The Borrower's principal has elected to cease all operations and is in the process of advising employees that they should not return to work;
 - (b) The Bank has little to no visibility into the financial position of the Borrower and the Guarantors and has not received recent reporting;
 - (c) The Borrower has experienced cyber-attacks and there is insufficient data at the Borrower's operations to allow the Bank to make any informed decisions as to the current borrowings or its resulting security position;
 - (d) The Bank is concerned that its security position will significantly deteriorate absent the appointment of the Receiver;
 - (e) The appointment of the Receiver is necessary to stabilize operations, if appropriate, and protect and ultimately realize on the collateral subject to the Bank's security;
 - (f) The Borrower and Guarantors have consented to the appointment of the Receiver; and
 - (g) It is just and convenient to appoint the Receiver.
51. Further, it is necessary and appropriate to appoint a Receiver of the assets, properties and undertakings of Comsale Hong Kong and Comsale Malaysia pursuant to section 101 of the

CJA, despite such entities not having granted general security interests to the Bank, for the following reasons:

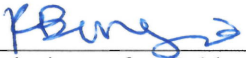
- (a) Comsale Group Inc. is the sole shareholder of each of Comsale Hong Kong and Comsale Malaysia and, pursuant to the General Security Agreement granted by Comsale Group Inc. to the Bank, the Bank has a security interest in the shares of Comsale Hong Kong and Comsale Malaysia. The Bank will be in immediate discussion with BDC on this issue, as BDC appears to have a prior ranking security interest in the assets and property of Comsale Group Inc. If any further relief is needed or any amendment to the Receivership Order, if granted, is required, the Bank or the Receiver will return to the Court forthwith to seek same. The Bank's primary goal in seeking the appointment of the Receiver on an urgent basis is to preserve and protect the assets for the benefit of the creditors holding security who are entitled to the proceeds of same, including primarily the Bank as the Borrower's operating lender, in accordance with each creditor's legal and contractual priorities;
- (b) While the Bank does not have visibility into the division of operations amongst the related entities, the Bank understands that the entities' global operations are intertwined. For example, certain assets and inventory of the Borrower located in Malaysia are stored by Comsale Malaysia pursuant to a Bailee Agreement dated July 25, 2018 (a copy of which is attached hereto as **Exhibit "T"**);
- (c) The Bank requires immediate insight into the assets and operations of the entire Comsale group, which includes the appointment of a Receiver over the assets of Comsale Hong Kong and Comsale Malaysia to protect its security interests and collateral;

- (d) The Bank is currently in discussions with professionals in foreign jurisdictions with a view to potentially seeking foreign recognition of the Receivership Order, if granted, in order to realize on the assets located in such jurisdictions; and
 - (e) It is just and convenient to do so.
52. The proposed Order appointing the Receiver grants the Receiver and its legal counsel a first priority charge on all fees and costs incurred (the “**Receiver’s Charge**”) and permits the Receiver to borrow funds from the Bank for the purpose of financing the receivership proceeding. If necessary, these borrowings will be secured by Receiver’s certificates to be issued by the Receiver or by the security held by the Bank upon the Borrower’s assets. In all cases, it is to be a priority charge over all assets of the Comsale Entities (the “**Receiver’s Borrowing Charge**” and together with the Receiver’s Charge, the “**Receiver’s Charges**”).
53. For the first fifteen (15) days only following the date of the Receivership Order (if granted), it is proposed that the Receiver’s Charges not extend to collateral subject to properly perfected security interests that may be in priority to the Bank’s security, including in the nature of a purchase money security interests, in order to allow the Bank and the Receiver to provide those parties with notice as to the Receivership Order, as advance notice could not practically be given in view of the rapidly declining and fluid situation. Any interested party that wishes to dispute the Receiver’s Charges in respect of a properly perfected security interest that it claims is in priority to the Bank’s interest will be required to file a motion on notice to the Receiver and the Bank within fifteen (15) days of the date of the Receivership Order (if granted). In the absence of any other Order being granted before that time, or any varying of the Receivership Order, the priority charges in the Receivership

Order will become effective and apply to all assets, including those subject to purchase money security interests, equipment leases or other interests that may be in priority to the Bank, fifteen (15) days following the granting of the Receivership Order.

54. The Order sought by the Bank provides for the retention of independent counsel by the Receiver to address any issue or matter where there may be an actual or perceived conflict with the Bank, including any and all potential priority disputes. In all other situations the draft Order provides authorization for the Receiver to use the Bank's counsel as a matter of cost efficiency.
55. I swear this affidavit in support of an application by the Bank for the appointment of the Receiver on the terms set out in the draft Order contained in the Application Record, and for no other or improper purpose.

SWORN before me at the City of Toronto,
in the Province of Ontario, this 5th day of
November, 2019.

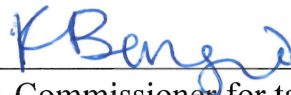


Commissioner for Taking Affidavits
Rachel Bengino



JOHN BORCH

This is Exhibit "A" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits

Rachel Bengino

Request ID: 023743159
Transaction ID: 73449735
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:56
Page: 1

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



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1767508	COMSALE COMPUTER INC.	2008/04/21
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
18B-3200 DUFFERIN ST	NOT APPLICABLE	NOT APPLICABLE
Suite # 323 TORONTO ONTARIO CANADA M6A 0A1	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
18B-3200 DUFFERIN ST		NOT APPLICABLE
Suite # 323 TORONTO ONTARIO CANADA M6A 0A1	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Ceased in Ontario
	00001 00011	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 023743159
Transaction ID: 73449735
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:56
Page: 2

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



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1767508

Corporation Name

COMSALE COMPUTER INC.

Corporate Name History

COMSALE COMPUTER INC.

Effective Date

2008/04/21

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

WENQIANG

FENG

Address

18B-3200 DUFFERIN ST

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2017/03/01

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 023743159
Transaction ID: 73449735
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:56
Page: 3

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



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1767508

Corporation Name

COMSALE COMPUTER INC.

Administrator:

Name (Individual / Corporation)

WENQIANG

FENG

Address

18B-3200 DUFFERIN ST

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2017/03/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Administrator:

Name (Individual / Corporation)

NEIL

SHAUL

Address

18B-3200 DUFFERIN ST

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2008/04/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 023743159
Transaction ID: 73449735
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:56
Page: 4

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



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1767508

Corporation Name

COMSALE COMPUTER INC.

Administrator:

Name (Individual / Corporation)

NEIL

SHAUL

Address

18B-3200 DUFFERIN ST

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2008/04/21

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 023743159
Transaction ID: 73449735
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:56
Page: 5

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1767508

Corporation Name

COMSALE COMPUTER INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2017/03/06 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Request ID: 023743156
Transaction ID: 73449730
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:42
Page: 1

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2557355	COMSALE GROUP INC.	2017/01/20
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
18B - 3200 DUFFERIN STREET	NOT APPLICABLE	NOT APPLICABLE
Suite # 323 TORONTO ONTARIO CANADA M6A 0A1	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
18B - 3200 DUFFERIN STREET		NOT APPLICABLE
Suite # 323 TORONTO ONTARIO CANADA M6A 0A1	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Ceased in Ontario
	00001 00005	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 023743156
Transaction ID: 73449730
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:42
Page: 2

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



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2557355

Corporation Name

COMSALE GROUP INC.

Corporate Name History

COMSALE GROUP INC.

Effective Date

2017/01/20

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

WENQIANG
FENG

Address

18B-3200 DUFFERIN STREET
Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2017/01/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Request ID: 023743156
Transaction ID: 73449730
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:42
Page: 3

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



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2557355

Corporation Name

COMSALE GROUP INC.

Administrator:

Name (Individual / Corporation)

WENQIANG

FENG

Address

18B-3200 DUFFERIN STREET

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2017/01/20

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

WENQIANG

FENG

Address

18B-3200 DUFFERIN STREET

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2017/01/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Request ID: 023743156
Transaction ID: 73449730
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:42
Page: 4

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



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2557355

Corporation Name

COMSALE GROUP INC.

Administrator:

Name (Individual / Corporation)

NEIL

SHAUL

Address

18B - 3200 DUFFERIN STREET

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2017/01/20

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

NEIL

SHAUL

Address

18B - 3200 DUFFERIN STREET

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2017/01/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Request ID: 023743156
Transaction ID: 73449730
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:42
Page: 5

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



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2557355

Corporation Name

COMSALE GROUP INC.

Administrator:

Name (Individual / Corporation)

NEIL

SHAUL

Address

18B - 3200 DUFFERIN STREET

Suite # 323
TORONTO
ONTARIO
CANADA M6A 0A1

Date Began

2017/01/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Request ID: 023743156
Transaction ID: 73449730
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/10/23
Time Report Produced: 12:17:42
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Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

2557355

Corporation Name

COMSALE GROUP INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2018	1C	2019/07/14 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

NYS Department of State

Division of Corporations

Entity Information

The information contained in this database is current through October 22, 2019.

Selected Entity Name: COMSALE INC.

Selected Entity Status Information

Current Entity Name: COMSALE INC.

DOS ID #: 3780354

Initial DOS Filing Date: FEBRUARY 27, 2009

County: NIAGARA

Jurisdiction: NEW YORK

Entity Type: DOMESTIC BUSINESS CORPORATION

Current Entity Status: ACTIVE

Selected Entity Address Information

DOS Process (Address to which DOS will mail process if accepted on behalf of the entity)

COMSALE INC.

4800 VAN EPPS RD

UNIT 105

BROOKLYN HEIGHTS, OHIO, 44131

Chief Executive Officer

NEIL SHAUL

4800 VAN EPPS RD

UNIT 105

BROOKLYN HEIGHTS, OHIO, 44131

Principal Executive Office

COMSALE INC.

4800 VAN EPPS RD

UNIT 105

BROOKLYN HEIGHTS, OHIO, 44131

Registered Agent

REGISTERED AGENT REVOKED

This office does not record information regarding the names and addresses of officers, shareholders or directors of nonprofessional corporations except the chief executive officer, if provided, which would be listed above. Professional corporations must include the name(s) and address(es) of the initial officers, directors, and shareholders in the initial certificate of incorporation, however this information is not recorded and only available by [viewing the certificate](#).

***Stock Information**

# of Shares	Type of Stock	\$ Value per Share
200	Par Value	.01

*Stock information is applicable to domestic business corporations.

Name History

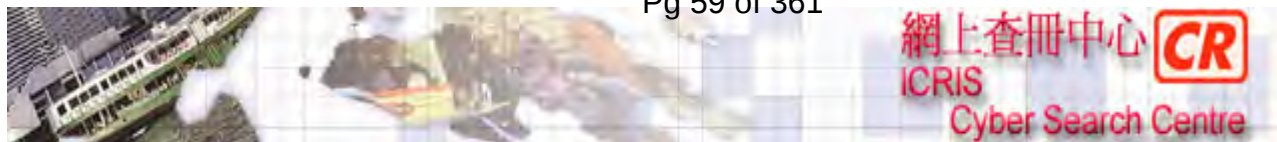
Filing Date	Name Type	Entity Name
FEB 27, 2009	Actual	COMSALE INC.

A **Fictitious** name must be used when the **Actual** name of a foreign entity is unavailable for use in New York State. The entity must use the fictitious name when conducting its activities or business in New York State.

NOTE: New York State does not issue organizational identification numbers.

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Welcome!

System Clock: 24-OCT-2019 09:31:06 GMT +0800



Company Particulars Search

Your Search: CR No.: = 2517246

CR No.:	2517246
Company Name:	Comsale Hong Kong Limited
Company Type:	Private company limited by shares
Date of Incorporation:	31-MAR-2017
Active Status:	Live
Remarks:	-
Winding Up Mode:	-
Date of Dissolution / Ceasing to Exist:	-
Register of Charges:	Unavailable
Important Note:	-

Name History

Effective Date	Name Used
31-MAR-2017	Comsale Hong Kong Limited

Registered Office

Registered Office: UNIT 1203, 12/F., CEO TOWER, 77 WING HONG STREET, CHEUNG SHA WAN, HONG KONG

Share Capital

Issued: USD 100
Paid-Up: USD 100

List of Directors

Director

No.	Name in English	Name in Chinese	HKID No. / CR No.	Passport No. / China ID No.	Passport Issuing Country	Director Type	Director Particulars	All Directorships
1	SHAUL, NEIL	-	-	HM107136	加拿大 CANADA	Natural Person		

Particulars of Company Secretary

Particulars of Company Secretary (Body Corporate) #1

Name in English: J SECRETARY LIMITED
Name in Chinese: 積利秘書有限公司
CR No.: 1962845
Registered / Principal Office: UNIT 1203, 12/F., CEO TOWER, 77 WING HONG STREET, CHEUNG SHA WAN, HONG KONG
Date of Appointment: 01-OCT-2018
Important Note: -

Particulars of Receiver and Manager

Particulars of Liquidator

Please select the Order Type:



Order certified report

HK\$152.00 plus additional handling charges for different delivery mode(*)

Note 1: (*) Additional handling charges for different delivery mode will be shown when check out shopping cart.

Note 2: "China ID No." means "People's Republic of China Resident Identity Card Number".

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ICRIS CSC Companies Registry, The Government of the Hong Kong Special Administrative Region.



Although all efforts have been carried out to ensure that the information provided is accurate and up to date, the Registrar of Companies will not be liable for any losses arising from any inaccurate or omitted information.

CORPORATE INFORMATION

Company Name	:COMSALE MALAYSIA SDN. BHD.
Last Old Name	:Nil
Date Of Change	:Nil
Company Number	:1250114-K
Incorporation Date	:06-10-2017
Registration Date	:06-10-2017
Type	:LIMITED BY SHARES PRIVATE LIMITED
Status	:EXISTING
Registered Address	:LEVEL 10, MENARA LGB, 1 JALAN WAN KADIR, TAMAN TUN DR ISMAIL, KUALA LUMPUR WILAYAH PERSEKUTUAN
Postcode	:60000
Origin	:MALAYSIA
Business Address	:N/A
Postcode	:
Nature Of Business	:REPAIR OF ELECTRONIC EQUIPMENT;RETAIL SALE OF COMPUTERS, COMPUTER EQUIPMENT AND SUPPLIES;REPAIR AND MAINTENANCE OF OTHER EQUIPMENT N.E.C.



User Id: slb2017 Date: Thu Jul 12 10:38:17 2018

Printing Date: 12/07/2018

This company information is generated from MYDATA SSM Services as at 12/07/2018 10:38:17

MENARA SSM@SENTRAL, NO. 7, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
TEL: 03-2299 4400 FAX: 03-2299 4411



SUMMARY OF SHARE CAPITAL

Company Name :COMSALE MALAYSIA SDN. BHD.
Company Number :1250114-K

TOTAL
ISSUED
(RM)
500,000.0000

	CASH	OTHERWISE THAN CASH
ORDINARY	500,000	0
PREFERENCE	0	0
OTHERS	0	0



User Id: slb2017 Date: Thu Jul 12 10:38:17 2018

Printing Date: 12/07/2018

This company information is generated from MYDATA SSM Services as at 12/07/2018 10:38:17

MENARA SSM@SENTRAL, NO. 7, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
TEL: 03-2299 4400 FAX: 03-2299 4411



DIRECTORS/OFFICERS

Company Name :COMSALE MALAYSIA SDN. BHD.
Company Number :1250114-K

Name/Address	IC/Passport	Designation	Date of Appointment
KHALEED BIN ABDULLAH NO. 17, JALAN MAWAR 8A TAMAN MAWAR 56100 CHERAS WILAYAH PERSEKUTUAN	480823-10-5467	DIRECTOR	06-10-2017
NEIL SHAUL 158, WALLENBERG DR MAPLE ONTAIO L6A 4M2 N/A	HM107136	DIRECTOR	06-10-2017
FENG WENQIANG 517-39, PEMBERTON AVENUE TORONTO ON M2M 4L6 N/A	G56519754	DIRECTOR	06-10-2017
YAP KIM MAY LEVEL 10 MENARA LGB 1 JALAN WAN KADIR TAMAN TUN DR ISMAIL 60000 KUALA LUMPUR WILAYAH PERSEKUTUAN	640517-10-7560	SECRETARY	06-10-2017



User Id: slb2017 Date: Thu Jul 12 10:38:17 2018

Printing Date: 12/07/2018

This company information is generated from MYDATA SSM Services as at 12/07/2018 10:38:17

MENARA SSM@SENTRAL, NO. 7, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
TEL: 03-2299 4400 FAX: 03-2299 4411



SHAREHOLDER/MEMBERS

Company Name :COMSALE MALAYSIA SDN. BHD.
Company Number :1250114-K

IC/Passport/Company No	Name/Company Name	Total of share
-	COMSALE GROUP INC.	500,000.00



User Id: slb2017 Date: Thu Jul 12 10:38:17 2018

Printing Date: 12/07/2018

This company information is generated from MYDATA SSM Services as at 12/07/2018 10:38:17

MENARA SSM@SENTRAL, NO. 7, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
TEL: 03-2299 4400 FAX: 03-2299 4411



COMPANY CHARGES

Company Name :COMSALE MALAYSIA SDN. BHD.
Company Number :1250114-K

NO INFORMATION



User Id: slb2017 Date: Thu Jul 12 10:38:17 2018

Printing Date: 12/07/2018

This company information is generated from MYDATA SSM Services as at 12/07/2018 10:38:17

MENARA SSM@SENTRAL, NO. 7, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
TEL: 03-2299 4400 FAX: 03-2299 4411



SUMMARY OF FINANCIAL INFORMATION

Company Name :COMSALE MALAYSIA SDN. BHD.
Company Number :1250114-K

Auditor :N/A
Auditor Address :N/A

Exempt Private Company :N/A

Financial Year End :N/A
Unqualified Reports (Y/N) :N/A
Consolidated Accounts (Y/N) :N/A
Date Of Tabling :N/A

BALANCE SHEET ITEMS

Non-Current Assets	:	N/A
Current Assets	:	N/A
Non-Current Liabilities	:	N/A
Current Liabilities	:	N/A
Head Office Account	:	N/A

INCOME STATEMENT ITEMS

Revenue	:	N/A
Profit/(loss) before tax	:	N/A
Profit/(loss) after tax	:	N/A

** END OF REPORT **

This information is from the company's document registered as at 02-07-2018

Registrar Of Companies
Date: 12-07-2018

This information is computer generated. No signature is required.



User Id: slb2017 Date: Thu Jul 12 10:38:17 2018

Printing Date: 12/07/2018

This company information is generated from MYDATA SSM Services as at 12/07/2018 10:38:17

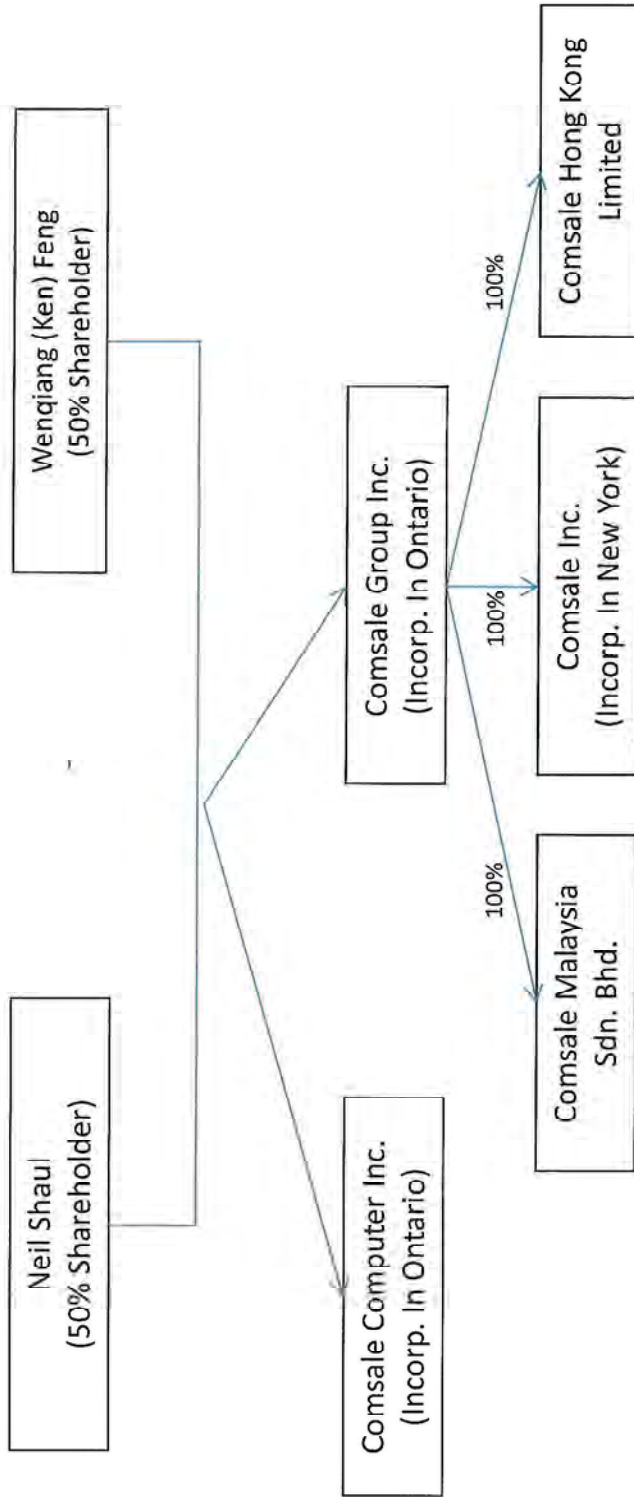
MENARA SSM@SENTRAL, NO. 7, JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
TEL: 03-2299 4400 FAX: 03-2299 4411

This is Exhibit "B" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits

Rachel Bengino



By signing below, I Neil Shaul certify that the
Ownership Structure and Control outlined on the Organization Chart is true,
complete and accurate in all respects.

Director/Corporation Secretary Name: Neil Shaul

Director/Corporate Secretary Signature: [Signature]

Date: June 8th, 2018

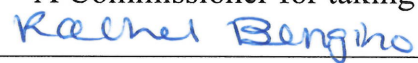
Prepared By: CMB Case Management Team – HSBC Bank Canada

RESTRICTED

This is Exhibit "C" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits



500/-



June 4, 2018

PRIVATE & CONFIDENTIAL

Comsale Computer Inc.
111 Snidercroft Road, Unit B
Concord, Ontario
L4K 2J8

Attention: Neil Shual, Wenqiang (Ken) Feng, Thomas Lucey

Dear Sirs:

On the basis of the financial and other information, representations, warranties and documents provided by the Borrower (as defined below), HSBC Bank Canada (the "Bank") is pleased to offer the following credit facilities (the "Credit Facilities") on the terms and conditions set out below. Additional terms and conditions are contained in the Schedule(s) attached to this facility letter (this letter and all attached Schedule(s) constituting collectively, the "Facility Letter"). All capitalized terms not otherwise defined in this letter shall have the meanings ascribed to them in Schedule A.

BORROWER

Comsale Computer Inc. (the "Borrower").

CORPORATE GUARANTORS

Comsale Group Inc., Comsale Malaysia Sdn. Bhd., Comsale Inc. and Comsale Hong Kong Limited (collectively as the "Guarantors").

Each Guarantor agrees that it shall be jointly and severally liable with all of the other Guarantors. For purposes of this Facility Letter, the Borrower and the Guarantors are sometimes collectively referred to as the "Credit Parties" and/or "Comsale Group".

CREDIT FACILITIES

The following credit facilities (collectively referred to as the "Credit Facilities") are authorized subject to the satisfaction of all terms and conditions in this Facility Letter.

I. Operating Loan Facility

1.1 Amount

Demand operating revolving loan facility ("Operating Loan Facility") available by way of any of the types of advances and other credit described in Section 1.3 (below) up to but not exceeding in aggregate for all such types of advances and other credit CAD16,000,000, subject to the Maximum Limit.

1.2 Purpose

To assist in financing the day-to-day operating requirements of the Borrower.

1.3 Availability

Loan advances and other credit under the Operating Loan Facility ("Operating Loans") are available subject to the Maximum Limit as follows:



- 2 -

- (a) CAD account overdraft up to an aggregate principal amount not exceeding CAD16,000,000 ("CAD Overdraft Loans");
- (b) USD account overdraft up to an aggregate principal amount not exceeding USD12,800,000 ("USD Overdraft Loans");
- (c) loan advances in USD bearing interest on the basis of LIBOR up to an aggregate principal amount of USD12,800,000 ("LIBOR Loans") upon request by delivery of a Required Notice, subject to availability for a LIBOR Period and subject to a minimum advance amount of USD500,000 and thereafter in a multiples of USD100,000;
- (d) banker's acceptances ("BAs") in CAD up to an aggregate principal amount not exceeding CAD16,000,000 upon request by delivery of a Required Notice, subject to availability for a term of at least 30 days and not more than 90 days including days of grace and subject to a minimum amount for each BA of CAD500,000 and thereafter in multiples of CAD100,000; and
- (e) LGs up to an aggregate amount of CAD1,000,000 (the "LG Limit"), in each case for a maximum term of one year to finance the day to day operations of the Borrower through the issuance by the Bank of letters of guarantee, standby letters of credit or similar credits from time to time (each an "LG") upon the instructions of the Borrower, each such LG to be in form satisfactory to the Bank. The availability of each LG shall be at the sole and absolute discretion of the Bank and subject to the Conditions Precedent below and in Schedule A attached hereto. Each issuance of an LG is an advance of credit (for the Borrower's account) for purposes of the LG Limit. Any amount drawn under any LG shall be immediately reimbursed to the Bank by the Borrower. Interest on any amount drawn under an LG in Canadian dollars and not immediately reimbursed by the Borrower to the Bank shall accrue, calculated monthly in arrears accruing daily at the 21% per annum.

The Borrower shall ensure that the amounts advanced and outstanding (including the face amounts of any outstanding issued BAs and LGs) under the Operating Loan Facility shall at no time exceed the amount of each of the available credit sub-limits set out above and that the aggregate of all such advances and credits outstanding at no time exceeds the Maximum Limit in the applicable currency.

1.4 Repayment

All amounts advanced and outstanding under the Operating Loan Facility shall be repaid on demand by the Bank.

Until such demand, each LIBOR Loan shall be repayable as provided in the LIBOR Agreement (one of the Loan Documents below) and each BA Advance shall be repayable as provided in the BA Agreement (one of the Loan Documents below).

In the event of demand for repayment by the Bank of any issued and outstanding LIBOR Loan, BA Advance or LG, the Borrower shall deliver cash collateral to the Bank to fully secure its obligations to the Bank with respect to such Loans, BA Advances and credit.

1.5 Interest

Until demand for payment is made by the Bank, interest on the outstanding principal balance of all Loans and other credit advanced under the Operating Loan Facility shall, unless otherwise provided, be calculated and payable as follows:

- (a) for CAD Overdraft Loans under the Operating Loan Facility, the Bank's Prime Rate plus 0.65% per annum calculated monthly in arrears on the daily balance, payable on the last Business Day of each month;
- (b) for USD Overdraft Loans under the Operating Loan Facility, the Bank's U.S. Base Rate plus 0.65% per annum on the basis of a year of 360 days, calculated monthly in arrears on the daily balance, payable on the

- 3 -

last Business Day of each month; or

- (c) for LIBOR Loans under the Operating Loan Facility, LIBOR plus 1.90% per annum, on the basis of a year of 360 days, calculated on the daily balance, and payable:
 - (i) at the end of the applicable LIBOR Period;
 - (ii) if the applicable LIBOR Period is in excess of 90 days, at the end of each 90 day period during such LIBOR Period and on the last day of such LIBOR Period; and
 - (iii) on the date on which such LIBOR Loan becomes due and payable.

1.6 Fees

The Borrower shall pay to the Bank:

- (a) an administration fee of CAD250 payable on the first Business Day of each month with respect to the previous month;
- (b) at the time of the Bank's acceptance of each BA under the Operating Loan Facility including any renewal BA, a Stamping Fee of 1.90% per annum, calculated in accordance with the BA Agreement;
- (c) at the time of issuance of each LG under the Operating Loan Facility, a fee equal to 2.00% per annum, calculated against the face amount and over the term of the LG subject to a minimum fee of CAD150 per issuance;
- (d) At the time of amendment of each LG, the fees as set out in Schedule B, as amended or as otherwise advised by the Bank from time to time.
- (e) a one time set up fee of CAD10,000 payable on acceptance of this Facility Letter; and
- (f) annual review fee of CAD5,000.

2. Foreign Inventory Facility

2.1 Amount

Demand operating revolving loan facility ("Foreign Inventory Facility") available by way of any of the types of advances and other credit described in Section 2.3 (below) up to but not exceeding in aggregate for all such types of advances and other credit CAD4,000,000, subject to the Maximum Limit.

2.2 Purpose

To finance the Borrower's inventories outside of North America.

2.3 Availability

Loan advances and other credit under the Foreign Inventory Facility ("Foreign Inventory Loans") are available subject to the Maximum Limit as follows:

- (a) CAD Overdraft Loans up to an aggregate principal amount not exceeding CAD4,000,000 ;
- (b) USD Overdraft Loans up to an aggregate principal amount not exceeding USD3,200,000;

- 4 -

- (c) LIBOR Loans up to an aggregate principal amount of USD3,200,000 upon request by delivery of a Required Notice, subject to availability for a LIBOR Period and subject to a minimum advance amount of USD500,000 and thereafter in a multiples of USD100,000;
- (d) BAs in CAD up to an aggregate principal amount not exceeding CAD4,000,000 upon request by delivery of a Required Notice, subject to availability for a term of at least 30 days and not more than 90 days including days of grace and subject to a minimum amount for each BA of CAD500,000 and thereafter in multiples of CAD100,000 in the relevant currency;

The Borrower shall ensure that the amounts advanced under the Foreign Inventory Facility shall at no time exceed the amount of each of the available credit sub-limits set out above and that the aggregate of all such advances and credits outstanding at no time exceeds the Maximum Limit in the applicable currency.

2.4 Repayment

All amounts advanced and outstanding under the Foreign Inventory Facility shall be repaid on demand by the Bank.

Until such demand, each LIBOR Loan shall be repayable as provided in the LIBOR Agreement (one of the Loan Documents below) and each BA Advance shall be repayable as provided in the BA Agreement (one of the Loan Documents below).

In the event of demand for repayment by the Bank of any issued and outstanding LIBOR Loan or BA Advance, the Borrower shall deliver cash collateral to the Bank to fully secure its obligations to the Bank with respect to such Loans, BA Advances and credit.

2.5 Interest

Until demand for payment is made by the Bank, interest on the outstanding principal balance of all Loans and other credit advanced under the Foreign Inventory Facility shall, unless otherwise provided, be calculated and payable as follows:

- (a) for CAD Overdraft Loans under the Foreign Inventory Facility, the Bank's Prime Rate plus 0.25% per annum calculated monthly in arrears on the daily balance, payable on the last Business Day of each month;
- (b) for USD Overdraft Loans under the Foreign Inventory Facility, the Bank's U.S. Base Rate plus 0.25% per annum on the basis of a year of 360 days, calculated monthly in arrears on the daily balance, payable on the last Business Day of each month; or
- (c) for LIBOR Loans under the Foreign Inventory Facility, LIBOR plus 1.50% per annum, on the basis of a year of 360 days, calculated on the daily balance, and payable:
 - (i) at the end of the applicable LIBOR Period;
 - (ii) if the applicable LIBOR Period is in excess of 90 days, at the end of each 90 day period during such LIBOR Period and on the last day of such LIBOR Period; and
 - (iii) on the date on which such LIBOR Loan becomes due and payable.

2.6 Fees

The Borrower shall pay to the Bank:

- (a) at the time of the Bank's acceptance of each BA under the Foreign Inventory Facility including any renewal BA, a Stamping Fee of 1.50% per annum, calculated in accordance with the BA Agreement.

3. Capital Loan Facility

- 5 -

3.1 Amount

Up to CAD600,000 demand non-revolving loan facility (the "Capital Loan Facility").

3.2 Purpose

To takeover outstanding equipment loan at TD Bank.

3.3 Availability

The Capital Loan is available by way of a single advance (the "Capital Loan") to be requested by the Borrower by delivery of a Required Notice to the Bank by way of:

- (a) CAD advance based on the Bank's Prime Rate ("CAD Prime Rate Loan");
- (b) BAs in CAD up to an aggregate principal amount not exceeding CAD600,000 upon request by delivery of a Required Notice, subject to availability for a term of at least 30 days and not more than 90 days including days of grace and subject to a minimum amount for each BA of CAD500,000 and thereafter in multiples of CAD100,000 in the relevant currency.

3.4 Repayment

All amounts outstanding under the Capital Loan shall be repaid on demand by the Bank and until such demand, the Borrower shall make monthly principal repayments of 1/60th of principal drawn amount in CAD, together with monthly payments of accrued interest calculated at the applicable rate, per annum for each CAD Prime Rate Loan on the last Business Day of each month commencing in the month following the month in which the initial advance of the Capital Loan is made,

The Capital Loan shall, in any event, be repaid in full by July 31st, 2023, subject to the Bank's unfettered rights of demand for accelerated payment at any time.

A prepayment of all or part of the Capital Loan bearing interest at the Bank's Prime Rate may be made upon 5 Business Days prior written notice by the Borrower to the Bank. Any amount repaid or prepaid may not be reborrowed.

3.5 Interest

Until demand for payment is made by the Bank, interest on the principal balance of the Capital Loan shall, unless otherwise provided be calculated and payable as follows:

- (a) for a CAD Prime Rate Loan, the Bank's Prime Rate plus 0.75% per annum accruing daily, calculated monthly in arrears on the daily balance, payable as provided in Section 3.4.

3.6 Fees

The Borrower shall pay to the Bank:

- (a) at the time of the Bank's acceptance of each BA under the Capital Loan including any renewal BA, a Stamping Fee of 2.00% per annum, calculated in accordance with the BA Agreement.

4. Foreign Exchange Facility

- 6 -

4.1 Amount

Demand revolving foreign exchange facility up to a notional limit of USD640,000 (the "**Foreign Exchange Facility Limit**").

4.2 Purpose

Advances as one or more Loans are available to purchase foreign exchange forward contracts for major currencies identified and approved by the Bank for periods up to one year, subject to an overall maximum outstanding amount equal to the Foreign Exchange Facility Limit and subject to the Availability Requirements (in Section 4.3 below), in order to hedge against currency fluctuations in connection with import purchases by the Borrower.

4.3 Availability Requirements

The Borrower shall ensure that the Foreign Exchange Percentage (as defined below) of the aggregate face amount of outstanding foreign exchange forward contracts at no time exceeds the Foreign Exchange Facility Limit. For purposes of this Facility Letter the "**Foreign Exchange Percentage**" means the notional risk percentage established and recorded by the Bank from time to time, based on the Bank's assessment of the foreign exchange market. All amendments made to the Foreign Exchange Percentage as announced by the Bank from time to time will be binding on the Borrower and shall form part of this Facility Letter.

4.4 Repayment:

All liabilities of the Bank under forward foreign exchange contracts shall be paid by the Borrower on demand by the Bank and, unless and until otherwise demanded, such contracts shall be fulfilled by the Borrower as they fall due.

5. Swap Facility

5.1 Amount

Interest rate swap facility (the "**Swap Facility**") in the notional amount of CAD600,000.

5.2 Purpose

To allow for a sixty (60) month interest rate swap contract to assist the Borrower in hedging against fluctuations in the cost of borrowing associated with existing or anticipated floating rate borrowings as part of the Operating Loan Facility and shall not be used for speculative purposes.

5.3 Availability

The Swap Facility shall be available upon the written request of the Borrower, at which time the Bank will use its reasonable efforts to arrange a fixed interest rate swap (a "**swap**") for all or a portion of the amount outstanding under the relevant floating rate borrowings available as part of the Capital Loan Facility, at such fixed rate and for such term up to 5 years as may be mutually agreed to by the Bank and the Borrower, subject to the following limitations and conditions:

- (a) any swap will be subject to availability and for a term acceptable to the Bank;
- (b) notional utilization of the Swap Facility shall be for an amount calculated by taking a percentage (the "**Swap Risk Percentage**") of the principal amount of the swap multiplied by the number of years for which the swap is implemented. For the purpose of this paragraph, the Swap Risk Percentage shall be the percentage determined by the Bank from time to time in this regard, and which is currently 2.00%. Should the Swap Risk Percentage increase before the swap is effected, the swap may no longer be available for the full amount originally proposed;

- 7 -

- (c) the maturity of any swap shall not extend beyond July 31st, 2023 subject to earlier termination upon demand by the Bank for repayment of all indebtedness and liabilities under the Credit Facilities;
- (d) all interest payments due under any interest rate swap contract shall be made on a "net payments" basis;
- (e) the Swap Facility shall cease to be available and shall be terminated upon demand by the Bank for repayment of indebtedness and liabilities under the Credit Facilities;
- (f) prior to the effective date of any swap the Borrower must have executed and delivered to the Bank an interest rate swap agreement in the Bank's standard form based upon the International Swap Dealers Association master agreement which shall, among other things, provide for the payment of a compensating amount in the event of the prepayment of all or a portion of the principal amount of the swap;
- (g) the Bank shall have received all other Loan Documents, consents, acknowledgements, opinions, agreements and other assurances relating to such interest rate swap as the Bank or its solicitors may require; and
- (h) the notional amount utilized under any interest rate swap contract shall be deemed to constitute an amount owing by the Borrower to the Bank and the due payment of such amount shall be secured by the Loan Documents.

6. **Margin Requirement**

6.1 **Operating Loan Facility**

The Borrower shall ensure that the sum of the following in CAD or Canadian Dollar Equivalent thereof:

- (a) the amount advanced and liabilities outstanding under the Operating Loan Facility by way of CAD Overdraft Loans, USD Overdraft Loans, LIBOR Loans and BA Advances (using the face amount of all outstanding BAs); and
- (b) 100% of the aggregate face amount of all LG's issued or drawn upon under the Operating Loan Facility; shall at no time exceed the aggregate of (without duplication):
 - (c) 75% of uninsured Acceptable Receivables under 90 days located in North America; plus
 - (d) 90% of insured Receivables under 90 days over credit term with buyers' due date of the Borrower as per EDC Account Receivable Policy. EDC insured receivables are included in the margining as long as these receivables are covered under EDC policy guidelines; plus
 - (e) 85% of uninsured Acceptable Receivables under 90 days (CAD & USD) from investment grade account debtors including Amazon.com, Inc.; plus
 - (f) 50% of finished goods (refurbished and non-refurbished computers) Acceptable Inventory located in North America, including in transit inventory*; plus
 - (g) 40% of parts and accessories (excluding supplies and Logitech accessories) Acceptable Inventory located in North America, including in transit inventory*; plus
 - (h) 100% of unencumbered cash, credit balances and deposit instruments that are assigned to the Bank and held at the Bank; less
 - (i) Potential Prior Ranking Claims.

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*Total aggregate inventory under margin not to exceed CAD8,000,000.

6.2 Foreign Inventory Facility

The Borrower shall ensure that the sum of the following in CAD or Canadian Dollar Equivalent thereof:

- (a) the amount advanced and liabilities outstanding under the Foreign Loan Facility by way of CAD Overdraft Loans, USD Overdraft Loans, LIBOR Loans and BA Advances (using the face amount of all outstanding BAs);

shall at no time exceed the aggregate of:

- (b) 50% of EDC insured finished goods (refurbished and non-refurbished computers) Acceptable Inventory located outside of North America**, plus
- (c) 40% of EDC insured parts and accessories (excluding supplies and Logitech accessories) Acceptable Inventory located outside of North America**.

** Any inventory located outside of North America must be 100% secured by EDC Export Guarantee under the Export Guarantee Program.

7. Loan Documents

7.1 Loan Documents

The liability, indebtedness and obligations of the Borrower under all of the Credit Facilities shall be evidenced, governed and secured, as the case may be, by the following documents (which, together with any other loan or security documents required by this Facility Letter, are referred to collectively as the "Loan Documents") completed in a form and manner satisfactory to the Bank:

- (a) Agreement for USD and CAD Line of Credit by way of Current Account Overdraft, from the Borrower;
- (b) LIBOR agreement from the Borrower ("LIBOR Agreement");
- (c) BA Agreement from the Borrower;
- (d) Joint & several unlimited corporate guarantee executed by the Guarantors;
- (e) ISDA Agreement from the Borrower (only requires if the Swap Facility is being utilized);
- (f) the Bank's standard documentation in connection with the provision of trade finance/receivables finance facilities and the issuance of DCs and/or LGs including the Bank's form of Trade Financing General Agreement and an Indemnity and Reimbursement Agreement;
- (g) General security agreement from the Borrower creating a first priority security interest in all present and after acquired property of the Borrower;
- (h) Debenture from the Borrower creating a first priority security interest in all present and after acquired property of the Borrower (governed by Malaysian law);
- (i) General security agreement from Comsale Group Inc. creating a first priority security interest in all present and after acquired property of Comsale Group Inc.;
- (j) General security agreement from Comsale Inc. creating a first priority security interest in all present and after acquired property of Comsale Inc. (governed by U.S. law);

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- (k) Negative pledge from each of Comsale Malaysia Sdn. Bhd. and Comsale Hong Kong Limited;
- (l) Assignment of all risk insurance from the Borrower with coverage in amounts and from an insurer acceptable to the Bank in each case, on all of the Borrower's real and personal property, showing the Bank as first loss payee with standard mortgage endorsement for property damage coverage, as acknowledged/consented to by relevant insurer(s) or the authorized representative of the insurer;
- (m) Assignment of all risk marine cargo insurance from the Borrower;
- (n) Assignment of accounts receivable insurance from the Borrower with respect to such insurance provided by Export Development Canada ("EDC") to the Borrower;
- (o) Assignment of EDC export guarantee under the Export Guarantee Program by EDC to the Borrower;
- (p) Agreement for foreign exchange contracts from the Borrower;
- (q) Assignment and postponement by shareholders of the Borrower and related parties in favour of the Bank of all present and future amounts owing to them by the Borrower;
- (r) Agreement as to security over cash, credit balances and deposit instruments from the Borrower;
- (s) Consent and waiver agreement in favour of the Bank from the landlord of each of the leasehold premises of the Borrower and Guarantors (on best effort basis for premises located in Malaysia and Hong Kong);
- (t) Bailee agreement in favour of the Bank from Comsale Malaysia Sdn. Bhd. in respect of the assets of the Borrower held by it;
- (u) Inter-creditor and standstill agreement with Business Development Bank of Canada ("BDC") in favour of the Bank;
- (v) Subordination by the Borrower and Guarantors in favor of the Bank restricting transfer of assets and funds following a default;
- (w) supporting officer's certificates, certificates of status (or good standing) and other certificates in connection with each Credit Party as the Bank may reasonably require which shall confirm, among other things, the constitutional documents for each Credit Party, incumbent officers with specimen signatures of authorized signatories, and the applicable authorizing resolutions for the Loan Documents, together with legal opinion of the solicitors acting for each Credit Party confirming power and capacity of each Credit Party, existence, due authorization, execution, delivery and enforceability of the Loan Documents to which each is a party and the priority of the security interests granted by each to the Bank;
- (x) Such other Loan Documents as the Bank may reasonably request in order to register or otherwise perfect the security interests granted to the Bank.

7.2 Registration and Priority; Counsel Fees

Loan Documents (or notice thereof) will be registered in all jurisdictions and at all registries as the Bank may determine is necessary or beneficial to perfect or protect its security interests, mortgages and charges. The Bank's security interests shall rank in priority to all other mortgages, charges, liens, encumbrances and security interests, subject to Permitted Encumbrances. The Borrower shall pay all legal fees and disbursements incurred by Bank's counsel in connection with negotiation, implementation and enforcement of the Credit Facility, including any expenses incurred to perfect or register Loan Documents.

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8. Conditions Precedent

In addition to the conditions precedent set out in the attached Schedule A, it shall be a condition precedent to the advance and the continued availability of the Credit Facilities that the Bank shall have received in form and content satisfactory to the Bank:

- (a) The Loan Documents, duly authorized, executed and delivered, and, as relevant, duly registered;
- (b) Satisfactory review of interim consolidated financial statement for the Borrower and Guarantors;
- (c) Updated inventory appraisal report from Gordon Brothers or other Bank approved equipment appraiser addressed to the Bank. In the event of any material change with regards to the net orderly liquidation values, further review is required by the Bank prior to funding;
- (d) Satisfactory review of EDC creditor insurance policy and EDC export guarantee addressed to the Bank;
- (e) Bank statements, accounts receivable listings and other margin information for the Borrower for each of the three months prior to funding;
- (f) Satisfactory review of agreement between the Borrower and Amazon; and
- (g) Standard due diligence package including financial, commercial, insurance, legal and tax structure review performed by reputable firms with relevant experience in their respective sectors.
- (h) copies of all Material Agreements (if any) and such other documents as the Bank may reasonably request;

9. Covenants and Conditions

- (a) Without limiting the Bank's right to demand repayment of any outstanding amounts, the Borrower covenants and agrees with the Bank that, so long as any indebtedness, liability and obligations of the Borrower to the Bank remain outstanding, it shall not and the Guarantors shall not, without the prior written consent of the Bank:

- (i) permit the ratio of Debt to TNW of the Comsale Group on a combined basis to at any time exceed 2.75 to 1.0; (Tested monthly)
- (ii) permit the ratio of current assets of the Comsale Group on a combined basis to current liabilities to at any time to be less than 1.20 to 1.0. For the purposes hereof, current assets shall exclude amounts due from related party transactions. Current liabilities shall exclude amounts due to shareholders of the Borrower. (Tested monthly)
- (iii) permit its Debt Service Coverage to be less than 1.20 to 1.0 at any time; (Tested annually)

The Borrower and the Guarantors agree that the foregoing financial tests shall be calculated by the Bank monthly and annually using internally prepared consolidated financial statements of the Borrower and of the Guarantors.

- (b) The Borrower and the Guarantors agree to give the Bank written notice of any of the following events as soon as possible and in any event within 10 Business Days of the occurrence thereof:
 - (i) any litigation, proceeding or dispute which if adversely adjudged, mediated or arbitrated could reasonably be expected to constitute a Material Adverse Change;
 - (ii) any representation and warranty given by a Credit Party to the Bank being false or misleading;

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- (iii) the death or insolvency of an individual Guarantor or the dissolution, merger or insolvency of any other Guarantor;
 - (iv) any notice from any Governmental Authority with respect to any violation, possible violation, non-compliance or possible non-compliance or claim which constitutes or could reasonably be expected to constitute a Material Adverse Change;
 - (v) any claim or action made or taken by a creditor of a Credit Party with respect to Debt exceeding CAD100,000 with respect to an actual or alleged default;
 - (vi) default by a Credit Party under any of its respective credit facilities with the Bank or any other lender;
 - (vii) arranging to borrow money, obtain credit or incur additional funded indebtedness (other than pursuant to the Credit Facilities);
 - (viii) any purchase or sale of assets by the Borrower or any Guarantors outside the ordinary course of business of the Borrower exceeding CAD500,000;
 - (ix) the Bank shall have the right to request an updated inventory appraisal report at the request of the Bank.
- (c) The Bank shall have the right to request for annual site visit at Comsale Group's premises either by HSBC Bank or 3rd party agent at the requested of the Bank.
- (d) Distributions to shareholders including, but not limited to, dividends, share redemptions, and/or repayment of shareholder loans is permitted up to 10% of the short term advances from shareholders until audited, combined fiscal year end 2018 financial statement has been reviewed by the Bank. Distributions to shareholders including, but not limited to, dividends, share redemptions, and/or repayment of shareholder loans is permitted as long as such distributions do not result in a breach of financial covenants post December 31, 2018. Borrower agrees that, in case of a breach of any of the above Financial Covenants, the Borrower and/or its shareholders undertake to rectify such breach by injecting additional cash or other tangible security acceptable to the Bank
- (e) Flow of funds between the Borrower and Guarantors is permitted as long as it is within the normal course of business and would not deplete the assets of the Borrower.
- (f) The Borrower shall maintain its bank accounts with HSBC Bank Canada.

10. **Reporting Requirements**

The continued availability of the Credit Facilities is subject to the Borrower and Guarantors delivering to the Bank the following reports in a form and on a frequency acceptable to the Bank as advised by the Bank from time to time.

- (a) Monthly, within 30 days of each calendar month end:
- (i) Aged listing of accounts receivable and accounts payable of the Comsale Group;
 - (ii) Declaration of inventory of the Comsale Group; and
 - (iii) A signed certificate of margin compliance and a certificate of covenant compliance by the Comsale Group.
- (b) Quarterly, within 60 days of the Borrower's fiscal quarter end (March, June, September, December):

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- (i) combined and non-combined internally prepared financial statement of the Comsale Group,
- (c) Annually, within 120 days of the Borrower's fiscal year end:
 - (i) Combined audited financial statements of the Comsale Group;
 - (ii) Internally prepared fiscal year end financial statement of the Guarantors;
 - (iii) Pro forma financial statements and cash flow statement for the following fiscal year of the Comsale Group; and
 - (iv) Copy of EDC creditor insurance and renewal of EDC export guarantee under the Export Guarantee Program.
- (d) such additional financial statements and information as and when requested by the Bank.

11. **Counterparts and Electronic Communication**

This Facility Letter and each Loan Document may be executed in one or more counterparts, each of which when so executed when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Facility Letter or Loan Document by facsimile or by Electronic Communication shall be as effective as physical delivery of an original counterpart signed manually.

This Facility Letter (and each Loan Document) may be signed by handwritten signature or electronically by using technology acceptable to the Bank. To evidence execution of this Facility Letter (or any Loan Document), the Borrower and Guarantors, as applicable, must deliver and return to the Bank an executed copy of each with the original handwritten signatures of the Borrower's (or Guarantor's, as applicable) duly authorized signatories by physical delivery, or if so permitted by the Bank, by facsimile, email or other electronic delivery or transmission and such transmission shall constitute delivery of an executed copy of the Facility Letter or relevant Loan Document. If the Borrower or Guarantors uses an electronic signature to indicate its agreement, it shall ensure that its electronic signature is attached to or associated with this Facility Letter (or such Loan Document).

12. **Notices**

Any notice, request or other communication which the Bank, the Borrower and Guarantors may be required or may desire to give to the other parties for purposes of this Facility Letter shall be in writing and may be sent either by electronic transmission (facsimile or email), or hand delivery or first class registered mail postage prepaid to the addresses below. Any such notice, request or other communication shall be deemed to have been effectively given, made and received: (i) when transmitted with receipt confirmed in the case of electronic transmission if such transmission was made on or before 5:00 p.m. Toronto time on that Business Day, failing which it shall be deemed to have been effectively given, made and received on the next following Business Day, (ii) when received if sent by hand delivery on or before 5:00 p.m. (Toronto time) on a Business Day, failing which it shall be deemed to have been effectively given, made and received on the next following Business Day, or (iii) five (5) days after deposit in the mail if so mailed, but any notice, request or other communication to be given or made during a strike, lock-out or other labour disturbance at the post office or during an actual or threatened interruption in the mail service shall be hand delivered or sent by electronic transmission and not mailed. Any party hereto may change the address to which all notices, requests and other communications are to be sent to it by giving written notice of such address change to the other parties in conformity with this paragraph, but such change shall not be effective until notice of such change has been received by the other parties. The addresses of the parties for the purposes hereof shall be:

If to the Borrower, addressed as follows:

Comsale Computer Inc.

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111 Snidercroft Road, Unit B
Concord, Ont., Canada
L4K 2J8
Attention: Neil Shaul
Email: neil@comsale.com

If to the Bank, addressed as follows:

HSBC Bank Canada
3601 Highway 7 East, Unit 108
Markham, Ontario,
L3R 0M3
Attention to: Kevin Fan
Fax Number: 416-756-7872
Email: kevin_kh_fan@hsbc.ca

If to the Guarantors, addressed as follows:

Comsale Group Inc.
18B -- 3200 Dufferin St, Suite 323
Toronto, Ontario,
M6A 0A1
Attention: Neil Shaul
Email: neil@comsale.com

Comsale Malaysia Sdn. Bhd.
B24-B26, Jalan FZ4-P3,
Port Klang Free Zone/KS12,
Pulau Indah, Selangor
Malaysia
Attention: Neil Shaul
Email: neil@comsale.com

Comsale Inc.
1021 E. Glendale Ave,
Sparks, NV, USA
89431
Attention: Neil Shaul
Email: neil@comsale.com

Comsale Hong Kong Limited
12th Floor Units,
Wing Shan Industrial Building No 428
Hong Kong
Attention: Neil Shaul
Email: neil@comsale.com

13. **Lapse and Cancellation**

This Facility Letter shall, at the option of the Bank, expire, and be of no further force and effect if an initial advance of credit under the Credit Facility has not been made within sixty (60) days of the date of this Facility Letter.

Credit Facilities under this Facility Letter are uncommitted and, notwithstanding any other provision of this Facility Letter, the Bank may, at any time, in its sole discretion on notice to the Borrower: (i) terminate the Borrower's right to make requests for credit or advances under the Credit Facilities; (ii) even if the Bank has not terminated the Borrower's right to request credit or advances under the Credit Facilities, decline any request for credit or advances

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under the Credit Facilities and refuse to honour any cheques or other payment items; (iii) demand repayment of all outstanding indebtedness and liability of the Borrower at any time, all upon such notice and otherwise in accordance with applicable law as the Bank may determine.

14. **Schedules**

The following Schedule attached hereto comprises part of the Facility Letter:

- Schedule A - Definitions and Additional Terms and Conditions
- Schedule B - Fees for Collections and Documentary Credits

15. **Language Choice**

The parties hereto have requested that this Facility Letter and any document relating thereto be drafted in English. Les parties aux présentes ont exigé que cette et tout document y afferent soient rédigés en anglais.

16. **Acceptance**

The offer of credit upon the terms and conditions contained in this Facility Letter may be accepted by the Borrower(s) and the Guarantor(s) signing, dating and delivering a copy of this Facility Letter to the Bank by 5:00 p.m. local time on June 8, 2018. Failing such acceptance and delivery to the Bank, this offer shall be of no further force or effect.

Yours truly,

HSBC BANK CANADA


Kevin Fan
Director
Corporate Banking

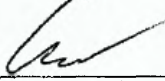

Deborah Cullen
Senior Director & Head of Corporate Banking Markham
Corporate Banking

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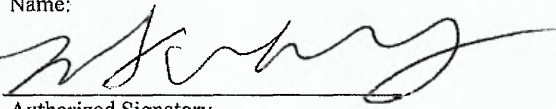
The undersigned hereby acknowledge(s) and agrees to the terms and condition(s) of this Facility Letter this
____ day of June, 2018.

BORROWER

Comsale Computer Inc.

Per: 

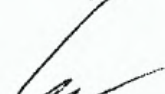
Authorized Signatory
Title:
Name:

Per: 

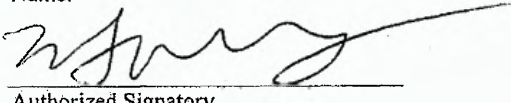
Authorized Signatory
Title:
Name:

GUARANTORS

Comsale Group Inc.,

Per: 

Authorized Signatory
Title:
Name:

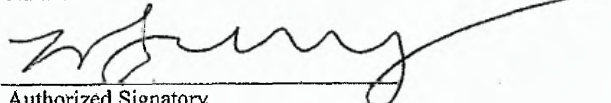
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Authorized Signatory
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Name:

Comsale Malaysia Sdn. Bhd.

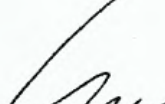
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Comsale Inc.

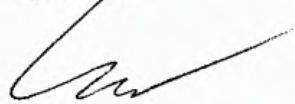
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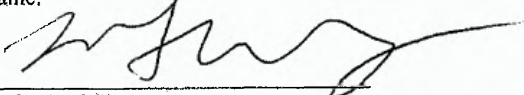
Per: 

Authorized Signatory
Title:
Name:

Comsale Hong Kong Limited

Per: 

Authorized Signatory
Title:
Name:

Per: 

Authorized Signatory
Title:
Name:

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SCHEDULE A

**TO FACILITY LETTER
FROM HSBC BANK CANADA
TO COMSALE COMPUTER INC.
DATED JUNE 4, 2018**

This Schedule shall form part of the Facility Letter and the availability of the Credit Facilities as described in this Facility Letter shall also be subject to the terms and conditions contained in this Schedule.

I. Definitions

For the purpose of this Facility Letter, the following terms shall have the meanings indicated below.

"Acceptable Inventory" means the value, determined by the Bank from its review of the most recent financial statements and certificate of compliance and security margin report provided by the Borrower, based on the lower of cost and fair market value of all materials owned by the Borrower for resale or for production of goods for resale, excluding work in progress, and over which the Bank holds a first ranking security interest, subject only to Potential Prior Ranking Claims and Permitted Encumbrances.

"Acceptable Receivables" means the aggregate of accounts receivable of the Borrower, determined by the Bank from the most recent financial statements and aged list of accounts receivable of the Borrower, over which the Bank holds a first ranking security interest, subject only to Potential Prior Ranking Claims and Permitted Encumbrances, from customers approved by the Bank and which are aged from invoice date and which have been outstanding for not more than 90 days, from which shall be excluded: (i) accounts receivable from related or affiliated corporations or other non-arm's length Persons; (ii) warranty claims receivable; (iii) tax refunds; (iv) rebates; (v) discounts (whether cash discounts, volume discounts, promotional/advertising discounts or otherwise); and (vi) accounts which are disputed by the Borrower's customers; (vii) contra accounts and trade accounts receivable subject to offset; (viii) such excessive concentration of trade accounts receivable from a single customer and affiliates or from a single region or other category as the Bank may determine and notify to the Borrower; (ix) accounts receivable that are governed by or issued by a customer subject to the laws of a jurisdiction other than Canada or the U.S.; (x) the amount of Potential Prior Ranking Claims; (xi) such other exclusions and deductions, if any, which have been communicated by the Bank to the Borrower in writing. If any portion of an account receivable has been outstanding for more than 90 days (or such other date as advised by the Bank) from the invoice date, the entire account receivable (including the portion outstanding for 90 days or less) shall be excluded from the calculation of Acceptable Receivables except that if the portion of the account receivable that has been outstanding for more than 90 days is less than 10% of the specific account receivable and is less than CAD 100,000, the portion of the account receivable outstanding for 90 days or less may nonetheless be included in the calculation unless otherwise advised by the Bank (Except for Acceptable Receivables being insured by EDC).

"BA" or "Bankers Acceptance" means a Draft in CAD or USD of the Borrower, in the Bank's standard form, which has been accepted and purchased by the Bank and which shall be a depository bill subject to the *Depository Bills and Notes Act* (Canada).

"BA Advance" means each advance in CAD or USD to the Borrower by way of the purchase by the Bank of a BA pursuant to the Facility Letter.

"BA Agreement" means collectively, both the (i) Depository Bills Agreement (for Bankers Acceptances in Book Based Environment for Electronic Settlement); and (ii) Power of Attorney-Depository Bills; both in form and substance satisfactory to the Bank.

"BA Purchase Price" means in respect of any BA being purchased by the Bank on any day an amount (rounded to the nearest whole Canadian cent, and with one-half of one Canadian cent being rounded up) calculated on such day by multiplying:

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- (a) the face amount of such BA; by
 - (b) the quotient equal to one divided by the sum of one plus the product of:
 - (i) the Canadian BA Discount Rate (expressed as a decimal) applicable to such BA; and
 - (ii) a fraction, the numerator of which is the number of days remaining in the term of such BA and the denominator of which is 365;
- with such quotient being rounded up or down to the nearest fifth decimal place and .000005 being rounded up,

less the amount of the BA Stamping Fee payable to the Bank (unless paid by the Borrower separately) in respect of, and as a condition precedent to the acceptance and purchase by the Bank, of such BA.

"Bank Branch" means the branch of the Bank first described in the Facility Letter or as otherwise advised by the Bank from time to time.

"Bank's Prime Rate" means the variable annual rate of interest per annum established and adjusted by the Bank from time to time as a reference rate for purposes of determining rates of interest it will charge on commercial loans in Canada denominated in Canadian dollars based on the actual number of days in a year (whether 365 or 366 days) and which was 3.45% per annum on June 4, 2018 but in no event shall such interest rate be less than 0% per annum. A certificate of a manager or account manager of the Bank shall, absent manifest error, be conclusive evidence of the Bank's Prime Rate from time to time.

"Bank's U.S. Base Rate" means the variable annual rate of interest established and adjusted by the Bank from time to time as a reference rate for purposes of determining rates of interest it will charge on commercial loans denominated in United States dollars in Canada based on a year of 360 days, and which was 5.00% per annum on June 4, 2018 but in no event shall such interest rate be less than 0% per annum. A Certificate of a manager or account manager of the Bank shall, absent manifest error, be conclusive evidence of the Bank's U.S. Base Rate from time to time.

"Business Day" means a day, other than a Saturday, Sunday or statutory (or civic) holiday, upon which the Bank is open for business in the Bank Branch.

"CAD" and "Canada Dollars" means lawful currency of Canada in same day immediately available funds, or, if such funds are not available, the form of money of Canada that is customarily used in the settlement of international banking transactions on the day in question.

"CAD Prime Rate Loan" has the meaning ascribed to it in the Facility Letter.

"Canadian BA Discount Rate" means on any day, as applicable to BAs denominated in CAD with the same maturity date being purchased by the Bank on such day, the per annum percentage discount rate (rounded upward, if necessary, to the nearest 0.01%), calculated as the average discount rate applicable to Canadian Dollar bankers acceptances, the Canadian BA Discount Rate for the Bank means the rate established by the Bank in accordance with its normal practices at or about 10:00 am on the date of issue, for bankers acceptances having a maturity date and a face amount comparable to the maturity date and face amount of the relevant BA Instruments to be issued.

"Canadian Dollar Equivalent" means at any time on any date in relation to any specified amount in a currency other than Canadian dollars, the amount of Canadian dollars which could be purchased from the Bank by the payment of that specified amount of such other currency at the rate of exchange quoted by the Bank at or about 8:00 a.m. Pacific time on such date, including all premiums and costs of exchange.

"Compensating Amount" means an amount determined by the Bank to be the net cost, if any, incurred by the Bank as a direct result of the repayment of all or a portion of any advance under any of the Credit Facilities which bears

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interest at the Bank's CAD Fixed Rate or Bank's USD Fixed Rate or based on LIBOR or based on CAD Cost of Funds Rate or other rate, on a date other than the expiration of the selected interest period or LIBOR Period, including, without limitation, any unwinding costs and other losses or expenses or damages sustained or incurred by the Bank relating to such payment. A certificate of a manager or account manager of the Bank shall, absent manifest error, be conclusive evidence of the Compensating Amount from time to time.

"Compliance Action" has the meaning ascribed to it in Section XVII of this Schedule A.

"Credit Facilities" has the meaning ascribed to such term in the Facility Letter.

"Credit Party" means each Borrower and each Guarantor.

"Debt" means total liabilities less postponed loans.

"Debt Service Coverage" means EBITDA less unfunded capital expenditures, deferred charges, dividends, distributions, advances to related companies and affiliates, investments in related companies and affiliates, and cash taxes, divided by the total of all payments of principal and interest on long term debt and obligations under the Credit Facilities, including payments under Leases.

"Drawdown Date" means the date, which must be a Business Day, specified by the Borrower in a Required Notice as being the date on which the Borrower would like to obtain an advance.

"Draft" means a bill of exchange within the meaning of the Bills of Exchange Act (Canada), in the form prescribed by the Bank, drawn by the Borrower on the Bank for acceptance as a Bankers' Acceptance and bearing such distinguishing letters and numbers as the Bank may determine, but which at such time has not been completed or accepted by the Bank.

"EBITDA" means earnings before interest, taxes, depreciation and amortization plus non-cash expenses approved by the Bank, less non-cash non-recurring items.

"Electronic Communication" means any agreement, instruction, document, information, disclosure, notice or other form of communication that is sent or stored by means of any electronic or other digital transmission.

"Electronic Signature" means a signature that consists of one or more letters, characters, numbers or other symbols in digital form incorporated in, attached to or associated with an electronic communication and includes a secure electronic signature as may be prescribed by applicable law or otherwise required by us.

"Facility Letter" means the letter from the Bank to the Borrower to which this Schedule is attached, together with this Schedule, and includes all amendments and restatements thereof.

"Governmental Authority" means any government, legislature or regulatory authority, agency, commission, law enforcement agency, board or court, tribunal or other law, regulation or rule making entity having or purporting to have jurisdiction on behalf of any nation, province, state, municipality or country or other subdivision thereof or other jurisdiction.

"Guarantors" means the party or parties described on the first page of this Facility Letter and any other party or parties who from time to time execute a guarantee or guarantees of the obligations of the Borrower under or in connection with this Facility Letter and the Loan Documents.

"Insured Receivables" means those Acceptable Receivables of the Borrower, determined by the Bank from the most recent financial statements and aged list of accounts receivable of the Borrower, which are insured for payment by Export Development Canada or similar insurer approved by the Bank and over which the Bank holds a first ranking security interest, subject only to Potential Prior Ranking Claims and Permitted Encumbrances, from customers approved by the Bank and which are aged from invoice date and which have been outstanding for not more than 90 days over credit term with buyers' due date of the Borrower as per EDC Account Receivable Policy,

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from which shall be excluded: (i) accounts receivable from related or affiliated corporations or other non-arm's length Persons; (ii) warranty claims receivable; (iii) tax refunds; (iv) rebates; (v) discounts (whether cash discounts, volume discounts, promotional/advertising discounts or otherwise); and (vi) accounts which are disputed by the Borrower's customers; (vii) contra accounts and trade accounts receivable subject to offset; (viii) such excessive concentration of trade accounts receivable from a single customer and affiliates or from a single region or other category as the Bank may determine and notify to the Borrower; (ix) the amount of Potential Prior Ranking Claims; (x) such other exclusions and deductions, if any, which have been communicated by the Bank to the Borrower in writing. Insured Receivables excludes those Acceptable Receivables where the buyer has been in default of its payment obligations to the Borrower for more than 60 days or an amount greater than 10% of the total amount due to the Borrower by that buyer.

"Legal Requirement" means any law, statute, code, ordinance, order, award, judgment, decree, injunction, rule, regulation, authorization, guidance note, advisory, consent, approval, order, permit, franchise, licence, direction, deferred prosecution agreement or other requirement of any Governmental Authority.

"LG's" has the meaning ascribed to it in the Facility Letter.

"LIBOR" has the meaning ascribed in the LIBOR Agreement.

"LIBOR Loan" means any advance to the Borrower in USD on which interest is calculated and payable on the basis of LIBOR, based on a period of 360 day year.

"LIBOR Period" means a period of one month, two months or three months subject to availability.

"Loan" means any advance to the Borrower in USD on which interest is calculated and payable on the basis of either LIBOR (as a LIBOR Loan) or the Bank's U.S. Base Rate (as a U.S. Base Rate Loan) and any advance to the Borrower in CAD on which interest is calculated and payable on the basis of the Bank's Prime Rate.

"Loan Documents" means the Loan Documents described in the Facility Letter, any additional documents delivered in connection with the Credit Facilities by any Credit Party and any amendments or restatements of any of such documents from time to time.

"Margin Requirements" has the meaning ascribed to it in the Facility Letter.

"Material Adverse Change" means, with respect to any Credit Party any event, circumstance, act or omission which individually or in the aggregate has had or could reasonably be expected to have, a material adverse effect on: (i) the business, operations, prospects, properties, assets or condition, financial or otherwise, of such Credit Party; (ii) the ability of any Credit Party to perform its obligations and covenants in this Facility Letter or any other Loan Document to which it is a party; or (iii) to the rights and remedies of the Bank under this Facility Letter or any other Loan Document.

"Material Agreements" means agreements material to the conduct of the business of the Borrower including those related to intellectual property, leases, licences and other rights of use of property.

"Maximum Limit" means the lesser of (i) the maximum principal amount stipulated as being available respectively under each of (i) the Credit Facilities (and using the face amounts in the case of all outstanding BAs and LGs issued) and (ii) the permitted aggregate of all advances and credit issued and outstanding under each Credit Facility subject to the Margin Requirement, and to any other covenant restrictions. For the purposes hereof, any available credits in USD or any other currency shall be calculated using the Canadian Dollar Equivalent thereof.

"Off-Balance Sheet Arrangements" means any transaction, agreement or other contractual arrangement between the Borrower and an entity that is not consolidated on the Borrower's financial statements, under which the Borrower may have: (i) any obligation under a direct or indirect guarantee or similar arrangement; (ii) a retained or contingent interest in assets transferred to an unconsolidated entity, (iii) derivatives, to the extent that the financial statements do not fully reflect fair value thereof as a liability or asset; or (iv) any obligation or liability, including a contingent obligation or liability, to the extent that it is not fully reflected in the Borrower's financial statements.

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"Permitted Encumbrances" means liens, encumbrances or other rights permitted by the Bank in writing.

"Person" shall mean and include an individual, a partnership, a corporation, a joint stock company, a trust, an unincorporated association, a joint-venture or other entity or a government or any agency or political subdivision of the above.

"Potential Prior Ranking Claims" means the aggregate of all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a lien or trust or other claim pursuant to any law, statute, regulation or similar enactment, which ranks or is capable of ranking in priority to all or any portion of the Bank's security or in priority to any claim by the Bank for repayment of amounts owing under the Credit Facilities including, without limitation, amounts due and payable for wages, vacation pay, employee deductions (including income, CPP, EI, workers compensation, social security or other employment tax withholdings), sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of HST input credits) and pension fund obligations.

"Required Notice" means a written notice in form and content approved by the Bank, signed by the Borrower, given to the Bank Branch not later than 10:30 a.m. local time (where the branch of the Bank as indicated on the front page of this Facility Letter is located) two Business Days immediately preceding the date on which:

- (a) a LIBOR Loan or other advance (other than by way of account overdrafts) is to be made;
- (b) a rollover is to be made from one interest option to another, or a rollover of an existing Loan on maturity to the same type of Loan;
- (c) a BA is to be issued for acceptance and purchase by the Bank; or
- (d) an LG is to be issued by the Bank;

as the case may be, stating the requested date, amount and term to maturity (or Interest Period) of the requested advance or rollover, or particulars of the banker's acceptance or LG or DC requested.

With respect to the foregoing, a certificate of a manager or account manager of the Bank shall be *prima facie* evidence of the Bank's Prime Rate, the Bank's U.S. Base Rate and LIBOR, from time to time.

"Sanctions" has the meaning ascribed to it in Section II(f) of this Schedule A.

"Stamping Fee" means the stamping or acceptance fee, payable in the currency of the BA, by the Borrower to the Bank in respect of the Drafts accepted by the Bank prior to and as a condition of such acceptance, computed in accordance with the Facility Letter.

"Taxes" means any fee (including without limitation, any documentation, licence or registration fee), any tax (including, without limitation, any gross receipts, sales, use, property (personal and real), tangible or intangible and stamp tax, value added tax, income tax, excise tax), levy, imposts, duty, charge, assessment, deduction or withholding of any nature whatsoever, together with any fine, addition to tax and interest on the fee or tax.

"TNW" means the aggregate of paid in capital, retained earnings, and postponed loans less any assets deemed intangible by the Bank, which includes, but is not limited to goodwill and investments in related companies.

"US Base Rate Loan" means an advance to the Borrower in USD in respect of which interest accrues and is payable at the Bank's U.S. Base Rate.

"USD" and "United States Dollars" means lawful currency of the United States of America in same day immediately available funds, or, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day in question.

"USD Equivalent" means at any time on any date in relation to any specified amount in a currency other than United States dollars, the amount of USD which could be purchased from the Bank by the payment of that specified

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amount of such other currency at the rate of exchange quoted by the Bank at or about 8:00 a.m. Pacific time on such date, including all premiums and costs of exchange.

Whenever the singular or the masculine is used herein the same shall be deemed to include the plural and other Persons, and vice versa.

II. Representations and Warranties

Each Credit Party represents and warrants to the Bank, as of the date of the Facility Letter and as at the time of an advance or other utilization of any of the Credit Facilities from time to time that:

- (a) if a corporation, it has been duly incorporated and organized (or if a partnership or other legal entity, has been duly formed, or settled as relevant) and organized and is properly constituted, is in good standing and subsisting and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets;
- (b) the execution of this Facility Letter and the Loan Documents and the incurring of liability and indebtedness to the Bank does not and will not contravene:
 - (i) any Legal Requirement applicable to such Credit Party; or
 - (ii) any provision contained in any other loan or credit agreement or borrowing instrument or contract to which it is a party;
- (c) this Facility Letter and the Loan Documents to which it is a party have been duly authorized, executed and delivered by it, and constitute its valid and binding obligations and are enforceable in accordance with their respective terms;
- (d) all necessary Legal Requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the execution and delivery of this Facility Letter and the Loan Documents; and
- (e) all financial and other information provided to the Bank in connection with the Credit Facilities is true and accurate, and it acknowledges that the offer of credit by the Bank contained in this Facility Letter is made in reliance on the truth and accuracy of this information and the above representations and warranties.
- (f) neither the Borrower nor any of its subsidiaries, directors, officers, employees, agents, or affiliates is an individual or entity (nor does the Borrower nor any such other entity or person operate, possess, own, charter, or use a vessel) that is, or is owned or controlled by any one or more individuals or entities ("Persons") that are: (i) the subject of any sanctions issued, administered or enforced by, or named on any list of specially designated or blocked Persons maintained by, the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Hong Kong Monetary Authority, or the Department of Global Affairs (Canada), Trade and Development Canada, Canada Border Services Agency, or Justice Canada, including any enabling legislation or executive order related thereto, and any similar sanctions laws as may be enacted from time to time in the future by the United States, Canada, the European Union (and any of its member states), the United Kingdom or the United Nations Security Council, or any other legislative body of the United Nations or other relevant Governmental Authority (collectively, "Sanctions"), or (ii) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions;
- (g) with respect to each LG or DC issued by the Bank pursuant to any of the Credit Facilities all required import or export licenses applicable to the transactions for which such LG or DC is issued have been obtained and the Borrower is in compliance in all material respects with foreign and domestic laws and regulations pertaining to each jurisdiction in which it operates and to each LG and/or DC and the subject

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matter of such LG and/or DC including, if applicable, the shipment and financing of the goods described in such LG and/or DC; and

- (h) no shares in a Credit Party have been issued as, or are held as, or convertible to, bearer shares.

III. Interest, Fees

- (a) Interest on the daily balance of the principal amount advanced under the Credit Facilities and remaining unpaid from time to time shall accrue and shall be payable by the Borrower as set out in this Facility Letter both before and after demand, default, maturity, or judgment and until indefeasible payment in full, except as otherwise expressly provided for.
- (b) If the Borrower repays any portion of the Credit Facilities accruing interest based on LIBOR on a date other than the expiration of the selected interest period or LIBOR Period, as the case may be, whether as a result of a demand for repayment by the Bank or otherwise, it shall also concurrently pay to the Bank the greater of:
 - (i) three months' interest on the portion prepaid based on the applicable rate above LIBOR, as the case may be; and
 - (ii) the applicable Compensating Amount.
- (c) Interest based on the Bank's U.S. Base Rate and on LIBOR shall be computed on the basis of a year of 360 days and for actual days that the amounts are outstanding under the relevant Credit Facilities on this basis. For the purpose of the *Interest Act* (Canada), the annual rate of interest to which interest computed on the basis of a year of 360 days is equivalent is the rate of interest as provided in this Facility Letter multiplied by the actual number of days in such year (whether 365 or 366) and divided by 360.
- (d) Upon expiration of the term of any outstanding Loan during which interest is accruing at the Bank's CAD Fixed Rate or the Bank's USD Fixed Rate or upon the expiration of the relevant Interest Period for any outstanding CAD Cost of Funds Loan, or on the maturity of a BA, unless another interest rate option is selected by the Borrower for an advance to refinance such Loan or BA Advance on maturity, interest shall accrue at the applicable rate as provided in this Facility Letter for outstanding indebtedness and liability in CAD at the Bank's Prime Rate plus the applicable margin and for USD at the Bank's U.S. Base Rate plus the applicable margin, as the case may be. LIBOR Loans may be rolled over as set out in the LIBOR Agreement.
- (e) The fees paid to and received by the Bank shall be its entitlement as consideration for the time, effort and expense incurred by the Bank in the review of financial statements and its review and administration of documents, and the Borrower acknowledges and agrees that the determination of these costs is not feasible and that the fees set out in this Facility Letter represent a reasonable estimate of such costs.
- (f) In the event that interest is not received by the Bank on any date for payment provided for in this Facility Letter or in any other relevant document, interest on such overdue interest shall be compounded on the basis of interest calculated and payable on overdue interest in the same manner and at the same rate per annum as is applicable to such overdue interest until indefeasible payment in full. Any other amounts which become payable to the Bank under this Facility Letter or the Loan Documents and which are not paid when due shall accrue interest and be payable from the due date at the Bank's Prime Rate plus 3% per annum, calculated and payable monthly on the last day of each month, both before and after demand, default, maturity or judgment and until indefeasible payment in full (other than for overdrafts exceeding the permitted limit which shall accrue interest at the rate of 21% per annum both before and after demand, default and judgment until indefeasible payment in full).
- (g) All payments by the Borrower to the Bank shall be made at the address of the Bank Branch or at such other place as the Bank may specify in writing from time to time. The Borrower shall make payment to the Bank

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in immediately available funds in the same currency(ies) as the currency in which the original Loan, BA Advance or other credit was advanced or made available by the Bank. Any payment delivered or made to the Bank by 1:00 p.m. local time at the place where such payment is to be made shall be credited as of that day, but if made after such time such payment shall be credited as of the next Business Day.

- (h) Notwithstanding anything to the contrary contained in this Facility Letter, the Borrower acknowledges that:
 - (i) the applicable rate of interest payable by the Borrower in connection with this Facility Letter shall not be less than zero, even if a reference rate used for the calculation of such interest, or the total of the reference rate and applicable interest spread, is less than zero; and (ii) the Bank may, in its discretion, and is hereby irrevocably authorized by the Borrower to, make an advance under the Credit Facilities (or debit or set-off any bank account of the Borrower with the Bank), to pay any unpaid interest, fees or other amounts which have become due under the terms of this Facility Letter.
- (i) The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Credit Facilities, and interest, fees and other amounts due in connection with the Credit Facilities, in an account of the Borrower maintained by the Bank shall constitute *prima facie* evidence of the Borrower's indebtedness and liability from time to time under the Credit Facilities; provided that the obligation of the Borrower to pay or repay any obligations in accordance with the terms and conditions of the Credit Facilities shall not be affected by the failure of the Bank to make such recording. The Borrower also acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, and all accrued and unpaid interest in respect of such amounts, in accordance with the terms and conditions of this Facility Letter.
- (j) The obligation of the Borrower to make all payments under this Facility Letter and the Loan Documents shall be absolute and unconditional and shall be made without any deduction or withholding of any nature and shall not be limited or affected by any circumstance, including, without limitation:
 - (i) any set-off, compensation, counterclaim, recoupment, defence or other right which the Borrower may have against the Bank or anyone else for any reason whatsoever; or
 - (ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower.
- (k) In addition to and not in limitation of any rights now or hereafter available to the Bank under applicable law or arising under the Loan Documents, the Bank is hereby irrevocably authorized, at any time and from time to time, to set-off and appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing by the Bank to or for the credit of the Borrower against and on account of the obligations of the Borrower to the Bank under this Facility Letter, irrespective of currency. The Bank agrees to provide written notice to the Borrower of the exercise of any of the rights under this section promptly after the exercise of such rights.
- (l) The Borrower shall pay to and indemnify and save harmless the Bank for the full amount of all out of pocket costs and expenses (including, but not limited to, any interest payable in order to maintain any Loan hereunder) which the Bank may sustain or incur as a consequence of the failure by the Borrower to pay when due any principal of or any interest on any Loan or any other amount due hereunder.
- (m) All payments made on account of principal, interest or otherwise shall be made to the Bank, to the extent permitted by applicable Legal Requirements, free and clear of and exempt from, and without deduction for or on account of, any present or future Taxes or other charges of any nature imposed, levied, collected, withheld or assessed by any Governmental Authority. However, in the event that any payments made under this Facility Letter shall not be made free and clear of and exempt from, and without deduction or withholding for or on account of any Taxes, then the Borrower shall gross up the payments to the Bank so that the Bank receives such additional amounts as may be necessary in order that each such net payment to the Bank, after payment or deduction or withholding for and on account of any such Taxes, will not be less than the amount to be paid and received by the Bank in accordance with this Facility Letter. With respect to each such deduction or withholding, the Borrower shall promptly pay any such Taxes and (but in no event later than 90 days after payment) furnish to the Bank evidence of such payment, satisfactory to the Bank

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and also at the Bank's request provide such certificates, receipts and other documents required to establish any tax credit to which the Bank may be entitled.

- (n) The agreements of the Borrower pursuant to the foregoing subparagraphs (1) and (m) shall survive the repayment of the Loans and the termination of this Facility Letter or the Credit Facilities (or both).
- (o) The remedies, rights and powers of the Bank under this Facility Letter, the Loan Documents and at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank and no delay or omission in exercise of such remedy, right, or power shall exhaust such remedies, rights or powers or be construed as a waiver of any of them.

IV. Conditions Precedent

In addition to the Conditions Precedent previously set out in the Facility Letter, it shall also be a condition precedent to the initial advance and continued availability of any credit or advances under any of the Credit Facilities that the Bank shall have received and be satisfied with:

- (a) completed Loan Documents registered where necessary in form and manner satisfactory to the Bank's solicitors;
- (b) satisfactory banker's and/or other agency reports on the financial position of each Credit Party and such customers of the Borrower as the Bank may specify from time to time;
- (c) verification of insurance arranged by the Borrower conforming to the Bank's requirements;
- (d) confirmation that the Borrower is in compliance with each of the terms and conditions of this Facility Letter;
- (e) all identification, business activity, business structure and other "know your customer" documents and information as required by the Bank and any screening conducted in accordance with Sanctions and other applicable legal requirements; and
- (f) such other conditions as the Bank may determine, in its discretion.

V. Borrower's Covenants and Conditions of Credit

In addition to the conditions previously set out, the following additional conditions shall apply until all indebtedness and liability under the Credit Facilities are indefeasibly repaid in full to the Bank and the Credit Facilities cancelled:

- (a) The Borrower shall not, without the prior written consent of the Bank:
 - (i) grant or allow any lien, charge, security interest, right or other encumbrance, whether fixed or floating, to be registered against or exist on any of its property;
 - (ii) become a guarantor or an endorser or otherwise become liable upon any note or other obligation other than in the normal course of business of the Borrower;
 - (iii) declare or pay dividends on any class or kind of its shares or other securities, repurchase or redeem any of its shares or other securities, or reduce its capital in any way whatsoever or repay any shareholders' advances that would cause a breach of agreed covenants;
 - (iv) amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change in ownership or corporate structure of the Borrower or the Guarantors, or the issuance of bearer shares;

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- (v) permit any property taxes to be past due at any time; or
 - (vi) enter into any agreement for the purchase or sale of any property outside the normal course of business; or
 - (vii) borrow money, obtain credit or incur additional funded indebtedness (other than pursuant to the Credit Facilities).
- (b) The Borrower and the Guarantors] agree to file all tax returns which it is required to file in accordance with any Legal Requirement from time to time; to pay or make provision for the payment of all taxes (including any interest and penalties); to pay any Potential Prior Ranking Claims when due; and to maintain adequate reserves for the payment of any tax which is being contested diligently in good faith.
- (c) The Bank shall have the right to waive the delivery of any Loan Documents or the performance of any term or condition of this Facility Letter, and may advance all or any portion of the Loan(s) prior to satisfaction of any of the Conditions Precedent, but waiver by the Bank of any obligation or condition shall not constitute a waiver of performance of such obligation or condition for any future advance.
- (d) All financial terms and covenants shall be determined in accordance with generally accepted accounting principles, applied consistently.
- (e) If the amount outstanding under any Credit Facility in CAD plus the Canadian Dollar Equivalent of the amount outstanding under any of the Credit Facilities in a currency other than Canadian Dollars, at any time exceeds the Maximum Limit, the Bank may, from time to time, in its sole discretion:
- (i) limit the further utilization of that Credit Facility;
 - (ii) convert all or part of the amount outstanding under that Credit Facility to Canadian Dollars in which event, interest shall accrue and be paid on such converted amounts at the rate set out in this Facility Letter for Canadian dollar advances accruing interest with reference to the Bank's Prime Rate. If no such rate is set out in this Facility Letter, interest shall accrue on the amount so converted at the Bank's Prime Rate plus 3% per annum, calculated monthly and payable on the last day of each month, both before and after demand, default, maturity or judgment and until indefeasible payment in full; or
 - (iii) require the Borrower to pay the excess.
- (f) With respect to any monies payable by the Borrower hereunder, or any portion or portions thereof, which are payable in a currency other than CAD (the "Foreign Currency Obligation"), the following provisions shall apply:
- (i) payment of the Foreign Currency Obligation made hereunder shall be made in immediately available funds in lawful money of the jurisdiction in the currency of which the Foreign Currency Obligation is payable (the "Foreign Currency") in such form as shall be customary at the time of payment for settlement of international payments in Vancouver, British Columbia without set-off, compensation, or counterclaim and free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges and withholdings with respect thereto.
 - (ii) if the Borrower makes payment to the Bank, or if an amount is applied by the Bank, in CAD in circumstances where the relevant indebtedness and liabilities constitute a Foreign Currency Obligation, such payment or amount shall satisfy the said liability of the Borrower hereunder only to the extent that the Bank is able, using the rate of exchange applied by the Bank in accordance with its normal banking procedures, to purchase the full amount of the relevant Foreign Currency owing with the amount of the CAD received by the Bank on the date of receipt, and the Borrower shall remain liable to and hereby agrees to indemnify the Bank for any deficiency (together with

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interest accruing thereon calculated and payable pursuant to the terms of the relevant underlying indebtedness and liabilities).

- (iii) the Borrower shall indemnify and hold the Bank harmless from any loss incurred by the Bank arising from any change in the value of CAD in relation to the relevant Foreign Currency between the date the Foreign Currency Obligation becomes due and the date of full, final and indefeasible payment thereof to the Bank.
- (iv) if for the purpose of commencing any proceeding against the Borrower to enforce payment of its indebtedness and liability under the Credit Facilities it is necessary to convert a sum due hereunder in a Foreign Currency into CAD, the rate of exchange used for purposes of commencing such proceeding shall be the rate of exchange at which in accordance with its normal banking procedures the Bank could purchase CAD with such Foreign Currency amount claimed to be due hereunder on the Business Day preceding that on which proceeding is commenced.
- (v) The obligation of the Borrower in respect of any such sum due from it to the Bank hereunder shall, notwithstanding any judgment in CAD, be discharged only to the extent that on the Business Day following receipt by the Bank of any sum adjudged to be so due in CAD the Bank may in accordance with its normal banking procedures purchase the relevant Foreign Currency in the full amount owing to the Bank with the CAD; if the amount of such Foreign Currency so purchased is less than the sum actually due to the Bank in such Foreign Currency the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Bank against such loss and if the Foreign Currency purchased exceeds the sum actually due to the Bank in the Foreign Currency, the Bank agrees to remit such excess to the Borrower as the Borrower may be entitled thereto.
- (g) The Borrower confirms that it will (i) not use any amounts advanced or seek advances under the Credit Facilities for any illegal purpose or (a) to fund any activity or business with any person or in any country or territory that is the subject or target of Sanctions or (b) in any manner that would result in a violation of Sanctions by any person (including any lender, advisor, or otherwise) and (ii) not repay any amounts owing to the Bank using any funds derived directly or indirectly from any illegal or sanctionable activity, provided that this covenant shall be inapplicable only to the extent of any relevant violation of the *Foreign Extra-Territorial Measures Act* (Canada) or any similar applicable anti-boycott law or regulation.

VI. Environmental Matters

- (a) To the best of the Borrower's knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on any of the Borrower's lands, facilities or premises (the "**Premises**") or any adjacent property, nor have any such substances been stored or used on the Premises or in the Borrower's business or any adjacent property prior to the Borrower's ownership, possession or control of the Premises. The Borrower agrees to provide written notice to the Bank immediately upon the Borrower becoming aware that the Premises or any adjacent property are being or have been contaminated with regulated, hazardous or toxic substances. The Borrower shall not permit any activities on the Premises which directly or indirectly could result in the Premises or any other property being contaminated with regulated, hazardous or toxic substances. For the purposes of this Facility Letter, the term "regulated, hazardous or toxic substances" means any substance, defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any Legal Requirement now or in the future in effect, or any substance or materials, the use or disposition of which is regulated by any such Legal Requirement.
- (b) The Borrower shall promptly comply with all Legal Requirements relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, hazardous or toxic substances in, on, or under the Premises or in, on or under any adjacent property that becomes contaminated with regulated, hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the Premises, or incorporated in any improvements thereon. The Bank may, but shall not be obligated to, enter

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upon the Premises and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Borrower shall reimburse the Bank on demand for the full amount of all costs and expenses incurred by the Bank in connection with such compliance activities.

- (c) The property of the Borrower which are now or in the future encumbered by any one or more of the Loan Documents are hereby further mortgaged and charged to the Bank, and the Bank shall have a security interest in such assets, as security for the repayment of such costs and expenses and interest thereon, as if such costs and expenses had originally formed part of the Credit Facilities.

VII. Increased Cost Indemnities.

If any change in the applicable Legal Requirements or in their interpretation or the administration of any of them by any Governmental Authority, or compliance by the Bank with any request (whether or not having the force of law) of any relevant central bank or other comparable agency or Governmental Authority, shall change the basis of taxation of payments to the Bank of the principal of or interest on the Loans or any other amounts payable under this Facility Letter (except for changes in the rate of tax on, or determined by reference to, the net income or profits of the Bank) or shall impose, modify or deem applicable any reserve, special deposits or similar requirement against assets of, deposits with or for the account of, or credit extended by the Bank or shall impose on the Bank or the London interbank market any other conditions directly affecting this Facility Letter or the Loans, and the result of any of the foregoing is to increase the cost to the Bank of making the Loans or maintaining the Loans or to reduce the amount of any sum received or receivable by the Bank under this Facility Letter by an amount deemed by the Bank to be material, then the Borrower shall, upon receiving notice from the Bank, reimburse to the Bank, on demand by the Bank, such amount or amounts as will compensate the Bank for such additional cost or reduction. A certificate of a manager or account manager of the Bank setting forth the additional amounts necessary to compensate the Bank as aforesaid, and the basis for its determination, shall be conclusive as to the determination of such amount in the absence of manifest error.

VIII. Bank Visits

Representatives of the Bank shall be entitled to attend at and inspect the Borrower's place(s) of business and to view all financial records of the Borrower and meet with key officers or employees of the Borrower at any time, on reasonable notice.

IX. Legal and Other Expenses

The Borrower shall pay (i) all reasonable legal fees and disbursements (on a solicitor and own client basis) in respect of legal advice and services to or on behalf of the Bank in connection with the Credit Facilities including: the preparation, negotiation and settlement of the Facility Letter, the preparation, issue and registration of the Loan Documents together with any amendments or restatements thereto from time to time; the enforcement and preservation of the Bank's rights and remedies; searches from time to time, including in connection with any advance; and (ii) all reasonable fees and expenses relating to appraisals, insurance consultation, environmental investigation, credit reporting and other due diligence and to responding to demands of any Governmental Authority; whether or not the documentation is completed or any funds are advanced under the Credit Facilities.

X. Non-Merger; Records of Bank; Assignment

The terms and conditions of this Facility Letter shall not be merged by and shall survive the execution and delivery of the Loan Documents.

The taking of judgment on any covenant contained in this Facility Letter and/or the other Loan Documents shall not operate so as to create any merger or discharge of any indebtedness or liability of the Borrower under, nor of any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security of any form held or which may in the future be held by the Bank from the Borrower or from any other Person.

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The benefits conferred by this Facility Letter and the other Loan Documents shall enure to the benefit of the Bank and its successors and assigns and shall be binding on each Credit Party and their respective heirs, successors and permitted assigns.

The records of the Bank as to the making or rollover of Loans (and the amounts thereof) hereunder, payment of any money payable hereunder or any part thereof being in default or of any notice or demand for payment having been made shall be prima facie proof of such fact, absent manifest error.

No Credit Party shall assign all or any of its rights, benefits or obligations under this Facility Letter or the Loan Documents without the prior written consent of the Bank. The Bank shall be entitled, without the consent of the Credit Parties, to assign, syndicate, sell or transfer all or any portion of its rights, benefits and obligations under this Facility Letter and the Loan Documents.

XI. Waiver or Amendment

No term or condition of this Facility Letter or any of the other Loan Documents may be waived or varied verbally or deemed to be waived or varied by any cause or course of conduct of any officer, employee or agent of the Bank. All waivers must be in writing and signed by a duly authorized officer of the Bank.

Any amendment to this Facility Letter or the other Loan Documents must be in writing and signed by a duly authorized officer of the Bank. Without limiting the foregoing, the Bank may amend this Facility Letter if such amendment is required in connection with any change in applicable law or its interpretation or in connection with any Legal Requirement; the Bank shall provide 30 days prior written notice of any such amendment.

XII. Severability

Any provision of this Facility Letter or other Loan Document which is determined or adjudged to be illegal, invalid, prohibited or unenforceable under applicable law in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such illegality, invalidity, prohibition or unenforceability and shall be severed from the balance of this Facility Letter or such Loan Document, all without affecting the remaining provisions of this Facility Letter or such Loan Document or affecting the legality, validity or enforceability in any other jurisdiction.

XIII. Consent to Disclosure

- (a) Each Credit Party consents to and acknowledges that it is aware that credit, financial and personal inquiries regarding each Credit Party and individuals connected to Credit Parties (including directors, officers, shareholders and individuals acting on behalf of a Credit Party) may be gathered, made, maintained and/or used at any time in connection with: (i) initial and ongoing credit assessment, (ii) any funding of the Credit Facilities by investors or participants or any assignment or sale of the Credit Facilities by the Bank, and (iii) the enforcement of any remedies that the Bank may have under the Credit Facilities, (iv) compliance and risk monitoring purposes and each Credit Party consents to the making of any such inquiries by or on behalf of the Bank and consents, without restriction and without further notice to or further consent of the such Credit Party, to disclosure of any such information to any prospective investor, participant, assignee or purchaser of all or any part of the Credit Facilities. Each Credit Party irrevocably waives, to the extent permitted under applicable law, any and all rights it may have to notice of or to prohibit such disclosure, including, without limitation, any right of privacy.
- (b) The Bank may collect, use, transfer and disclose information for the following purposes and as follows:
- Providing information respecting other services;
 - Taking any Compliance Action referred to in this Schedule A (including actions taken to comply with laws, international guidance, internal policies or procedures, requirements from judicial, administrative, law enforcement and regulatory authorities);
 - Conducting financial crime risk management activity, including verifying the identification of the Credit Party and related individuals, screening, monitoring and investigation activity, and sharing information within HSBC Group, including in other jurisdictions, for these purposes;

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- Judicial, administrative, public or regulatory bodies, as well as governments, tax, revenue and monetary authorities, examiners, monitors, securities or futures exchanges, courts, central banks or law enforcement bodies with jurisdiction over any HSBC Group member.
- (c) The Bank may collect, transfer and disclose information for these purposes from and to members of the HSBC Group, sub-contractors, agents and service providers within Canada and in other jurisdictions.
- (d) Before providing the Bank with personal information respecting any connected individual, the Credit Party will ensure that it has provided all necessary disclosures to, and obtained any necessary consents from, such individuals in connection with the collection, use and disclosure of such information by the Bank.

XIV. Time of Essence

Time shall be of the essence of this Facility Letter.

XV. Indemnity

The Borrower agrees to keep the Bank and its officers, directors, employees, solicitors, agents and affiliates (collectively, the "Bank Group") indemnified against any claim for any damages, losses, costs or expenses (including, without limitation, legal costs on a solicitor and his own client basis) incurred or suffered by any member of the Bank Group in relation to this Facility Letter or as a consequence (direct or indirect) of any breach by the Borrower of this Facility Letter, or as a result of an assessment made by any tax authority in respect of any payment made by the Bank to any third party including, without limitation, to the beneficiary of any LG, unless such damage, loss, cost or expense was incurred solely as a direct result of the Bank's gross negligence or wilful misconduct.

XVI. Governing Law

This Facility Letter and, unless otherwise specified therein, all Loan Documents or instruments delivered in accordance with this Facility Letter shall be governed by and interpreted in accordance with the laws of the Province of Ontario (the "Governing Jurisdiction") and the federal laws of Canada applicable therein. Each Credit Party irrevocably submits to the non-exclusive jurisdiction of the courts in the Governing Jurisdiction and waives, to the fullest extent permitted by applicable law any defence based on convenient forum.

XVII. Financial Crimes and Sanctions Laws Acknowledgements and Indemnification

Each Credit Party acknowledges and agrees that:

- (a) the Bank, HSBC Holdings plc, its affiliates and subsidiaries (together "HSBC Group"), and HSBC Group's service providers are required to act in accordance with the laws and regulations of various jurisdictions, including those which relate to Sanctions and the prevention of money laundering, terrorist financing, bribery, corruption and tax evasion;
- (b) the Bank may take, and may instruct other members of the HSBC Group to take, to the extent it or such member is legally permitted to do so under the laws of its jurisdiction, any action (a "Compliance Action") that the Bank or any such other member, in its sole discretion, considers appropriate to act in accordance with Sanctions or domestic and foreign laws and regulations. Such Compliance Action may include but is not limited to the interception and investigation of any payment, communication or instruction or other information; the making of further enquiries as to whether a Person or entity is subject to any Sanctions; and the refusal to issue, pay, renew, extend or transfer any DC or LG or to process any transaction or instruction that, in the Bank's discretion, may not conform with Sanctions. The Bank will use reasonable commercial efforts to notify the Borrower of the existence of such circumstances as soon as is reasonably practicable, to the extent permitted by law;
- (c) neither the Bank nor any member of HSBC Group will be liable for any loss, cost, damage, claim, action, suit, liabilities, suffered or incurred by the Borrower, any Guarantor or other Person, or for any delay or any

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failure of the Bank to perform its duties under this Facility Letter arising out of or relating to any Compliance Action taken by or on behalf of the Bank, its service providers, or any HSBC Group member in its sole discretion;

- (d) the Bank may, in its sole discretion, refuse to issue, pay, renew, extend or transfer any DC or LG in connection with or relating to any countries, governments, entities or other Persons that are subject to Sanctions or limitations imposed by domestic or foreign laws, or by the Bank or any member of the HSBC Group, and that the Bank has the right, without prior notice to any Credit Party, to reject, refuse to pay, any demand, or not process any transaction or instruction that does not conform with any such Sanctions, or limitations; and
- (e) The Borrower will indemnify the Bank for all losses, costs, damages, claims, actions, suits, demands and liabilities suffered or incurred by or brought against the Bank arising out of or relating to any Compliance Action, unless such losses, costs, damages, claims, actions, suits, demands and liabilities are determined by a final, non-appealable decision of a court of competent jurisdiction to have been caused solely and directly by the gross negligence or wilful misconduct of the Bank.

XVIII. Electronic Communications and Electronic Signatures

- (a) The Borrower hereby authorizes the Bank to accept electronic communications and electronic signatures from the Borrower in relation to this Facility Letter and the Loan Documents and hereby consents to receiving any agreement, instruction, document, information, disclosure, notice or other form of communication from the Bank by electronic communication.
- (b) The Borrower agrees that any electronic communication, including any electronic signature associated with such electronic communication, which the Bank receives from the Borrower or in the Borrower's name, or which appears to be from the Borrower or in its name, will be considered to be duly authorized and binding upon the Borrower (whether or not that electronic communication was actually from or authorized by the Borrower) and the Bank will be authorized to rely and act upon any such electronic communication, including any electronic signature associated with the electronic communication, even if it differs in any way from any previous electronic communication sent to the Bank.
- (c) The Borrower acknowledges that: (i) the form, format and delivery of each electronic communication will permit it to retain, store and subsequently access and retrieve such electronic communication without the requirement of any specialized or proprietary equipment or software from the Bank; and (ii) it is the Borrower's responsibility to acquire and maintain the necessary computer equipment and software to deliver, receive, store, retain and subsequently access each electronic communication.
- (d) The Borrower acknowledges and agrees that the Bank's methods of storing, maintaining and retrieving any electronic communication, including any electronic signatures associated with such electronic communication, and the Bank's data systems, maintain the integrity of the electronic communication. If, for any reason, an electronic communication stored in the Bank's data systems differ from the Borrower's, the Borrower acknowledges and agrees that the version stored on the Bank's data systems shall prevail over any inconsistency. In this regard, the Borrower acknowledges and agrees that electronic communications maintained by the Bank will be admissible in any legal or other proceedings as conclusive evidence as to the contents of those electronic communications in the same manner as an original paper document, and that further proof of our records system integrity is not required (the integrity of the Bank's records system is hereby acknowledged and agreed by the Borrower) and the Borrower hereby waives any right to object to the introduction of any such electronic communications into evidence. To the fullest extent permitted by applicable law, the Borrower waives any defence, or waiver of liability, based on the absence of a written document in paper format, signed manually. The Borrower will keep its own records of all electronic communications for a period of 7 years (unless otherwise stipulated by local regulation) and will produce them to the Bank upon request.

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- (e) At the Bank's discretion, it may require: (i) electronic communications be delivered using technology acceptable to the Bank including the use of a secure electronic signature, and (ii) any agreement, instruction, document, information, disclosure, notice or other form of communication from the Borrower to be manually signed and/or delivered to the Bank in paper format. If the Bank requires that the Borrower acknowledge its agreement to this Facility Letter or any Loan Document by clicking the appropriate button, the Borrower will follow any instructions that the Bank provides to indicate the Borrower's agreement (which may include typing the Borrower's name and/or clicking "I Agree" or similar button).
- (f) When the Borrower's handwritten or electronic signature is delivered by facsimile, email or other electronic or digital transmission, such transmission shall constitute delivery of an executed copy of this Facility Letter or relevant Loan Document. If the Borrower uses an electronic signature to indicate its agreement, the Borrower shall ensure that its electronic signature is attached to or associated with the relevant electronic communication.

XIX. Further Assurances

Each Credit Party shall, at its cost and expense, upon request of the Bank, duly execute and deliver, or cause to be duly executed and delivered, to the Bank all such further agreements, instruments, documents and other assurances and do and cause to be done all such further acts and things as may be necessary or desirable in the reasonable opinion of the Bank to carry out more effectually the provisions and purposes of this Facility Letter or any of the other Loan Documents. Without limitation, in connection with any new tenancy of the Lands, the Bank may require that the tenant enter into an attornment agreement with the Bank in form satisfactory to the Bank.

XX. Conflict

In the event of any conflict between the terms of this Schedule and the corresponding terms of the facility letter to which this Schedule is attached, the terms of such facility letter shall prevail to the extent necessary to resolve such conflict. In the event of a conflict between the terms of this Facility Letter and the corresponding terms of any of the other Loan Documents, the terms of this Facility Letter shall prevail to the extent of such conflict.

XXI. Confidentiality

Each Credit Party acknowledges that the contents of this Facility Letter are confidential and shall not be disclosed by such Credit Party other than to its solicitors (or any other person bound by a duty of confidentiality) except with the prior written consent of the Bank.

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SCHEDULE B

**TO FACILITY LETTER
FROM HSBC BANK CANADA
TO JUNE 4, 2018**

FEES FOR COLLECTIONS AND DOCUMENTARY CREDITS

- Note:
1. Out-of-pocket expenses are in addition to the charges outlined.
 2. All fees are to be assessed in the currency of the transaction for USD, CAD or EUR transaction. For any other currency, CAD equivalent shall apply.
 3. Standard pricing will apply on all other charges not itemized here.
 4. All fees and expenses are payable, except as otherwise provided below, immediately upon notice from the Bank of same.

IMPORT DOCUMENTARY CREDITS

A. OPENING COMMISSION

- | | | |
|-------|-----------------------------------|--|
| (i) | Irrevocable DCs with sight draft | [0.35%] for first 60 days or part thereof.
[0.10%] for each additional 30 days
Minimum [\$125]. |
| (ii) | Irrevocable DCs with Usance Draft | irrevocable DC opening commission during the pre-acceptance period as in A.(i); PLUS [0.15%], for each 30 days, minimum [\$125]. Usance period fee to be collected when payment is effected. |
| (iii) | Back to Back DC | same as in A.(i) and (ii), except minimum [\$200]. |
| (iv) | Revolving DC | [0.50%] for first 30 days or part thereof;
[0.10%] for each additional 30 days or part thereof, minimum [\$125]. |

All opening commission, together with full cable charges of [\$50] are payable in full at the time of issuance of DC.

B. AMENDMENTS

- | | |
|------|---|
| (i) | [\$75] per amendment. |
| (ii) | For increased amounts, extension of validity or changes in issuance A.(i)/(ii) shall apply, minimum [\$75]. |
- All amendment fees, together with cable charges of [\$50] are payable in full at the time of amendment except when same is payable by Beneficiary.

- | | | |
|----|------------------------|--|
| C. | DRAWING COMMISSION | [0.1%], minimum [\$50] per drawing. |
| D. | SHIPPING GUARANTEES | [\$100] the first 30 days; [\$50] each additional 30 days. |
| E. | OUT-OF-POCKET EXPENSES | To be reimbursed as applicable. |

EXPORT DOCUMENTARY CREDIT

- | | | |
|----|--------------|-------------|
| A. | ADVISING FEE | [\$75] flat |
|----|--------------|-------------|

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- B. AMENDMENT COMMISSION [\$75] flat
- C. TRANSFER
- Issuing Fee [0.20%] flat, minimum [\$250].
Amendment [\$100]
For increased amount, additional issuing fee, minimum [\$75]
shall apply.
- All transfer issuing and amendment fees, together with cable charges of [\$50] are payable in full at the time of issuance and amendment.
- D. NEGOTIATION FEE [0.125%] on face value of DC, minimum [\$150].
- E. CONFIRMATION FEE
- Subject to country risk and Bank availability and premiums at the discretion of the Bank, minimum [0.125%] per month ([1.5%] per annum), minimum [\$250].
- F. ACCEPTANCE COMMISSION
- Subject to country risk and Bank availability and premiums at the discretion of the Bank, minimum [0.125%] per month, minimum [\$250].
- G. DISCREPANT DOCUMENTS
- [\$75] flat for documents requiring re-checking after first presentation.
- H. ASSIGNMENT OF PROCEEDS (Letter of Direction)
- [0.10%] on assigned value, minimum [\$200].
- I. DC NON-UTILIZATION FEE [\$75] flat (payable at expiry).
- J. OUT-OF-POCKET EXPENSES To be reimbursed as applicable.

DOCUMENTARY COLLECTION (under provisions of ICC Publication 522).

- A. INWARD DOCUMENTARY COLLECTION
- Documentary either D/P or D/A: [0.25%], minimum [\$100].
- Cable: [\$40] per cable.
- B. OUTWARD DOCUMENTARY COLLECTION
- Documentary either D/P or D/A: [0.25%], minimum [\$100].
- Cable: [\$40] per cable.
- C. ENDORSEMENT FEE
- [\$100] flat for adding endorsement to transport documents to facilitate the release of shipment.
- D. AVALIZATION / GUARANTEE PAYMENT FEE
- [0.175%] every 30 days, minimum [\$150] per quarter.

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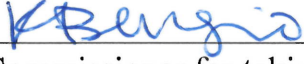
E. CLEAN COLLECTIONS

[0.10%], [Min. \$25], when paid plus Out-of-Pocket expenses.

F. OUT-OF-POCKET EXPENSES

To be reimbursed as applicable.

This is Exhibit "D" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits
Rachel Bengio



HSBC Bank Canada

GENERAL SECURITY AGREEMENT (Ontario)

This Agreement made as of the 5th day of July ~~June~~, 2018.

Between:

(hereinafter called the
'Debtor')

Comsale Computer Inc.

(Name of Debtor)

18B-3200 Dufferin St. Suite 323, Toronto, Ontario, M6A 0A1

(Address)

And:

HSBC Bank Canada

(hereinafter called the **'Bank'**)

Liberty Square, HSBC Tower, 3601 Highway 7 East, Suite 108, Markham, Ontario, L3R 0M3

(Address)

As continuing security for the payment and performance of all Indebtedness (as defined below), the Debtor hereby enters into this Agreement with the Bank for valuable consideration and as continuing security for the payment and performance of all indebtedness and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, matured or unmatured, of the Debtor to the Bank, whether as principal or surety or indemnifier, together with all expenses (including legal fees on a full indemnity basis) incurred by or on behalf of the Bank, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Bank in respect of such indebtedness, liabilities and interest thereon (all of which present and future indebtedness, liabilities, expenses and interest are herein collectively called the **"Indebtedness"**).

For the purposes of this Agreement:

"Business Day" means a day, (other than a Saturday, Sunday or statutory or civic holiday) upon which the Bank is open for business at the Branch of the Bank described above.

"Collateral" means all the present and future property, assets and undertaking of the Debtor mortgaged, charged, pledged, assigned, hypothecated, transferred or otherwise made subject to the Security Interest pursuant to this Agreement.

"Contractual Right" means any agreement, right, franchise, licence, authorization, approval, privilege or permit (a) to which the Debtor is now or hereafter becomes a party, (b) in which the Debtor now or hereafter has any interest or (c) of which the Debtor is or hereafter becomes a beneficiary.

"Credit Agreement" means the facility letter, commitment letter, credit agreement or other loan document, if any, between the Debtor and the Bank setting out the terms and conditions under which the Bank might provide loans or other credit to the Debtor, as it may be amended, extended, restated or replaced from time to time.

"Encumbrances" means any lien, charge, mortgage, security interest, hypothec, other encumbrance or adverse claim to any property, assets or undertaking.

"Intellectual Property" means all patents, trademarks, trade names, business names, trade styles, logos and other business identifiers, copyrights, technology, inventions, industrial designs, know-how, trade secrets and other industrial and intellectual property in which the Debtor now or in the future has any right, title or interest, including without limitation any industrial or intellectual property specifically listed or otherwise described in Schedule "C" hereto.

"Investment Collateral" means all present and future Investment Property (as such term is defined in the PPSA) and Financial Assets (as such term is defined in the STA) of the Debtor, including all present and future options and warrants of the Debtor and all other rights and entitlements arising therefrom or related thereto, and the Debtor's present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith.

"Permitted Encumbrances" means any and all liens, charges, mortgages, security interests, hypothecs and other encumbrances which affect all or any portion of the Collateral and which have been consented to in writing by the Bank which, as at the date hereof, are the liens, charges, mortgages, security interests, hypothecs and other encumbrances (if any) listed in Schedule "B" hereto.

“**Person**” means as the context requires any individual, partnership, firm, company, corporation, unlimited liability corporation or other body corporate, government, governmental body, agency or trust.

“**PPSA**” means the *Personal Property Security Act* (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

“**Receiver**” has the meaning provided for in Section 28 below.

“**Security Interest**” has the meaning provided for in Section 1 below.

“**STA**” means the *Securities Transfer Act, 2006* (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

Unless otherwise defined herein, all other capitalized terms used herein shall have the meanings ascribed to them in the PPSA.

A. Grant of Security Interests

1. As continuing security for the payment and performance of all Indebtedness, the Debtor hereby mortgages, charges, pledges, assigns, hypothecates, transfers and grants a security interest (collectively, the “**Security Interest**”) to the Bank in all of the Debtor’s right, title and interest in and to its present and after-acquired property, assets and undertaking of whatsoever nature and kind and wherever situate, including:
 - (a) all present and future Equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, apparatus, plant furniture, fixtures, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (b) all present and future Inventory of the Debtor of whatever kind and wherever situate, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;
 - (c) all present and future Intangibles of the Debtor, including all of its present and future Accounts and other amounts receivable, book debts, all Contractual Rights, goodwill, Intellectual Property and choses in action of every nature and kind howsoever arising or secured including, without limitation, letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (d) all present and future Documents of Title, Chattel Paper, Instruments and Money of the Debtor;
 - (e) all present and future Investment Collateral;
 - (f) all present and future real property, personal property, assets, and undertaking of the Debtor of any nature or kind, including all real property, personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled (other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or Security Interest by subsection 1(a), (b), (c), (d) or (e) hereof and subject to the exceptions hereinafter contained); and
 - (g) all Proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 1, together with insurance proceeds and any other payment representing indemnity or compensation for loss of expropriation or damage thereto.
2. The Security Interest hereby created shall not extend or attach to: (i) any property held in trust by the Debtor and lawfully belonging to others; or (ii) any property of the Debtor that constitutes consumer goods for the personal use of the Debtor; or (iii) the last day of the term of any lease, (oral or written) or agreement therefor, now held or hereafter acquired by the Debtor, whether falling within the general or particular description of the Collateral, shall be excluded from the scope of the Security Interest but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of such term upon trust to assign or dispose of the same to any Person acquiring such term upon the enforcement of the Security Interest.
3. Despite any other provision of this Agreement, the Security Interest shall not attach to any Contractual Right to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual Right in trust for the Bank and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Bank, or as the Bank may otherwise direct. The Debtor agrees that it shall, upon the request of the Bank, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.

4. Despite any other provision of this Agreement, the interests granted to the Bank pursuant to this Agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Bank's Security Interests therein.

B. Attachment

5. The Debtor warrants and acknowledges that subject to the provisions of Sections 2 and 3 above the Debtor and the Bank intend the Security Interest in existing Collateral to attach upon the execution of this Agreement; that value has been given by the Bank to the Debtor; that the Debtor has rights in such existing Collateral; the Debtor and the Bank have not postponed the time for attachment of the Security Interest on existing Collateral and that the Security Interest shall attach to existing Collateral upon the execution of this Agreement and that the Debtor and the Bank intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Debtor acquires rights in such after acquired Collateral.

C. Investment Collateral

6. Whenever any Investment Collateral is a Security that is a Certificated Security, an Uncertificated Security or a Security Entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the securities intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Bank in a manner satisfactory to the Bank.
7. All certificates representing Investment Collateral may remain registered in the name of the Debtor, but the Debtor shall, promptly at the request of the Bank, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Bank; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Bank. Upon the request of the Bank:
- (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Bank or its nominee, and the Bank is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Bank or its nominee;
 - (b) the Debtor shall promptly cause each securities intermediary that holds any Investment Collateral that is a Security Entitlement to record the Bank as the entitlement holder of such Investment Collateral; and
 - (c) the Debtor shall promptly:
 - (i) cause a Security Certificate to be issued for any Investment Collateral that is in the form of an Uncertificated Security or a Security Entitlement;
 - (ii) endorse such Security Certificate in blank;
 - (iii) deliver such Security Certificate to the Bank; and
 - (iv) take all other steps necessary to give exclusive control over such Certificated Security to the Bank, in a manner satisfactory to the Bank.
8. Until further notice is given by the Bank to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Bank or which would have the effect of reducing the value of the Investment Collateral as security for the Indebtedness, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Bank.
9. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Bank. Upon receipt by the Debtor of such notice, the Debtor shall not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Bank, the Debtor shall hold such amounts in trust, as trustee for the Bank, and the Debtor shall forthwith pay such amounts to the Bank, to be applied to reduce the Indebtedness or, at the option of the Bank, to be held as additional security for the Indebtedness.
10. The responsibility of the Bank in respect of any Investment Collateral held by the Bank shall be limited to exercising the same degree of care which it gives valuable property of the Bank at the Bank's office where such Investment Collateral is held. The Bank shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Bank be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 9, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Bank and shall be forthwith paid to the Bank.

D. Representations and Warranties of Debtor

11. The Debtor hereby represents and warrants to the Bank that:

- (a) the Debtor has the capacity and authority to incur the Indebtedness, to create the Security Interest and to execute and deliver and perform its obligations under this Agreement;
- (b) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder (including, without limitation, the repayment of the Indebtedness) have been duly authorized by all necessary proceedings;
- (c) this Agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
- (d) the Collateral is genuine and except for the Security Interest and any Permitted Encumbrances, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
- (e) the jurisdiction in which the Debtor is located for purposes of the PPSA and under which the Debtor is incorporated, continued, amalgamated or otherwise organized is the Province or Territory identified in Schedule "A" of this Agreement;
- (f) the Debtor does not keep tangible Collateral at any location(s) except the location(s) listed in Schedule "A" hereto other than tangible Collateral in transit to or from such locations;
- (g) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the presently held Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;
- (h) all Contractual Rights relating to or affecting the presently held Intellectual Property are in good standing;
- (i) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the presently held Intellectual Property;
- (j) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the presently held Intellectual Property;
- (k) Schedule "C" hereto contains a complete and accurate list of all of the presently registered Intellectual Property of the Debtor, including all registered patents, trademarks and copyrights of the Debtor; and
- (l) the Debtor has no Contractual Right which, because of the granting of the Security Interest therein, would be breached or could be terminated, except for any such Contractual Rights if any, identified to the Bank in writing, which schedule contains an accurate description of all such Contractual Rights, the parties thereto, and any provisions thereof which would be so breached or which would result in such a termination right.

E. Covenants and Agreements of Debtor

12. The Debtor hereby covenants and agrees with the Bank that at all times while this Agreement remains in effect, it shall:

- (a) pay or perform the Indebtedness when due;
- (b) not without the prior written consent of the Bank sell or dispose of any of the Collateral in the ordinary course of business or otherwise (provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of the Debtor's business and for the purpose of carrying on the same) and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Bank and forthwith pay over the same to the Bank upon request;
- (c) not without the prior written consent of the Bank create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Bank;
- (d) at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions. In the event that the Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Bank may make such payments to be repayable by the Debtor on demand and any such payments made by the Bank shall comprise part of the Indebtedness and be secured hereby;
- (e) keep the Collateral in good condition and repair according to the nature and description thereof, and the Bank may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by

the Debtor and comprise part of the Indebtedness and be secured hereby and the Bank may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby;

- (f) duly pay all taxes, rates, levies, assessments and other impositions and charges of every nature and kind which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust or other Encumbrance affecting the Debtor or the Collateral, as and when the same become due and payable;
 - (g) permit the Bank, at any time, whether before or after the Security Interest shall have become enforceable, to notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Bank, take control of any Proceeds of Collateral and may hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness;
 - (h) make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;
 - (i) defend the Collateral against any actions, claims and demands of any Person (other than the Bank) claiming the Collateral (or any of it) or an interest therein;
 - (j) maintain its corporate existence and file or cause to be filed any returns, documents or other information necessary to preserve such corporate existence;
 - (k) notify the Bank of any loss or damage to the Collateral, any change in any information provided in this Agreement (including the schedules hereto) or any actual or potential claim or Encumbrance affecting the Debtor, the Collateral or the Security Interest;
 - (l) prevent any Collateral from becoming an accession to any personal property not subject to the Security Interest, or becoming affixed to any real property;
 - (m) deliver to the Bank, at the Bank's request, duly endorsed and/or accompanied by such assignments, transfers, powers of attorney or other documents as the Bank may request, all items of the Collateral comprising Chattel Paper, Instruments, Investment Collateral and Documents of Title;
 - (n) pay, on demand by the Bank, all costs and expenses (including all legal fees on a full indemnity basis) incurred by the Bank in the preparation, perfection, administration and enforcement of this Agreement (including expenses incurred in considering, protecting or improving the Bank's position, or attempting to do so, whether before or after default) and all such costs and expenses shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest;
 - (o) preserve the Debtor's rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, regulations and orders (including environmental laws, regulations and orders) affecting the Debtor or the Collateral and conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor;
 - (p) without limiting the generality of any of the forgoing, perform all covenants required of the Debtor under any Contractual Right relating to or affecting the Intellectual Property (or any of it), including promptly paying all required fees, royalties and taxes, to maintain each and every item of Intellectual Property in full force and effect, and vigorously protect, preserve and maintain all of the value of, and all of the right, title and interest of the Debtor in, all Intellectual Property, by way of the prosecution of or defence against suits concerning the validity, infringement, enforceability or ownership of the Intellectual Property (or any of it) or otherwise; and
 - (q) give the Bank at least 10 Business Days advance notice in writing of any proposed change to the Debtor's name, location, or its governing jurisdiction.
13. The Debtor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Bank may reasonably require for the better granting, mortgaging, charging, assigning, hypothecating and transferring unto the Bank the property, assets and undertaking hereby subjected or intended to be subject to the Security Interest or which the Debtor may hereafter become bound to mortgage, charge, assign, hypothec, transfer or subject to the Security Interest in favour of the Bank for the better accomplishing and effectuating of this Agreement and the provisions contained herein and each and every officer of the Bank is irrevocably appointed, coupled with an interest, to execute in the name and on behalf of the Debtor any document or instrument for the said purposes.
14. The Debtor shall permit the Bank at any time, either in person or by agent, to inspect the Debtor's books and records pertaining to the Collateral. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the Accounts.

15. The Debtor acknowledges and agrees that:

- (a) in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term 'Debtor' when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, that this Agreement shall continue in full force and effect and shall be binding on the amalgamated corporation, such that the Security Interest granted hereby:
 - (i) shall continue to charge all Collateral of the Debtor and extend and attach to 'Collateral' (as that term is herein defined) owned by each of the other amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any 'Collateral' thereafter owned or acquired by the amalgamated corporation; and
 - (ii) shall continue to secure the 'Indebtedness' (as that term is herein defined) of each of the amalgamating corporations including the Debtor and the amalgamated corporation to the Bank at the time of amalgamation and any 'Indebtedness' of the amalgamated corporation to the Bank thereafter arising.
- (b) The term "**Indebtedness**" shall include all such Indebtedness of the Debtor, the other amalgamating corporations and the amalgamated corporation.
- (c) The term "**Collateral**" shall include all such property, assets and undertaking of the Debtor, the other amalgamating corporations and the amalgamated corporation.
- (d) All defined terms and other provisions of this Agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context.
- (e) The parties agree to execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

F. Default

16. Without prejudice to any right which the Bank may now or hereafter have to demand payment of any of the Indebtedness at any time, the Indebtedness shall, at the option of the Bank, become payable and the Security Interest shall become enforceable in each and every of the following events:

- (a) if the Debtor defaults in the payment of any of the Indebtedness when due;
- (b) the death or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
- (c) if there occurs an Event of Default (as defined by the Credit Agreement) or if the Debtor defaults in the observance or performance of any covenant, written agreement or undertaking heretofore or hereafter given by the Debtor to the Bank, whether contained herein or not;
- (d) if an order is made or a resolution passed for the winding-up, liquidation or dissolution of the Debtor, or if a petition is presented or filed for the winding-up of the Debtor, whether pursuant to the *Winding-up and Restructuring Act* (Canada) or otherwise;
- (e) if the Debtor ceases or threatens to cease to carry on business or makes a bulk sale of its assets, or if a Receiver or trustee for the Debtor or any of its property or assets is appointed (whether privately or by court order);
- (f) if the Debtor becomes insolvent or commits or threatens to commit any act of bankruptcy or if the Debtor makes an assignment or proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy or if a bankruptcy petition is filed or presented against the Debtor or if the Debtor otherwise becomes subject to proceedings under the *Bankruptcy and Insolvency Act* (Canada), *Companies' Creditors Arrangement Act* (Canada), the *Winding Up and Restructuring Act*, the or any other bankruptcy, insolvency or analogous law in any jurisdiction for relief as a debtor;
- (g) if any proceedings with respect to the Debtor are commenced under the *Companies' Creditors Arrangement Act* (Canada) or if the Debtor seeks relief or consents to the filing of a petition against it under any law which involves any compromise of any creditor's rights against the Debtor;
- (h) if an execution or any other process of any court becomes enforceable against the Debtor or if a distress or analogous process is initiated or levied against or upon the Collateral or any part thereof;
- (i) if the Debtor permits any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Security Interest to remain unpaid after proceedings have been taken to enforce such charge;
- (j) if any representation or warranty made by the Debtor or any of its officers, employees or agents to the Bank shall be false or inaccurate in any material respect;
- (k) if the Debtor defaults in the observance or performance of any provision relating to the indebtedness or liability of the Debtor to any creditor or other Person, other than the Bank, and thereby enables such creditor or other Person to demand payment of such indebtedness; or

- (l) if any licence, permit or approval required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Debtor of its business shall be withdrawn or cancelled.
17. The Bank may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by the Bank to be observed or performed by the Debtor; provided that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

G. Remedies of the Bank

18. Whenever the Security Interest shall have become enforceable as described in Section 16 above, and so long as it shall remain enforceable, the Bank may proceed to realize the Security Interest and the Collateral and to enforce its rights by doing any one or more of the following:
- (a) entering upon the Collateral and any lands and premises where any Collateral is or may be located;
 - (b) taking possession of Collateral by any method permitted by law;
 - (c) occupying any lands and premises owned or occupied by the Debtor and using all or any part of such lands and premises and the Equipment and other Collateral located thereon;
 - (d) leasing, selling, licensing or otherwise disposing of the whole or any part or parts of the Collateral;
 - (e) collecting, selling or otherwise dealing with any Accounts or other amounts receivable of the Debtor, including notifying any person obligated to the Debtor in respect of an Account, Chattel Paper, Investment Collateral or Instrument to make payment to the Bank of all present and future amounts due thereon;
 - (f) taking steps and expending such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including making payments on account of other security interests affecting the Collateral; provided that the Bank shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Bank shall be added to the Indebtedness and shall be secured by the Security Interest;
 - (g) collecting any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
 - (h) exercising all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Bank or its nominee) and giving or withholding all consents, waivers and ratifications in respect thereof and otherwise acting with respect thereto as though it were the absolute owner thereof;
 - (i) exercising any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;
 - (j) complying with any limitation or restriction in connection with any proposed sale or other disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Bank shall not be liable or accountable to the Debtor for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;
 - (k) carrying on the business of the Debtor or any portion thereof;
 - (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity including by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity;
 - (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
 - (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;

- (o) accepting the Collateral in satisfaction of the Indebtedness;
 - (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
 - (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
 - (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.
19. Any Receiver appointed by the Bank may be any Person or Persons (including one or more officers or employees of the Bank), and the Bank may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Bank provided in this Agreement including, without limitation, the power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, further charge the Collateral in priority to the Security Interests as security for money so borrowed, and sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the Receiver shall determine. The Bank shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Bank expressly specifies in writing that the Receiver shall be agent for the Bank for one or more purposes. Without limiting the generality of the forgoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Bank as the Bank may specify in writing in its sole discretion. The Debtor agrees to ratify and confirm all actions of any Receiver appointed by the Bank acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.
20. Without limiting the ability of the Bank or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor to the fullest extent permitted by applicable law. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Bank or any Receiver appointed by the Bank may, in its sole discretion, deem advantageous and may take place whether or not the Bank or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Bank.
21. The Bank shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.
22. No right, power or remedy of the Bank (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.
23. The Debtor agrees, without diminishing the covenant in section 12(n) above, and in furtherance thereof, to pay to the Bank, forthwith on demand by the Bank, all costs and expenses incurred by the Bank in connection with the exercise by the Bank of its rights, powers and remedies hereunder, including:
- (a) any costs and expenses incurred by the Bank in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;
 - (b) any legal fees and expenses incurred by the Bank in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Indebtedness;
 - (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
 - (d) all costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Bank (including any legal fees and expenses incurred by any such Receiver, agent or consultant).
- All such sums shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest.
24. Any and all payments made in respect of the Indebtedness from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this Agreement) may be applied to such part or parts of the Indebtedness as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit and to re-apply the same on any other part or parts of the Indebtedness as the Bank may see fit, notwithstanding any previous application by whomsoever made.
25. The Debtor shall remain liable for all Indebtedness that is outstanding following realization of all or any part of the Collateral.

26. The Bank may pay the whole or any part of any liens, taxes, rates, charges or Encumbrances now or hereafter existing in respect of any Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Indebtedness, shall bear interest at the highest rate applicable to the Indebtedness, and shall be secured by the Security Interest. Whenever the Bank pays any such lien, tax, rate, charge or Encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
27. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this Agreement, the Bank may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Bank will not constitute a waiver, remedy or satisfaction of such failure. The costs and expenses of the Bank incurred in connection with any such performance or compliance shall be payable by the Debtor to the Bank on demand, form part of the Indebtedness, bear interest at the highest rate applicable to the Indebtedness and be secured by the Security Interest.
28. The term 'Receiver' as used in this Agreement includes a receiver and manager, a receiver, a liquidator, a custodian, monitor, or consultant whether appointed by the Bank by instrument in writing or appointed pursuant to a court order.

H. Rights of the Bank

29. The Debtor grants to the Bank the right to set off against any and all accounts, credits or balances maintained by it with the Bank, the aggregate amount of any of the Indebtedness (or any portion thereof) when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
30. The Bank, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Debtor and all other Persons and securities as the Bank may see fit.
31. The Bank may, without the consent of the Debtor, assign, transfer and deliver any of the Indebtedness, or the Security Interests, or any security or any documents or instruments held by the Bank in respect thereof to any transferee provided that no such assignment, transfer or delivery shall release the Debtor from any of the Indebtedness; and thereafter the Bank shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Bank under such security, documents or instruments but the Bank shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or Indebtedness hereunder without the prior written consent of the Bank.

I. Miscellaneous

32. This Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Bank or existing at law in equity or by statute. This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Indebtedness shall be at any time or from time to time fully satisfied or paid.
33. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to the Bank.
34. This Agreement shall be binding upon the Debtor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Debtor and shall enure to the benefit of the Bank and its successors and assigns.
35. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this Agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.
36. The headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
37. Any notice, demand, statement or other communication permitted or required to be given hereunder shall be in writing and may be effectively given by delivering it to the address(es) hereinafter set forth or by sending the same by facsimile to such address(es). Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a Business Day by personal delivery or by fax shall be deemed to have been given, received and made on such Business Day and if so given after 5:00 p.m. (Toronto time) on a Business Day or a day which is not a Business Day, such notice, demand, statement or other communication shall be deemed to have been given, received and made on the next following Business Day. The addresses of the parties for the purposes hereof shall be:

- (a) in the case of the Bank, addressed as follows:

HSBC Bank Canada
3601 Highway 7 East, Suite 108, Markham, Ontario, L3R 0M3

Attention
Fax Number:

- (b) in the case of the Debtor, addressed as follows:

Comsale Computer Inc.
18B 3200 Dufferin Street, Suite 323 Toronto, Ontario, M6A 0A1

Attention
Fax Number:

Either party may from time to time notify the other, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Agreement.

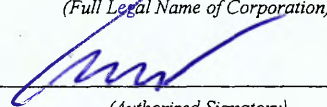
38. Where any provision or remedy contained or referred to in this Agreement is prohibited, modified or altered by the laws of any Province or Territory of Canada which governs that aspect of this Agreement and the provision or remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and excludes such provision to the fullest extent permissible by applicable law.
39. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. For the purpose of legal proceedings this Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this Agreement and the Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the Debtor in the Courts of any other Province, country or jurisdiction.
40. References such as “**this Agreement**”, “**hereof**”, “**herein**”, “**hereto**” and like references refer to this Agreement and any schedules, exhibits or appendices attached hereto from time to time, or described as comprising a part of this Agreement (all of which schedules, exhibits and appendices form a part of this Agreement) and not to any particular section, subsection, paragraph or other subdivision of this Agreement.
41. The word “**Debtor**”, the personal pronoun “**it**” or “**its**” and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term “**successors**” shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).
42. Nothing herein (including the definition and use of the term Permitted Encumbrances) is intended or shall be deemed to subordinate the Security Interest to any Permitted Encumbrance or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.
43. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the determination, consent or approval of the Bank or is to be acceptable to the Bank, such determination, consent, approval or determination of acceptability will be in the sole discretion of the Bank, which means the Bank shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor 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. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “**including**” shall mean “**including, without limitation**” and the use of the term “**includes**” shall mean “**includes, without limitation**”.
44. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day immediately thereafter.
45. Time shall be of the essence of this Agreement.
46. Upon full, final and indefeasible payment and fulfillment by the Debtor, its successors or permitted assigns, of all Indebtedness and provided that the Bank is then under no obligation (conditional or otherwise) to make any further loans, advances or extend any other type of credit to the Debtor or to any other Person, the payment of which is secured, directly or indirectly, by this Agreement, the Bank shall, upon request in writing by the Debtor, delivered to the Bank at the Bank’s address as set out in section 37 hereof and at the Debtor’s expense, discharge this Agreement.
47. The Bank may in writing (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this Agreement; provided that no waiver by the Bank shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.

48. The Debtor agrees that the Bank may from time to time provide information concerning this Agreement (including a copy hereof), the Collateral and the Indebtedness to any Person the Bank in good faith believes is entitled thereto pursuant to applicable law.
49. The Debtor acknowledges having received an original executed copy of this Agreement and hereby waives, to the fullest extent permitted by applicable law, receipt of a copy of any financing statement or financing change statement filed at any time in respect of this Agreement or any verification statement in respect of the same.
50. This Agreement and any amendment, supplement, restatement or termination may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which, taken together, shall constitute one and the same agreement. Any party hereto may deliver an executed copy of this Agreement by facsimile to the other parties hereto provided that in such event that party shall promptly deliver to the other parties hereto an originally executed copy of this Agreement.
51. The Debtor by its signature of this Agreement on the one hand and the Bank by making this Agreement available to the Debtor on the other hand acknowledge having expressly required it to be drawn up in the English language. *La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à la disposition des garants d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.*

This Agreement has been duly executed by the Debtor on the 5th day of July ~~June~~, 2018.

FOR A CORPORATION

COMSALE COMPUTER INC.
(Full Legal Name of Corporation)

Per: 
(Authorized Signatory)

Name: Neil Shaul
Title: President

Per: _____
(Authorized Signatory)

Name: _____
Title: _____

C/S

FOR AN INDIVIDUAL

Witness:

Debtor:

Signature of Witness

Signature of Debtor

Name: _____

Name: _____

Address: _____

Address: _____

Full Name and Address <i>For Individual, insert first given name, initial of second given name, if any, then surname.</i>	Date of Birth MM/DD/YY	Sex M/F

Schedule 'A'

Location of the Debtor:

[NOTE: List all Provinces and/or Territories of: (i) the Debtor's incorporation, amalgamation or other organization; and (ii) the Debtor's places of business.]

- i) Province of Ontario
- ii) 111 Snidercroft Road, Unit B, Concord, ON L4K 2JB
18 B-3200 Dufferin St., Suite 323, Toronto, ON M6A 0A1

Locations of Collateral:

[NOTE: List all municipal addresses and Provinces and/or Territories in which any of the Collateral is located.]

- 111 Snidercroft Road, Unit B, Concord, ON L4K 2JB

Schedule 'B'

Permitted Encumbrances:

See attached.



	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
1.	741552831 PPSA	29	20180712 1718 1532 1619 Reg. 04 year(s) Expires 12JUL 2022	COMSALE COMPUTERS INC COMSALE COMPUTERS INC.	MERCEDES-BENZ FINANCIAL SERVICES CANADA CORPORATION MERCEDES-BENZ FINANCIAL			X		X	X
		Amount Secured: \$137998.00 Maturity Date: July 3, 2022 2018 MERCEDES-BENZ S560V4M (VIN: WDDUG8GB2JA419259)									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
2.	740998863 PPSA	28	20180627 1546 1590 3500 Reg. 6 year(s) Expires 27JUN 2024	COMSALE COMPUTER INC.	HSBC BANK CANADA		X	X	X	X	X
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
3.	738236646 PPSA	27	20180413 1033 8077 1365 Reg. 6 year(s) Expires 13APR 2024	COMSALE COMPUTER INC.	VFS CANADA INC.			X		X	X
		No Fixed Maturity Date 2019 MACK ANTHEM 64T SLEEPER (VIN: 1M1AN4GY0KM001492)									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
4.	736998237 PPSA	20	20180306 1158 1793 7770 Reg. 4 year(s) Expires 06MAR 2022	COMSALE COMPUTER INC	THE TORONTO-DOMINION BANK TD EQUIPMENT FINANCE CANADA,			X		X	X

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
5.	727691715 <i>PPSA</i>	18	20170516 1125 1219 6124 Reg. 04 year(s) Expires 16MAY 2021	COMSALE COMPUTER INC.	CANADIAN DEALER LEASE SERVICES INC. BANK OF NOVA SCOTIA - DLAC			X		X	X
Amount Secured: \$22223											



		2017 MAZDA MAZDA3 (VIN: JM1BN1V76H1143532)									
		General Collateral Description: OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES									
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
6.	727691013 PPSA	16	20170516 1104 1219 6045 Reg. 04 year(s) Expires 16MAY 2021	COMSALE COMPUTER INC.	CANADIAN DEALER LEASE SERVICES INC. BANK OF NOVA SCOTIA - DLAC			X		X	X
Amount Secured: \$21116											
2017 MAZDA MAZDA3 (VIN: 3MZBN1U78HM144408)											
General Collateral Description: OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES											
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
7.	726164208 PPSA	5	20170403 1013 1462 5408 Reg. 4 year(s) Expires 03APR 2021	COMSALE COMPUTER INC.	THE TORONTO-DOMINION BANK TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO- DOMINION BANK			X		X	X
2001 MANAC TRAILER 53 (VIN: 2M592161111078878)											
2008 HINO HIN (VIN: 2AYNC6JM183S12310)											
2013 INTERNATIONAL TRUCK (VIN: 3HSDJSJR4DN691643)											
General Collateral Description: ONE (1) 2016 ORION RTA FLEX PALLET WRAPPER WITH SERIAL NO. 4105662 WITH TWO SECTION OF PALLET CONVEYOR ONE (1) ALBA PALLET CONVEYOR ONE (1) TURN PALLET CONVEYOR SECTION ONE (1) 2016 PALLET BANDER MODEL NO. WVAR 9440 AND SERIAL NO.											



584986-1-0509 ONE (1) 2001 MANAC 53" TRAILER WHITE 53" WITH VIN# 2M592161111078878 RACKING - STRUCTURAL PUSHBACK ONE (1) 2016 RUBBER FEET MACHINE SERIAL NO. 1C-XK180 INCLUDING KEYBOARDS, MOUSE, RUBBER MAT , HD COVER INCLUDING ALL ATTACHMENTS AND ACCESSORIES. ONE (1) 2009 NOBLES SS5 32" WALK BEHIND AUTO SCRUBBER SERIAL NO. 469227 AND FIVE (5) 16" RED AUTO SCRUB INCLUDING ALL ATTACHMENTS AND ACCESSORIES ONE (1) 2008 HINO TRUCK MODEL HIN INCLUDING ALL ATTACHMENTS ACCESSORIES ONE (1) NEW MACHINE HAND INCLUDING ALL ATTACHMENTS AND ACCESSORIES ONE (1) 2005 SKYJACK SJ3226 LIFT TRUCK WITH SERIAL NO. 274684 ONE (1) 2009 COMBI 2-EZ HS AUTOMATIC CASE ERECTOR ONE (1) PEARSON CASE ERECTOR BOTTOM TAPER MODEL CE35 SERIAL NO. 2010CE3512220 ONE (1) 2013 INTERNATIONAL TRUCK WITH SERIAL NO. 3HSDJSJR4DN691643 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO ANY INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.											
15	20170925 1710 1462 6413	COMSALE COMPUTER INC.									X
F PRT DSC											
2013 INTERNATIONAL TRUCK (VIN: 3HSDJSJR4DN691643)											
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
8.	725940765 PPSA	4	20170327 1116 1590 0327 Reg. 10 year(s) Expires 27MAR 2027	COMSALE COMPUTER INC.	BDC CAPITAL INC.		X	X	X	X	X
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
9.	725098149 PPSA	3	20170224 1535 1862 8551 Reg. 7 year(s) Expires 24FEB 2024	WENQIANG FENG (DOB: 07AUG1981) COMSALE COMPUTER INC.	THE TORONTO-DOMINION BANK				X	X	
	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
10.	725098122 PPSA	2	20170224 1534 1862 8550 Reg. 7 year(s) Expires 24FEB 2024	NEIL SHAUL (DOB: 09JUN1980) COMSALE COMPUTER INC.	THE TORONTO-DOMINION BANK				X	X	

PPSA (ONTARIO) SEARCH SUMMARY
COMSALE COMPUTER INC.

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	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
11.	725098113 PPSA	1	20170224 1534 1862 8549 Reg. 7 year(s) Expires 24FEB 2024	COMSALE COMPUTER INC.	THE TORONTO-DOMINION BANK		X	X	X	X	X

Schedule 'C'

Intellectual Property of Debtor:

N/A

GUIDELINES FOR COMPLETION OF GENERAL SECURITY AGREEMENT

1. Governing Jurisdiction

This General Security Agreement (Ontario) is to be used if the Debtor is located in the Province of Ontario.

2. Registration of Personal Property Financing Statements

PPSA Financing Statements must be registered in: (i) the Province of Ontario; and (ii) any other Province/Territory listed in Schedule "A" under Locations of Collateral.

3. Debtor – Legal Entity

The Debtor is assumed to be a Corporation in the standard template. Where the Debtor is not a corporation but a partnership, use the following variations, in the signature blocks.

General Partnership

A partnership may be a general or a limited partnership. For a general partnership describe it by naming each partner, followed by the name of the partnership as follows:

"X" and "Y" carrying on business in partnership as "P"

The signature block is to be set out as follows:

[Partner Name] and [Partner Name],
carrying on business in partnership as [Partnership Name]

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Limited Partnership

A limited partnership is intended to create limited liability for the limited partners and therefore it carries on business by the actions of a general partner. The general partner is named after the reference to the name of the limited partnership:

"X Limited Partnership" by its general partner, "GP"

The signature block is to be set out as follows:

[Limited Partnership Name] , by its general partner.
[General Partner Name]

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Trust

Where the Debtor is a trust, use the following signature block and describe the trust using its full legal name:

[Name of Trust] , by its authorized trustees

Per: _____

Name:

Title:

Per: _____

Name:

Title:



HSBC Bank Canada

GENERAL SECURITY AGREEMENT (Ontario)

This Agreement made as of the 5th day of July ~~June~~, 2018.

Between:

Comsale Group Inc.

(Name of Debtor)

(hereinafter called the
'Debtor')

18B-3200 Dufferin St. Suite 323, Toronto, Ontario, M6A 0A1

(Address)

And:

HSBC Bank Canada

(hereinafter called the **'Bank'**)

Liberty Square, HSBC Tower, 3601 Highway 7 East, Suite 108, Markham, Ontario, L3R 0M3

(Address)

As continuing security for the payment and performance of all Indebtedness (as defined below), the Debtor hereby enters into this Agreement with the Bank for valuable consideration and as continuing security for the payment and performance of all indebtedness and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, matured or unmatured, of the Debtor to the Bank, whether as principal or surety or indemnifier, together with all expenses (including legal fees on a full indemnity basis) incurred by or on behalf of the Bank, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Bank in respect of such indebtedness, liabilities and interest thereon (all of which present and future indebtedness, liabilities, expenses and interest are herein collectively called the **"Indebtedness"**).

For the purposes of this Agreement:

"Business Day" means a day, (other than a Saturday, Sunday or statutory or civic holiday) upon which the Bank is open for business at the Branch of the Bank described above.

"Collateral" means all the present and future property, assets and undertaking of the Debtor mortgaged, charged, pledged, assigned, hypothecated, transferred or otherwise made subject to the Security Interest pursuant to this Agreement.

"Contractual Right" means any agreement, right, franchise, licence, authorization, approval, privilege or permit (a) to which the Debtor is now or hereafter becomes a party, (b) in which the Debtor now or hereafter has any interest or (c) of which the Debtor is or hereafter becomes a beneficiary.

"Credit Agreement" means the facility letter, commitment letter, credit agreement or other loan document, if any, between the Debtor and the Bank setting out the terms and conditions under which the Bank might provide loans or other credit to the Debtor, as it may be amended, extended, restated or replaced from time to time.

"Encumbrances" means any lien, charge, mortgage, security interest, hypothec, other encumbrance or adverse claim to any property, assets or undertaking.

"Intellectual Property" means all patents, trademarks, trade names, business names, trade styles, logos and other business identifiers, copyrights, technology, inventions, industrial designs, know-how, trade secrets and other industrial and intellectual property in which the Debtor now or in the future has any right, title or interest, including without limitation any industrial or intellectual property specifically listed or otherwise described in Schedule "C" hereto.

"Investment Collateral" means all present and future Investment Property (as such term is defined in the PPSA) and Financial Assets (as such term is defined in the STA) of the Debtor, including all present and future options and warrants of the Debtor and all other rights and entitlements arising therefrom or related thereto, and the Debtor's present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith.

"Permitted Encumbrances" means any and all liens, charges, mortgages, security interests, hypothecs and other encumbrances which affect all or any portion of the Collateral and which have been consented to in writing by the Bank which, as at the date hereof, are the liens, charges, mortgages, security interests, hypothecs and other encumbrances (if any) listed in Schedule "B" hereto.

“**Person**” means as the context requires any individual, partnership, firm, company, corporation, unlimited liability corporation or other body corporate, government, governmental body, agency or trust.

“**PPSA**” means the *Personal Property Security Act* (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

“**Receiver**” has the meaning provided for in Section 28 below.

“**Security Interest**” has the meaning provided for in Section 1 below.

“**STA**” means the *Securities Transfer Act, 2006* (Ontario) as amended from time to time and any legislation substituted therefor and any amendments thereto.

Unless otherwise defined herein, all other capitalized terms used herein shall have the meanings ascribed to them in the PPSA.

A. Grant of Security Interests

1. As continuing security for the payment and performance of all Indebtedness, the Debtor hereby mortgages, charges, pledges, assigns, hypothecates, transfers and grants a security interest (collectively, the “**Security Interest**”) to the Bank in all of the Debtor’s right, title and interest in and to its present and after-acquired property, assets and undertaking of whatsoever nature and kind and wherever situate, including:
 - (a) all present and future Equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, apparatus, plant furniture, fixtures, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (b) all present and future Inventory of the Debtor of whatever kind and wherever situate, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;
 - (c) all present and future Intangibles of the Debtor, including all of its present and future Accounts and other amounts receivable, book debts, all Contractual Rights, goodwill, Intellectual Property and choses in action of every nature and kind howsoever arising or secured including, without limitation, letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (d) all present and future Documents of Title, Chattel Paper, Instruments and Money of the Debtor;
 - (e) all present and future Investment Collateral;
 - (f) all present and future real property, personal property, assets, and undertaking of the Debtor of any nature or kind, including all real property, personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled (other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or Security Interest by subsection 1(a), (b), (c), (d) or (e) hereof and subject to the exceptions hereinafter contained); and
 - (g) all Proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 1, together with insurance proceeds and any other payment representing indemnity or compensation for loss of expropriation or damage thereto.
2. The Security Interest hereby created shall not extend or attach to: (i) any property held in trust by the Debtor and lawfully belonging to others; or (ii) any property of the Debtor that constitutes consumer goods for the personal use of the Debtor; or (iii) the last day of the term of any lease, (oral or written) or agreement therefor, now held or hereafter acquired by the Debtor, whether falling within the general or particular description of the Collateral, shall be excluded from the scope of the Security Interest but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of such term upon trust to assign or dispose of the same to any Person acquiring such term upon the enforcement of the Security Interest.
3. Despite any other provision of this Agreement, the Security Interest shall not attach to any Contractual Right to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual Right in trust for the Bank and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Bank, or as the Bank may otherwise direct. The Debtor agrees that it shall, upon the request of the Bank, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.

4. Despite any other provision of this Agreement, the interests granted to the Bank pursuant to this Agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Bank's Security Interests therein.

B. Attachment

5. The Debtor warrants and acknowledges that subject to the provisions of Sections 2 and 3 above the Debtor and the Bank intend the Security Interest in existing Collateral to attach upon the execution of this Agreement; that value has been given by the Bank to the Debtor; that the Debtor has rights in such existing Collateral; the Debtor and the Bank have not postponed the time for attachment of the Security Interest on existing Collateral and that the Security Interest shall attach to existing Collateral upon the execution of this Agreement and that the Debtor and the Bank intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Debtor acquires rights in such after acquired Collateral.

C. Investment Collateral

6. Whenever any Investment Collateral is a Security that is a Certificated Security, an Uncertificated Security or a Security Entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the securities intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Bank in a manner satisfactory to the Bank.
7. All certificates representing Investment Collateral may remain registered in the name of the Debtor, but the Debtor shall, promptly at the request of the Bank, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Bank; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Bank. Upon the request of the Bank:
- (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Bank or its nominee, and the Bank is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Bank or its nominee;
 - (b) the Debtor shall promptly cause each securities intermediary that holds any Investment Collateral that is a Security Entitlement to record the Bank as the entitlement holder of such Investment Collateral; and
 - (c) the Debtor shall promptly:
 - (i) cause a Security Certificate to be issued for any Investment Collateral that is in the form of an Uncertificated Security or a Security Entitlement;
 - (ii) endorse such Security Certificate in blank;
 - (iii) deliver such Security Certificate to the Bank; and
 - (iv) take all other steps necessary to give exclusive control over such Certificated Security to the Bank, in a manner satisfactory to the Bank.
8. Until further notice is given by the Bank to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Bank or which would have the effect of reducing the value of the Investment Collateral as security for the Indebtedness, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Bank.
9. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Bank. Upon receipt by the Debtor of such notice, the Debtor shall not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Bank, the Debtor shall hold such amounts in trust, as trustee for the Bank, and the Debtor shall forthwith pay such amounts to the Bank, to be applied to reduce the Indebtedness or, at the option of the Bank, to be held as additional security for the Indebtedness.
10. The responsibility of the Bank in respect of any Investment Collateral held by the Bank shall be limited to exercising the same degree of care which it gives valuable property of the Bank at the Bank's office where such Investment Collateral is held. The Bank shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Bank be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 9, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Bank and shall be forthwith paid to the Bank.

D. Representations and Warranties of Debtor

11. The Debtor hereby represents and warrants to the Bank that:

- (a) the Debtor has the capacity and authority to incur the Indebtedness, to create the Security Interest and to execute and deliver and perform its obligations under this Agreement;
- (b) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder (including, without limitation, the repayment of the Indebtedness) have been duly authorized by all necessary proceedings;
- (c) this Agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
- (d) the Collateral is genuine and except for the Security Interest and any Permitted Encumbrances, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
- (e) the jurisdiction in which the Debtor is located for purposes of the PPSA and under which the Debtor is incorporated, continued, amalgamated or otherwise organized is the Province or Territory identified in Schedule "A" of this Agreement;
- (f) the Debtor does not keep tangible Collateral at any location(s) except the location(s) listed in Schedule "A" hereto other than tangible Collateral in transit to or from such locations;
- (g) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the presently held Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;
- (h) all Contractual Rights relating to or affecting the presently held Intellectual Property are in good standing;
- (i) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the presently held Intellectual Property;
- (j) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the presently held Intellectual Property;
- (k) Schedule "C" hereto contains a complete and accurate list of all of the presently registered Intellectual Property of the Debtor, including all registered patents, trademarks and copyrights of the Debtor; and
- (l) the Debtor has no Contractual Right which, because of the granting of the Security Interest therein, would be breached or could be terminated, except for any such Contractual Rights if any, identified to the Bank in writing, which schedule contains an accurate description of all such Contractual Rights, the parties thereto, and any provisions thereof which would be so breached or which would result in such a termination right.

E. Covenants and Agreements of Debtor

12. The Debtor hereby covenants and agrees with the Bank that at all times while this Agreement remains in effect, it shall:

- (a) pay or perform the Indebtedness when due;
- (b) not without the prior written consent of the Bank sell or dispose of any of the Collateral in the ordinary course of business or otherwise (provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of the Debtor's business and for the purpose of carrying on the same) and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Bank and forthwith pay over the same to the Bank upon request;
- (c) not without the prior written consent of the Bank create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Bank;
- (d) at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions. In the event that the Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Bank may make such payments to be repayable by the Debtor on demand and any such payments made by the Bank shall comprise part of the Indebtedness and be secured hereby;
- (e) keep the Collateral in good condition and repair according to the nature and description thereof, and the Bank may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by

the Debtor and comprise part of the Indebtedness and be secured hereby and the Bank may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby;

- (f) duly pay all taxes, rates, levies, assessments and other impositions and charges of every nature and kind which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust or other Encumbrance affecting the Debtor or the Collateral, as and when the same become due and payable;
 - (g) permit the Bank, at any time, whether before or after the Security Interest shall have become enforceable, to notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Bank, take control of any Proceeds of Collateral and may hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness;
 - (h) make and maintain all filings, registrations and recordings necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordings necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;
 - (i) defend the Collateral against any actions, claims and demands of any Person (other than the Bank) claiming the Collateral (or any of it) or an interest therein;
 - (j) maintain its corporate existence and file or cause to be filed any returns, documents or other information necessary to preserve such corporate existence;
 - (k) notify the Bank of any loss or damage to the Collateral, any change in any information provided in this Agreement (including the schedules hereto) or any actual or potential claim or Encumbrance affecting the Debtor, the Collateral or the Security Interest;
 - (l) prevent any Collateral from becoming an accession to any personal property not subject to the Security Interest, or becoming affixed to any real property;
 - (m) deliver to the Bank, at the Bank's request, duly endorsed and/or accompanied by such assignments, transfers, powers of attorney or other documents as the Bank may request, all items of the Collateral comprising Chattel Paper, Instruments, Investment Collateral and Documents of Title;
 - (n) pay, on demand by the Bank, all costs and expenses (including all legal fees on a full indemnity basis) incurred by the Bank in the preparation, perfection, administration and enforcement of this Agreement (including expenses incurred in considering, protecting or improving the Bank's position, or attempting to do so, whether before or after default) and all such costs and expenses shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest;
 - (o) preserve the Debtor's rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, regulations and orders (including environmental laws, regulations and orders) affecting the Debtor or the Collateral and conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor;
 - (p) without limiting the generality of any of the forgoing, perform all covenants required of the Debtor under any Contractual Right relating to or affecting the Intellectual Property (or any of it), including promptly paying all required fees, royalties and taxes, to maintain each and every item of Intellectual Property in full force and effect, and vigorously protect, preserve and maintain all of the value of, and all of the right, title and interest of the Debtor in, all Intellectual Property, by way of the prosecution of or defence against suits concerning the validity, infringement, enforceability or ownership of the Intellectual Property (or any of it) or otherwise; and
 - (q) give the Bank at least 10 Business Days advance notice in writing of any proposed change to the Debtor's name, location, or its governing jurisdiction.
13. The Debtor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Bank may reasonably require for the better granting, mortgaging, charging, assigning, hypothecating and transferring unto the Bank the property, assets and undertaking hereby subjected or intended to be subject to the Security Interest or which the Debtor may hereafter become bound to mortgage, charge, assign, hypothec, transfer or subject to the Security Interest in favour of the Bank for the better accomplishing and effectuating of this Agreement and the provisions contained herein and each and every officer of the Bank is irrevocably appointed, coupled with an interest, to execute in the name and on behalf of the Debtor any document or instrument for the said purposes.
14. The Debtor shall permit the Bank at any time, either in person or by agent, to inspect the Debtor's books and records pertaining to the Collateral. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the Accounts.

15. The Debtor acknowledges and agrees that:

- (a) in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term 'Debtor' when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, that this Agreement shall continue in full force and effect and shall be binding on the amalgamated corporation, such that the Security Interest granted hereby:
 - (i) shall continue to charge all Collateral of the Debtor and extend and attach to 'Collateral' (as that term is herein defined) owned by each of the other amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any 'Collateral' thereafter owned or acquired by the amalgamated corporation; and
 - (ii) shall continue to secure the 'Indebtedness' (as that term is herein defined) of each of the amalgamating corporations including the Debtor and the amalgamated corporation to the Bank at the time of amalgamation and any 'Indebtedness' of the amalgamated corporation to the Bank thereafter arising.
- (b) The term "Indebtedness" shall include all such Indebtedness of the Debtor, the other amalgamating corporations and the amalgamated corporation.
- (c) The term "Collateral" shall include all such property, assets and undertaking of the Debtor, the other amalgamating corporations and the amalgamated corporation.
- (d) All defined terms and other provisions of this Agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context.
- (e) The parties agree to execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

F. Default

16. Without prejudice to any right which the Bank may now or hereafter have to demand payment of any of the Indebtedness at any time, the Indebtedness shall, at the option of the Bank, become payable and the Security Interest shall become enforceable in each and every of the following events:
- (a) if the Debtor defaults in the payment of any of the Indebtedness when due;
 - (b) the death or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
 - (c) if there occurs an Event of Default (as defined by the Credit Agreement) or if the Debtor defaults in the observance or performance of any covenant, written agreement or undertaking heretofore or hereafter given by the Debtor to the Bank, whether contained herein or not;
 - (d) if an order is made or a resolution passed for the winding-up, liquidation or dissolution of the Debtor, or if a petition is presented or filed for the winding-up of the Debtor, whether pursuant to the *Winding-up and Restructuring Act* (Canada) or otherwise;
 - (e) if the Debtor ceases or threatens to cease to carry on business or makes a bulk sale of its assets, or if a Receiver or trustee for the Debtor or any of its property or assets is appointed (whether privately or by court order);
 - (f) if the Debtor becomes insolvent or commits or threatens to commit any act of bankruptcy or if the Debtor makes an assignment or proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy or if a bankruptcy petition is filed or presented against the Debtor or if the Debtor otherwise becomes subject to proceedings under the *Bankruptcy and Insolvency Act* (Canada), *Companies' Creditors Arrangement Act* (Canada), the *Winding Up and Restructuring Act*, the or any other bankruptcy, insolvency or analogous law in any jurisdiction for relief as a debtor;
 - (g) if any proceedings with respect to the Debtor are commenced under the *Companies' Creditors Arrangement Act* (Canada) or if the Debtor seeks relief or consents to the filing of a petition against it under any law which involves any compromise of any creditor's rights against the Debtor;
 - (h) if an execution or any other process of any court becomes enforceable against the Debtor or if a distress or analogous process is initiated or levied against or upon the Collateral or any part thereof;
 - (i) if the Debtor permits any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Security Interest to remain unpaid after proceedings have been taken to enforce such charge;
 - (j) if any representation or warranty made by the Debtor or any of its officers, employees or agents to the Bank shall be false or inaccurate in any material respect;
 - (k) if the Debtor defaults in the observance or performance of any provision relating to the indebtedness or liability of the Debtor to any creditor or other Person, other than the Bank, and thereby enables such creditor or other Person to demand payment of such indebtedness; or

- (l) if any licence, permit or approval required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Debtor of its business shall be withdrawn or cancelled.

17. The Bank may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by the Bank to be observed or performed by the Debtor; provided that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

G. Remedies of the Bank

18. Whenever the Security Interest shall have become enforceable as described in Section 16 above, and so long as it shall remain enforceable, the Bank may proceed to realize the Security Interest and the Collateral and to enforce its rights by doing any one or more of the following:

- (a) entering upon the Collateral and any lands and premises where any Collateral is or may be located;
- (b) taking possession of Collateral by any method permitted by law;
- (c) occupying any lands and premises owned or occupied by the Debtor and using all or any part of such lands and premises and the Equipment and other Collateral located thereon;
- (d) leasing, selling, licensing or otherwise disposing of the whole or any part or parts of the Collateral;
- (e) collecting, selling or otherwise dealing with any Accounts or other amounts receivable of the Debtor, including notifying any person obligated to the Debtor in respect of an Account, Chattel Paper, Investment Collateral or Instrument to make payment to the Bank of all present and future amounts due thereon;
- (f) taking steps and expending such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including making payments on account of other security interests affecting the Collateral; provided that the Bank shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Bank shall be added to the Indebtedness and shall be secured by the Security Interest;
- (g) collecting any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
- (h) exercising all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Bank or its nominee) and giving or withholding all consents, waivers and ratifications in respect thereof and otherwise acting with respect thereto as though it were the absolute owner thereof;
- (i) exercising any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;
- (j) complying with any limitation or restriction in connection with any proposed sale or other disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Bank shall not be liable or accountable to the Debtor for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;
- (k) carrying on the business of the Debtor or any portion thereof;
- (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity including by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity;
- (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
- (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;

- (o) accepting the Collateral in satisfaction of the Indebtedness;
 - (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
 - (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
 - (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.
19. Any Receiver appointed by the Bank may be any Person or Persons (including one or more officers or employees of the Bank), and the Bank may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Bank provided in this Agreement including, without limitation, the power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, further charge the Collateral in priority to the Security Interests as security for money so borrowed, and sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the Receiver shall determine. The Bank shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Bank expressly specifies in writing that the Receiver shall be agent for the Bank for one or more purposes. Without limiting the generality of the forgoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Bank as the Bank may specify in writing in its sole discretion. The Debtor agrees to ratify and confirm all actions of any Receiver appointed by the Bank acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.
20. Without limiting the ability of the Bank or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor to the fullest extent permitted by applicable law. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Bank or any Receiver appointed by the Bank may, in its sole discretion, deem advantageous and may take place whether or not the Bank or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Bank.
21. The Bank shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.
22. No right, power or remedy of the Bank (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.
23. The Debtor agrees, without diminishing the covenant in section 12(n) above, and in furtherance thereof, to pay to the Bank, forthwith on demand by the Bank, all costs and expenses incurred by the Bank in connection with the exercise by the Bank of its rights, powers and remedies hereunder, including:
- (a) any costs and expenses incurred by the Bank in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;
 - (b) any legal fees and expenses incurred by the Bank in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Indebtedness;
 - (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
 - (d) all costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Bank (including any legal fees and expenses incurred by any such Receiver, agent or consultant).
- All such sums shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest.
24. Any and all payments made in respect of the Indebtedness from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this Agreement) may be applied to such part or parts of the Indebtedness as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit and to re-apply the same on any other part or parts of the Indebtedness as the Bank may see fit, notwithstanding any previous application by whomsoever made.
25. The Debtor shall remain liable for all Indebtedness that is outstanding following realization of all or any part of the Collateral.

26. The Bank may pay the whole or any part of any liens, taxes, rates, charges or Encumbrances now or hereafter existing in respect of any Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Indebtedness, shall bear interest at the highest rate applicable to the Indebtedness, and shall be secured by the Security Interest. Whenever the Bank pays any such lien, tax, rate, charge or Encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
27. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this Agreement, the Bank may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Bank will not constitute a waiver, remedy or satisfaction of such failure. The costs and expenses of the Bank incurred in connection with any such performance or compliance shall be payable by the Debtor to the Bank on demand, form part of the Indebtedness, bear interest at the highest rate applicable to the Indebtedness and be secured by the Security Interest.
28. The term 'Receiver' as used in this Agreement includes a receiver and manager, a receiver, a liquidator, a custodian, monitor, or consultant whether appointed by the Bank by instrument in writing or appointed pursuant to a court order.

H. Rights of the Bank

29. The Debtor grants to the Bank the right to set off against any and all accounts, credits or balances maintained by it with the Bank, the aggregate amount of any of the Indebtedness (or any portion thereof) when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
30. The Bank, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Debtor and all other Persons and securities as the Bank may see fit.
31. The Bank may, without the consent of the Debtor, assign, transfer and deliver any of the Indebtedness, or the Security Interests, or any security or any documents or instruments held by the Bank in respect thereof to any transferee provided that no such assignment, transfer or delivery shall release the Debtor from any of the Indebtedness; and thereafter the Bank shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Bank under such security, documents or instruments but the Bank shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or Indebtedness hereunder without the prior written consent of the Bank.

I. Miscellaneous

32. This Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Bank or existing at law in equity or by statute. This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Bank and shall be general and continuing security notwithstanding that the Indebtedness shall be at any time or from time to time fully satisfied or paid.
33. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to the Bank.
34. This Agreement shall be binding upon the Debtor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Debtor and shall enure to the benefit of the Bank and its successors and assigns.
35. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this Agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.
36. The headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
37. Any notice, demand, statement or other communication permitted or required to be given hereunder shall be in writing and may be effectively given by delivering it to the address(es) hereinafter set forth or by sending the same by facsimile to such address(es). Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a Business Day by personal delivery or by fax shall be deemed to have been given, received and made on such Business Day and if so given after 5:00 p.m. (Toronto time) on a Business Day or a day which is not a Business Day, such notice, demand, statement or other communication shall be deemed to have been given, received and made on the next following Business Day. The addresses of the parties for the purposes hereof shall be:

- (a) in the case of the Bank, addressed as follows:

HSBC Bank Canada
3601 Highway 7 East, Suite 108, Markham, Ontario, L3R 0M3

Attention
Fax Number:

- (b) in the case of the Debtor, addressed as follows:

Comsale Group Inc.
18B 3200 Dufferin Street, Suite 323 Toronto, Ontario, M6A 0A1

Attention
Fax Number:

Either party may from time to time notify the other, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Agreement.

38. Where any provision or remedy contained or referred to in this Agreement is prohibited, modified or altered by the laws of any Province or Territory of Canada which governs that aspect of this Agreement and the provision or remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and excludes such provision to the fullest extent permissible by applicable law.
39. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. For the purpose of legal proceedings this Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this Agreement and the Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the Debtor in the Courts of any other Province, country or jurisdiction.
40. References such as “**this Agreement**”, “**hereof**”, “**herein**”, “**hereto**” and like references refer to this Agreement and any schedules, exhibits or appendices attached hereto from time to time, or described as comprising a part of this Agreement (all of which schedules, exhibits and appendices form a part of this Agreement) and not to any particular section, subsection, paragraph or other subdivision of this Agreement.
41. The word “**Debtor**”, the personal pronoun “**it**” or “**its**” and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term “**successors**” shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).
42. Nothing herein (including the definition and use of the term Permitted Encumbrances) is intended or shall be deemed to subordinate the Security Interest to any Permitted Encumbrance or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.
43. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the determination, consent or approval of the Bank or is to be acceptable to the Bank, such determination, consent, approval or determination of acceptability will be in the sole discretion of the Bank, which means the Bank shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor 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. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “including” shall mean “**including, without limitation**” and the use of the term “includes” shall mean “**includes, without limitation**”.
44. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day immediately thereafter.
45. Time shall be of the essence of this Agreement.
46. Upon full, final and indefeasible payment and fulfillment by the Debtor, its successors or permitted assigns, of all Indebtedness and provided that the Bank is then under no obligation (conditional or otherwise) to make any further loans, advances or extend any other type of credit to the Debtor or to any other Person, the payment of which is secured, directly or indirectly, by this Agreement, the Bank shall, upon request in writing by the Debtor, delivered to the Bank at the Bank’s address as set out in section 37 hereof and at the Debtor’s expense, discharge this Agreement.
47. The Bank may in writing (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this Agreement; provided that no waiver by the Bank shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.

48. The Debtor agrees that the Bank may from time to time provide information concerning this Agreement (including a copy hereof), the Collateral and the Indebtedness to any Person the Bank in good faith believes is entitled thereto pursuant to applicable law.
49. The Debtor acknowledges having received an original executed copy of this Agreement and hereby waives, to the fullest extent permitted by applicable law, receipt of a copy of any financing statement or financing change statement filed at any time in respect of this Agreement or any verification statement in respect of the same.
50. This Agreement and any amendment, supplement, restatement or termination may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which, taken together, shall constitute one and the same agreement. Any party hereto may deliver an executed copy of this Agreement by facsimile to the other parties hereto provided that in such event that party shall promptly deliver to the other parties hereto an originally executed copy of this Agreement.
51. The Debtor by its signature of this Agreement on the one hand and the Bank by making this Agreement available to the Debtor on the other hand acknowledge having expressly required it to be drawn up in the English language. *La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à la disposition des garants d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.*

This Agreement has been duly executed by the Debtor on the 5th day of July June, 2018.

FOR A CORPORATION

COMSALE GROUP INC.
(Full Legal Name of Corporation)

Per: [Signature]
(Authorized Signatory)

Name: Neil Shaul

Title: President

Per: _____
(Authorized Signatory)

Name: _____

Title: _____

C/S

FOR AN INDIVIDUAL

Witness:

Debtor:

Signature of Witness

Signature of Debtor

Name: _____

Name: _____

Address: _____

Address: _____

Full Name and Address For Individual, insert first given name, initial of second given name, if any, then surname.	Date of Birth MM/DD/YY	Sex M/F

Schedule 'A'

Location of the Debtor:

[NOTE: List all Provinces and/or Territories of: (i) the Debtor's incorporation, amalgamation or other organization; and (ii) the Debtor's places of business.]

- i) Province of Ontario
- ii) 111 Snidercroft Road, Unit B, Concord, ON L4K 2JB
18 B-3200 Dufferin St., Suite 323, Toronto, ON M6A 0A1

Locations of Collateral:

[NOTE: List all municipal addresses and Provinces and/or Territories in which any of the Collateral is located.]

- 111 Snidercroft Road, Unit B, Concord, ON L4K 2JB

Schedule 'B'

Permitted Encumbrances:

See attached.

PPSA (ONTARIO) SEARCH SUMMARY
COMSALE GROUP INC.



	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
1.	740998899 PPSA	2	20180627 1546 1590 3501 Reg. 6 year(s) Expires 27JUN 2024	COMSALE GROUP INC.	HSBC BANK CANADA		X	X	X	X	X
2.	725940774 PPSA	1	20170327 1116 1590 0328 Reg. 10 year(s) Expires 27MAR 2027	COMSALE GROUP INC.	BDC CAPITAL INC.		X	X	X	X	X

Schedule 'C'

Intellectual Property of Debtor:

N/A

GUIDELINES FOR COMPLETION OF GENERAL SECURITY AGREEMENT

1. Governing Jurisdiction

This General Security Agreement (Ontario) is to be used if the Debtor is located in the Province of Ontario.

2. Registration of Personal Property Financing Statements

PPSA Financing Statements must be registered in: (i) the Province of Ontario; and (ii) any other Province/Territory listed in Schedule "A" under Locations of Collateral.

3. Debtor – Legal Entity

The Debtor is assumed to be a Corporation in the standard template. Where the Debtor is not a corporation but a partnership, use the following variations, in the signature blocks.

General Partnership

A partnership may be a general or a limited partnership. For a general partnership describe it by naming each partner, followed by the name of the partnership as follows:

"X" and "Y" carrying on business in partnership as "P"

The signature block is to be set out as follows:

[Partner Name] and [Partner Name],
carrying on business in partnership as [Partnership Name]

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Limited Partnership

A limited partnership is intended to create limited liability for the limited partners and therefore it carries on business by the actions of a general partner. The general partner is named after the reference to the name of the limited partnership:

"X Limited Partnership" by its general partner, "GP"

The signature block is to be set out as follows:

[Limited Partnership Name], by its general partner.
[General Partner Name]

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Trust

Where the Debtor is a trust, use the following signature block and describe the trust using its full legal name:

[Name of Trust], by its authorized trustees

Per: _____

Name:

Title:

Per: _____

Name:

Title:

GENERAL SECURITY AGREEMENT

Date: ^{July} ~~June~~ 5, 2018

NAME		NO. AND STREET	
Comesale Inc.		1021 E. Glendale Avenue	
CITY, VILLAGE OR TOWN		STATE	
Sparks		Nevada 89431	
CHIEF EXECUTIVE OFFICE (if different from Business Address)			
118B-3200 Dufferin Street, Suite 323, Toronto, Ontario M6A 0A1 (“Debtor”) and			
LENDING OFFICE, DEPARTMENT OR DIVISION			
HSBC Bank Canada			
NO. AND STREET		CITY	PROVINCE
3601 Highway 7, Suite 108		Markham	Ontario L3R 0M3 (“Secured Party”)

agree as follows:

1. **Security Interest.** Debtor hereby grants to Secured Party a security interest (“Security Interest”) in all right, title and interest of Debtor in all personal property of the following types, wherever located and whether now owned or hereafter owned or acquired by Debtor, whether or not affixed to realty, in all Proceeds and Products thereof in any form, in all parts, accessories, attachments, special tools, additions, replacements, substitutions and accessions thereto or therefor, in all supporting obligations thereof and in all increases or profits received therefrom, including, WITHOUT LIMITATION, all property described in any schedule from time to time delivered by Debtor to Secured Party: Goods (including, but not limited to, Equipment, Fixtures, and Inventory); Accounts; Chattel Paper; Documents; Instruments; Investment Property; General Intangibles; Deposit Accounts; and Letter-of-Credit Rights (“Collateral”).

2. **Indebtedness Secured.** The Security Interest secures payment of any and all indebtedness of Debtor to Secured Party (“Indebtedness”), whether now existing or hereafter incurred, of every kind and character, direct or indirect, and whether such Indebtedness is from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred, including, without limitation: (a) Indebtedness not yet outstanding, but contracted for, or with respect to which any other commitment by Secured Party exists; (b) all interest provided in any instrument, document, or agreement (including this Security Agreement) which accrues on any

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Indebtedness until payment of such Indebtedness in full; and (c) any moneys payable as hereinafter provided.

3. **Representations and Warranties of Debtor.** Debtor represents and warrants, and, so long as this Security Agreement is in effect, shall be deemed continuously to represent and warrant that: (a) Debtor is the owner of the Collateral free of all security interests or other encumbrances, except the Security Interest and except as specified in an appropriate schedule hereto; (b) Debtor is authorized to enter into this Security Agreement; (c) any and all trade names, division names, assumed names or other names under which Debtor transacts any part of its business are specified in an appropriate schedule hereto; Debtor's business address and chief executive office or principal office are specified above or on an appropriate schedule hereto; Debtor's form and State or jurisdiction of organization are specified in an appropriate schedule hereto, Debtor's Tax ID Number and Organizational Number, if any, are specified on the Schedule hereto, and Debtor's records concerning the Collateral are kept at one of the addresses specified above or on an appropriate schedule hereto; (d) each Account, General Intangible and Chattel Paper constituting Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay it ("Account Debtor"); and no Account Debtor has any defense, setoff, claim or counterclaim against Debtor which can be asserted against Secured Party, whether in any proceeding to enforce the Collateral or otherwise; (e) the amounts represented from time to time by Debtor to Secured Party as owing by each Account Debtor or by all Account Debtors will be and are the correct amounts actually and unconditionally owing by such Account Debtor or Debtors individually and in the aggregate, except for normal cash discounts where applicable; (f) each Instrument and each Document constituting Collateral is genuine and in all respects what it purports to be; (g) any Collateral which is a Fixture is affixed to real property at Debtor's address specified above or as specified in an appropriate schedule hereto, and such real property is owned by Debtor or by the person or persons named in such schedule and is encumbered only by the mortgage or mortgages listed on such schedule; and (h) any Collateral which is a Deposit Account, Commodity Account, Securities Account or letter of credit is specifically described on an appropriate schedule hereto.

4. **Covenants of Debtor.** So long as this Security Agreement is in effect, Debtor:

(a) will defend the Collateral against the claims and demands of all other parties, including, without limitation, defenses, setoffs, claims and counterclaims asserted by any Account Debtor against Debtor or Secured Party, except, as to Inventory, purchasers and lessees in the ordinary course of Debtor's business; will keep the Collateral free from all security interests or other encumbrances, except the Security Interest and except as specified in an appropriate schedule hereto; and will not sell, transfer, lease, assign, deliver or otherwise dispose of any Collateral or any interest therein without the prior written consent of Secured Party, except that, until the occurrence and during the continuance of an event of default as specified in paragraph 10 hereof Debtor may sell or lease Inventory and may sell or dispose of any Equipment that is obsolete, worn-out or no longer useful in the ordinary course of Debtor's business; (b) will send to Secured Party financial statements in such form and at such intervals as

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Secured Party shall request; will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete books and records, including, without limitation, records concerning the Collateral; at Secured Party's request, will mark any and all such books and records to indicate the Security Interest; will permit Secured Party or its agents to inspect the Collateral and to audit and make extracts from or copies of such books and records and any of Debtor's ledgers, reports, correspondence or other books and records; and will duly account to Secured Party's satisfaction, at such time or times as Secured Party may require, for any of the Collateral; (c) after the occurrence and during the continuance of any event of default, will send to Secured Party upon demand, all Documents and all Chattel Paper (duly indorsed to Secured Party) constituting, representing or relating to the Collateral or any part thereof, and any schedules, invoices, shipping documents, delivery receipts, purchase orders, contracts or other documents representing or relating to the Collateral or any part thereof; (d) will notify Secured Party promptly in writing of any change in Debtor's business address or chief executive office or principal office, any change in the address at which records concerning the Collateral are kept and any change in Debtor's name, identity or corporate or other structure or form or State of organization; (e) will not, other than in accordance with the Debtor's normal course of business, without Secured Party's written consent, make or agree to make any alteration, modification or cancellation of, or substitution for, or credits, adjustments or allowances on, Accounts, General Intangibles or Chattel Paper constituting Collateral; will send to Secured Party, on request, all credit and other information respecting the financial condition of any Account Debtor; and will notify Secured Party promptly of any default by any Account Debtor in payment or other performance of obligations with respect to any Collateral; (f) will keep the Collateral in good condition and repair; and will not use the Collateral in violation of any provisions of this Security Agreement, of any applicable statute, regulation or ordinance or of any policy insuring the Collateral; (g) will pay all taxes, assessments and other charges of every nature which may be imposed, levied or assessed against Debtor or any of Debtor's assets, prior to the date of attachment of any penalties or liens with respect thereto (other than liens attaching prior to payment becoming due, if payment is made when due), provided, however, Debtor shall not be required to pay any such tax, assessment or other charge so long as its validity is being contested in good faith by appropriate proceedings diligently conducted; (h) will insure the Collateral against risks, in coverage, form and amount, and by insurer, satisfactory to Secured Party, and, at Secured Party's request, will cause each policy to be payable to Secured Party as a named insured or loss payee, as its interest may appear, and deliver each policy or certificate of insurance to Secured Party; (i) will prevent the Collateral or any part thereof from being or becoming an accession to other goods not covered by this Security Agreement; (j) in connection herewith, will authorize or otherwise execute and deliver to Secured Party such financing statements, assignments and other documents and do such other things relating to the Collateral and the Security Interest as Secured Party may request, and pay all costs of title searches and filing financing statements, assignments and other documents in all public offices requested by Secured Party; and will not, without the prior written consent of Secured Party, file or authorize or permit to be filed in any public office any financing statement naming Debtor as debtor and not naming Secured Party as secured party; (k) will notify Secured Party of the particulars of the Debtor's rights under any Commercial Tort Claims promptly after such rights arise; (l) will not place the Collateral in any warehouse which may issue a negotiable document with respect

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thereto; (m) will not place the Collateral with any third party who has not previously (i) acknowledged the Security Interest and (ii) provided an authenticated record, in form and substance satisfactory to Secured Party, acknowledging that such third party holds possession of the Collateral for the benefit of the Secured Party; and (n) will cooperate with Secured Party in obtaining control of Collateral consisting of Deposit Accounts, Investment Property, Letter-of-Credit Rights or Electronic Chattel Paper including, but not limited to, entering into one or more control agreements or assignments, as Secured Party may request.

5. **Verification of Collateral.** Secured Party shall have the right to verify all or any Collateral in any manner and through any medium Secured Party may consider appropriate, and Debtor agrees to furnish all assistance and information and perform any acts which Secured Party may require in connection therewith and to pay all of Secured Party's costs therefor.

6. **Notification and Payments.** After the occurrence and during the continuance of an event of default, Secured Party may (i) notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to Secured Party; and (ii) enforce obligations of an Account Debtor or other person obligated on Collateral and exercise the rights of the Debtor with respect to the obligation of the Account Debtor, and with respect to property that secures the obligation of an Account Debtor or other persons obligated on the Collateral. Upon the occurrence and during the continuance of an event of default, all payments on and from Collateral received by Secured Party directly or from Debtor shall be applied to the Indebtedness in such order and manner and at such time as Secured Party shall, in its sole discretion, determine. Upon the occurrence and during the continuance of an event of default, Secured Party may demand of Debtor in writing, before or after notification to Account Debtors and without waiving in any manner the Security Interest, that any payments on and from the Collateral received by Debtor: (i) shall be held by Debtor in trust for Secured Party in the same medium in which received; (ii) shall not be commingled with any assets of Debtor; and (iii) shall be delivered to Secured Party in the form received, properly indorsed to permit collection, not later than the next business day following the day of their receipt; and Debtor shall comply with such demand. Upon the occurrence and during the continuance of an event of default, Debtor shall also promptly notify Secured Party of the return to or repossession by Debtor of Goods underlying any Collateral, and Debtor shall hold the same in trust for Secured Party and shall dispose of the same as Secured Party directs.

7. **Registered Holder of Collateral.** If any Collateral consists of investment securities, Debtor authorizes Secured Party to transfer the same or any part thereof into its own name or that of its nominee so that Secured Party or its nominee may appear of record as the sole owner thereof; provided, that so long as no event of default has occurred and is continuing, Secured Party shall send promptly to Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to Debtor or its designee a proxy or proxies to vote and take all action with respect to such securities. After the occurrence and during the continuance of any event of default, Debtor waives all rights to be advised of or to receive any notices,

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statements or communications received by Secured Party or its nominee as such record owner, and agrees that no proxy or proxies given by Secured Party to Debtor or its designee as aforesaid shall thereafter be effective.

8. Income from and Interest on Collateral Consisting of Instruments.

(a) Upon the occurrence and during the continuance of an event of default, Debtor reserves the right to receive all income from or interest on the Collateral consisting of Instruments, and if Secured Party receives any such income or interest prior to such event of default, Secured Party shall pay the same promptly to Debtor.

(b) Upon the occurrence and during the continuance of an event of default, Debtor will not demand or receive any income from or interest on such Collateral, and if Debtor receives any such income or interest without any demand by it, same shall be held by Debtor in trust for Secured Party in the same medium in which received, shall not be commingled with any assets of Debtor and shall be delivered to Secured Party in the form received, properly indorsed to permit collection, not later than the next business day following the day of its receipt. Secured Party may apply the net cash receipts from such income or interest to payment of any of the Indebtedness, provided that Secured Party shall account for and pay over to Debtor any such income or interest remaining after payment in full of the Indebtedness.

9. Increases, Profits, Payments or Distributions.

(a) After the occurrence and during the continuance of any event of default has occurred, Debtor authorizes Secured Party: (i) to receive any increase in or profits on the Collateral (including, without limitation, any stock issued as a result of any stock split or dividend, any capital distributions and the like), and to hold the same as part of the Collateral; and (ii) to receive any payment or distribution on the Collateral upon redemption by, or dissolution and liquidation of, the issuer; to surrender such Collateral or any part thereof in exchange therefor; and to hold the net cash receipts from any such payment or distribution as part of the Collateral.

(b) If Debtor receives any such increase, profits, payments or distributions, Debtor will receive and deliver same promptly to Secured Party on the same terms and conditions set forth in paragraph 8(b) hereof respecting income or interest, to be held by Secured Party as part of the Collateral.

10. Events of Default.

(a) Any of the following events or conditions shall constitute an event of default hereunder: (i) nonpayment when due, whether by acceleration or otherwise, of principal of or interest on any Indebtedness, or default by Debtor in the performance of any obligation, term or condition of this Security Agreement or any other agreement between Debtor

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and Secured Party; (ii) death or judicial declaration of incompetency of Debtor, if an individual; (iii) the filing by or against Debtor of a request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as a bankrupt, relief as a debtor or other relief under the bankruptcy, insolvency or similar laws of the United States or any state or territory thereof or any foreign jurisdiction, now or hereafter in effect, which, in the case of a filing against the Debtor, is not dismissed or stayed within sixty (60) days of the filing thereof; (iv) the making of any general assignment by Debtor for the benefit of creditors; the appointment of a receiver or trustee for Debtor or for any assets of Debtor, including, without limitation, the appointment of or taking possession by a "custodian", as defined in the federal Bankruptcy Code; the making of any, or sending notice of any intended, bulk sale; or the institution by or against Debtor of any other type of insolvency proceeding (under the federal Bankruptcy Code or otherwise) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of, Debtor, which in the event of the institution of a proceeding against the Debtor is not dismissed or stayed within sixty (60) days of the filing thereof; (v) the sale, assignment, transfer or delivery of all or substantially all of the assets of Debtor; the cessation by Debtor as a going business concern; the entry of judgment against Debtor, other than a judgment for which Debtor is fully insured, if ten days thereafter such judgment is not satisfied, vacated, bonded or stayed pending appeal; or if Debtor is generally not paying Debtor's debts as such debts become due; (vi) the occurrence of any event described in paragraph 10(a)(ii), (iii), (iv) or (v) hereof with respect to any indorser, guarantor or any other party liable for, or whose assets or any interest therein secures, payment of any Indebtedness ("Third Party"), or the occurrence of any such event with respect to any general partner of Debtor, if Debtor is a partnership; (vii) if any certificate, statement, representation, warranty or audit heretofore or hereafter furnished by or on behalf of Debtor or any Third Party, pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, representations and warranties contained herein), or as an inducement to Secured Party to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or to have omitted any substantial contingent or unliquidated liability or claim against Debtor or any such Third Party; or, if upon the date of execution of this Security Agreement, there shall have been any materially adverse change in any of the facts disclosed by any such certificate, statement, representation, warranty or audit, which change shall not have been disclosed in writing to Secured Party at or prior to the time of such execution; (viii) nonpayment by Debtor when due of any indebtedness for borrowed money owing to any third party, or the occurrence of any event which could result in acceleration of payment of any such indebtedness; or (ix) the reorganization, merger or consolidation of Debtor (or the making of any agreement therefor) without the prior written consent of Secured Party.

(b) Secured Party, at its sole election, may declare all or any part of any Indebtedness not payable on demand to be immediately due and payable without demand or notice of any kind upon the happening of any event of default (other than an event of default under either paragraph 10(a)(iii) or (iv) hereof). All or any part of any Indebtedness not payable on demand shall be immediately due and payable without demand or notice of any kind upon the happening of one or more events of default under paragraph 10(a)(iii) or (iv) hereof. The

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provisions of this paragraph are not intended in any way to affect any rights of Secured Party with respect to any Indebtedness which may now or hereafter be payable on demand.

(c) Secured Party's rights and remedies with respect to the Collateral shall be those of a Secured Party under the Uniform Commercial Code and under any other applicable law, as each of the same may from time to time be in effect, in addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Secured Party. Upon the existence or occurrence and during the continuance of an event of default, Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place or places designated by Secured Party, and Secured Party may use and operate the Collateral, render the Collateral unusable or dispose of the Collateral in a commercially reasonable manner.

(d) Without in any way requiring notice to be given in the following time and manner, Debtor agrees that any notice by Secured Party of sale, disposition or other intended action hereunder or in connection herewith, whether required by the Uniform Commercial Code or otherwise, shall constitute reasonable notice to Debtor if such notice is mailed by regular or certified mail, postage prepaid, at least ten (10) days prior to such action, to either of Debtor's address or addresses specified above or to any other address which Debtor has specified in writing to Secured Party as the address to which notices hereunder shall be given to Debtor.

(e) Secured Party shall have no obligation to clean up or otherwise prepare the Collateral for sale, and such inaction will not be considered adversely to affect the commercial reasonableness of any such sale of the Collateral.

(f) Secured Party may comply with any applicable law requirements in connection with a disposition of the Collateral, and such compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

(g) Secured Party may sell the Collateral without giving any warranties. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

(h) If Secured Party sells any of the Collateral on credit, Debtor will be credited only with payments actually made by the purchaser, received by Secured Party and applied to the Indebtedness. If the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral, and Debtor shall be credited with the proceeds of the sale.

(i) Debtor agrees to pay on demand all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Secured Party in enforcing this Security Agreement, in realizing upon or protecting any Collateral and in enforcing and collecting any Indebtedness or any guaranty thereof, including, without limitation, if Secured

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Party retains counsel for advice, suit, appeal, insolvency or other proceedings under the federal Bankruptcy Code or otherwise, or for any of the above purposes, the reasonable attorneys' fees and expenses incurred by Secured Party. Payment of all costs and expenses hereunder is secured by the Collateral.

11. Miscellaneous.

(a) Debtor hereby authorizes Secured Party, at Debtor's expense, to file such financing statement or statements relating to the Collateral without Debtor's signature thereon as Secured Party at its option may deem appropriate, and appoints Secured Party as Debtor's attorney-in-fact (without requiring Secured Party) to execute any such financing statement or statements in Debtor's name and to perform all other acts which Secured Party deems appropriate to perfect and continue the Security Interest and to protect, preserve and realize upon the Collateral. This power of attorney shall not be affected by the subsequent disability or incompetence of Debtor.

(b) After the occurrence and during the continuance of an event of default, Secured Party may demand, collect and sue on any of the Accounts, Chattel Paper, Instruments and General Intangibles (in either Debtor's or Secured Party's name at the latter's option); may enforce, compromise, settle or discharge such Collateral without discharging the Indebtedness or any part thereof; and may indorse Debtor's name on any and all checks, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(c) (i) As further security for payment of the Indebtedness, Debtor hereby grants to Secured Party a Security Interest in and lien on any and all property of Debtor which is or may hereafter be in the possession or control of Secured Party in any capacity or of any third party acting on its behalf, including, without limitation, all deposit and other accounts and all moneys owed or to be owed by Secured Party to Debtor; and with respect to all of such property, Secured Party shall have the same rights hereunder as it has with respect to the Collateral; (ii) Without limiting any other right of Secured Party, whenever Secured Party has the right to declare any Indebtedness to be immediately due and payable (whether or not it has so declared), Secured Party at its sole election may set off against the Indebtedness any and all moneys then or thereafter owed to Debtor by Secured Party in any capacity, whether or not the Indebtedness or the obligation to pay such moneys owed by Secured Party is then due, and Secured Party shall be deemed to have exercised such right of set off immediately at the time of such election even though any charge therefor is made or entered on Secured Party's records subsequent thereto.

(d) Upon Debtor's failure to perform any of its duties hereunder, Secured Party may, but shall not be obligated to, perform any or all such duties, including, without limitation, payment of taxes, assessments, insurance and other charges and expenses as herein provided, and Debtor shall pay an amount equal to the cost thereof to Secured Party on demand by Secured Party. Payment of all moneys hereunder shall be secured by the Collateral.

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(e) No course of dealing between Debtor and Secured Party and no delay or omission by Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Secured Party may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Secured Party hereunder are cumulative and may be exercised simultaneously.

(f) Secured Party shall have no obligation to take, and Debtor shall have the sole responsibility for taking, any and all steps to preserve rights against any and all prior parties to any Instrument, Document or Chattel Paper constituting Collateral whether or not in Secured Party's possession. Secured Party shall not be responsible to Debtor for loss or damage resulting from Secured Party's failure to enforce or collect any such Collateral or to collect any moneys due or to become due thereunder. Debtor waives protest of any Instrument constituting Collateral at any time held by Secured Party on which Debtor is in any way liable and waives notice of any other action taken by Secured Party.

(g) Debtor authorizes Secured Party, without notice or demand and without affecting Debtor's obligations hereunder, from time to time: (i) to exchange, enforce or release any collateral or any part thereof (other than the Collateral) taken from any party for payment of the Indebtedness or any part thereof; (ii) to release, substitute or modify any obligation of any indorser, guarantor or other party in any way obligated to pay the Indebtedness or any part thereof, or any party who has given any security, mortgage or other interest in any other collateral as security for the payment of the Indebtedness or any part thereof; (iii) upon the occurrence of any event of default as hereinabove provided, to direct the order or manner of disposition of the Collateral and any and all other collateral and the enforcement of any and all indorsements, guaranties and other obligations relating to the Indebtedness or any part thereof, as Secured Party, in its sole discretion, may determine; and (iv) to determine how, when and what application of payments and credits, if any, shall be made on the Indebtedness or any part thereof.

(h) The rights and benefits of Secured Party hereunder shall, if Secured Party so directs, inure to any party acquiring any interest in the Indebtedness or any part thereof.

(i) Secured Party and Debtor as used herein shall include the heirs, executors or administrators, or successors or assigns, of those parties.

(j) If more than one Debtor executes this Security Agreement, the term "Debtor" shall include each as well as all of them and their obligations, warranties and representations hereunder shall be joint and several.

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(k) No modification, rescission, waiver, release or amendment of any provision of this Security Agreement shall be made, except by a written agreement subscribed or otherwise authenticated by Debtor and by a duly authorized officer of Secured Party.

(l) This Security Agreement and the transaction evidenced hereby shall be construed under the laws of New York State, as the same may from time to time be in effect without regard to principles of conflicts of laws.

(m) All terms, unless otherwise defined in this Security Agreement, shall have the definitions set forth in the Uniform Commercial Code adopted in the State of New York, as the same may from time to time be in effect.

(n) Debtor hereby irrevocably appoints Secured Party the Debtor's agent with full power, in the same manner, to the same extent and with the same effect as if Debtor were to do the same: to receive and collect all mail addressed to Debtor; to direct the place of delivery thereof to any location designated by Secured Party; to open such mail; to remove all contents therefrom; to retain all contents thereof constituting or relating to the Collateral; and to perform all other acts which Secured Party deems appropriate to protect, preserve and realize upon the Collateral. The agency hereby created is unconditional and shall not terminate until all of the Indebtedness is paid in full and until all commitments by Secured Party to lend funds to Debtor have expired or been terminated. This power of attorney shall not be affected by the subsequent disability or incompetence of Debtor. The Secured Party shall not exercise any of its rights under this subparagraph, however, until such time as an event of default has occurred and is continuing.

(o) This Security Agreement is and is intended to be a continuing Security Agreement and shall remain in full force and effect until the officer in charge of the Lending Office, Department or Division of Secured Party indicated above shall actually receive from Debtor written notice of its discontinuance; provided, however, this Security Agreement shall remain in full force and effect thereafter until all of the Indebtedness outstanding, or contracted or committed for (whether or not outstanding), before the receipt of such notice by Secured Party, and any extensions or renewals thereof (whether made before or after receipt of such notice), together with interest accruing thereon after such notice, shall be finally and irrevocably paid in full. If, after receipt of any payment of all or any part of the Indebtedness, Secured Party is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, this Security Agreement shall continue in full force notwithstanding any contrary action which may have been taken by Secured Party in reliance upon such payment, and any such contrary action so taken shall be without prejudice to Secured Party's rights under this Security Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

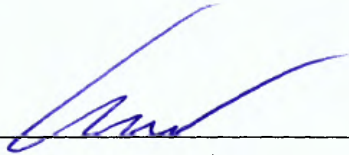
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(p) The parties hereby confirm their express wish that this Guaranty and all documents related thereto be drawn up in English. Les parties reconnaissent leur volonté expresse que le présent contrat ainsi que tous les documents s'y rattachant soient rédigés en anglais.

[Signature Page Follows]

DEBTOR:

COMSALE INC.

By:  _____

Print Name: Neil Shaul

Title: President

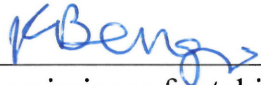
[Signature Page - General Security Agreement]

SCHEDULE

1. Other encumbrances, if any (§§ 3a, 4a): **None**
2. Other names under which Debtor transacts business (§ 3c): **None**
3. Debtor's form of organization (§ 3c): **Corporation**
4. Debtor's State or jurisdiction of organization (§ 3c): **New York**
5. Debtor's Tax ID Number and Organizational Number, if any (§ 3c).
EIN = _____
6. Debtor's chief executive office, principal office and locations of books and records (§ 3c).
18B-3200 Dufferin Street, Suite 323, Toronto, Ontario M6A 0A1
7. (a) Fixtures affixed to real property (§ 3g): **None**
(b) Owner of such real property (§ 3g): **N/A**
(c) Mortgages on real property (§ 3g): **N/A**
8. Collateral consisting of Deposit Accounts, Commodity Accounts, Securities Accounts, or letters of credit (§3h): **None**

(a) Name and address of depository bank, securities intermediary, commodities intermediary or letter of credit issuer, as applicable.
N/A
9. Additional schedules describing Collateral, if any, follow hereafter (§ 1).
N/A

This is Exhibit "E" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits
Kathleen Bengino

Debenture

THIS DEBENTURE is made on July 27, 2018

BETWEEN

The person whose name and address are stated in Item 1 of Schedule 1 hereto ("**Borrower**")

AND

HSBC BANK CANADA, a bank existing under the laws of Canada, with its principal office at 300-885 West Georgia Street, Vancouver, BC, V6C 3E9., and having its branch address set out in Item 2 of Schedule 1 of the other part ("**Lender**").

NOW THIS DEBENTURE WITNESSES as follows:

(A) **FACILITY AGREEMENT**

By a Facility Agreement (hereinafter defined) entered into between the Lender and the Borrower, the Lender has, at the request of the Borrower, agreed to make available or continue to make available to the Borrower banking facilities ("**Facility**") upon the terms and subject to the conditions contained therein and in the Letter of Offer (as defined in the Facility Agreement).

(B) **DEBENTURE**

It is a condition precedent for the availability of the Facility under the Facility Agreement and Letter of Offer that the Borrower executes this Debenture in favour of the Lender as security for the Secured Amounts (as hereinafter defined) upon the terms and conditions herein contained.

1. INTERPRETATION

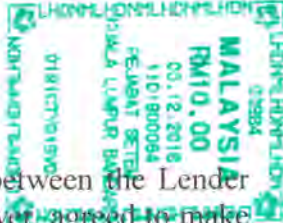
1.1 Definitions in Facility Agreement

In this Debenture, unless the context otherwise requires and save as specifically defined in this Debenture, words and expressions defined in the Facility Agreement shall have the same meanings when used in this Debenture.

1.2 Further definitions

In this Debenture each of the following expressions has, except where the context otherwise requires, the meaning shown opposite it:

Borrower **COMSALE COMPUTER INC.** (Company No. 1767508), a company incorporated in Canada and having its registered address at 111 Snidercroft Road,



Debenture

Unit B, Concord, Ontario, L3R 0M3;

Charged Property	the property, assets and rights for the time being comprised in or subject to the charges contained in Clause 3.1 of this Debenture; and references to the Charged Property include references to any part of it;
Debenture	this deed and any other document by which, pursuant to any of its provisions or otherwise the Borrower may grant a Security Interest to the Lender (including any fixed charge arising by virtue of a notice served under Clause 4.2), in each case as from time to time varied in any manner or respect whatsoever; and "charges contained in this Debenture" and similar expressions shall be construed accordingly;
Facility Agreement	the agreement made between the Borrower and the Lender on the date identified in Item 3 of Schedule 1 hereto including all amendments additions or supplementary agreements thereto or other correspondence made thereafter or from time to time under the provisions therein.
Lender	HSBC BANK CANADA , a bank existing under the laws of Canada, with its principal office at 300-885 West Georgia Street, Vancouver, BC, V6C 3E9.
Letter Offer	of the facility letter dated 10 May 2018 issued by the Lender to the Borrower including all amendments, additions or any other supplemental letter(s) thereto or other correspondence made thereafter or from time to time;
Other Security Document	all those Security Documents (as defined in the Facility Agreement) other than this Debenture created or to be created by the Borrower or any other security party in favour of the Lender as security for the Secured Amounts and is more particularly described and defined in the Facility Agreement and the Letter of Offer;
Powers	in relation to the Lender and the Receiver, their respective powers, discretion and rights under this Debenture, any other document or the general law;
Receiver	the receiver(s) appointed by the Lender under this Debenture or the Lender's statutory powers;

Debenture

Secured Amounts	the Indebtedness as defined in the Facility Agreement;
Security Interest	any mortgage, charge, pledge, debenture, lien, caveat, right of set-off or any other security interest whatsoever, however created or arising;

1.3 Construction

- (a) Unless the context otherwise requires, any references in this Debenture to:
- (i) any statute is a reference to that statute as amended or re-enacted from time to time;
 - (ii) any "freehold property" or "leasehold property" includes any buildings, structures or fixtures (including trade fixtures), fixed plant, machinery or equipment from time to time and at any time thereon;
 - (iii) a "lease" includes any letting, underlease, sublease or tenancy and any agreement for any letting, underlease, sublease or tenancy;
 - (iv) a "receiver" includes a manager, and also a receiver and manager;
 - (v) "shares" includes stock, options and other rights to acquire shares;
 - (vi) the expression "the Borrower" where the context admits includes its successors in title whether immediate or derivative; and
 - (vii) the expression "the Lender" where the context admits includes its successors in title and assigns whether immediate or derivative.
- (b) Headings are for ease of reference only.

2. COVENANT TO PAY

In consideration of the Lender having agreed, at the request of the Borrower, to make available or continue to make available the Facility to the Borrower upon the terms and conditions of the Facility Agreement and the Letter of Offer, the Borrower hereby covenants that it will duly pay or discharge to the Lender the Secured Amounts in accordance with the terms of the Facility Agreement and the Letter of Offer.

Debenture

3. CHARGES

3.1 Fixed and Floating Charges

For better securing the payment of the Secured Amounts and discharge of the obligations of the Borrower under the Facility Agreement and the Letter of Offer the Borrower as beneficial owner hereby charges to the Lender and so that the charge hereby created shall be a continuing security:

- (a) by way of a fixed charge:
 - (i) all the freehold or leasehold property of the Borrower both present and future including all buildings and fixtures (including trade fixtures) from time to time on any such property all liens charges option agreements rights and interest over the land both present and future and all plant, machinery, motor vehicles, computers and other equipment of the Borrower both present and future and the full benefit of all warranties and maintenance contracts for any of the same but excluding stock in trade of the Borrower;
 - (ii) all stocks shares bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests including but not limited to loan capital of the Borrower both present or future in any company firm consortium or entity wheresoever situate including all allotments accretions offers rights benefits and advantages whatsoever at any time accruing offered or arising in respect of the same whether by way of conversion redemption bonus preference option dividend interest or otherwise;
 - (iii) the uncalled capital and all patents patent applications inventions trade marks trade names registered designs copyrights know how and other intellectual property rights and all licences and ancillary rights and benefits including all royalties fees and other income deriving from the same both present and future of the Borrower;
 - (iv) all the goodwill and connection of all businesses for the time being carried on by or on behalf of the Borrower for the time being owned or held by the Borrower.
- (b) by way of a floating charge, the undertaking of the Borrower and all its other movable and immovable property, other assets, all book debts and proceeds of book debts and other debts revenues claims and rights whatsoever and wheresoever, both present and future (including bank deposits and credit balances) and all things in action due or owing or which may become due or owing to or purchased or otherwise acquired by the Borrower.

Debenture

3.2 Warranty

The Borrower warrants to the Lender that it is absolutely entitled to all of the Charged Property as at the date of this Debenture and that the Charged Property is free from all Security Interest, encumbrances and claims whatsoever.

4. FIXED SECURITY

4.1 Fixed mortgage or charge

The Borrower further covenants with the Lender upon the Lender's demand to execute at the Borrower's own cost, as a continuing security for the payment or discharge of the Secured Amounts, a fixed mortgage or charge on terms specified by the Lender of all or any part of the Charged Property which is from time to time and at any time subject to the floating charge contained in this Debenture.

4.2 Crystallisation

The Lender may, at any time, by notice in writing served on the Borrower, convert the floating charge contained in this Debenture into a fixed charge over all the property, assets and rights from time to time and at any time subject to the floating charge or over so much of the same as is specified in the notice.

4.3 Automatic Crystallisation Provision

If the Borrower charges pledges or otherwise encumbers in favour of any third party, whether by way of a fixed or floating security any of the Charged Property or attempts to do so without the prior written consent of the Lender or if any person attempts to levy any distress execution sequestration or other attempts or other process against any of the Charged Property or if any floating charge whether created before or after the date hereof, shall crystallise over any of the Charged Property the floating charges hereunder shall automatically without notice operate as fixed charges instantly when such event occurs.

4.4 Refloatation

At any time after the floating charge shall crystallise over any of the Charged Property (hereinafter referred to as "the Crystallised Charge") whether pursuant to a notice given under Clause 4.2 or by reason of the appointment of a receiver or receivers pursuant to Clause 12 or otherwise howsoever, the Lender may decrystallise or refloat the Crystallised Charge over all or any of the assets subject thereto by notice in writing to that effect to the Borrower.

Debenture

5. RESTRICTION AGAINST OTHER CHARGES

The Borrower hereby declares and undertakes that there is no Security Interest upon any of the Charged Property secured by this Debenture having priority to or ranking pari passu with this Debenture and:

- (a) the Borrower shall not during the subsistence of this Debenture without the consent in writing of the Lender execute any form of Security Interest in respect of any of the Charged Property;
- (b) the Borrower shall not deal with its book debts and other debts otherwise than by collecting them in the ordinary course of the Borrower's business and in particular the Borrower will not realise its book debts by means of block discounting and debt factoring; and
- (c) this Debenture shall be without prejudice to any securities already given by the Borrower to the Lender or any security which may hereafter be given to the Lender whether the same be for securing repayment of the Secured Amounts or any part thereof or any other money covenanted to be paid herein and whether such security is taken as additional or collateral security or otherwise howsoever.

6. CONTINUING SECURITY

Notwithstanding Clause 22.9, the charges contained in this Debenture are made for securing the Secured Amounts and the charges, covenants and provisions contained in this Debenture shall remain in force as continuing security to the Lender notwithstanding any settlement of account or any other act, event or matter whatsoever, except only the execution under a written agreement by the Lender of an absolute and unconditional release or the execution by the Lender of a receipt for all (and not part only) of the Secured Amounts.

7. INFORMATION ON MATTERS AFFECTING SECURITY

- 7.1 The Borrower will inform the Lender forthwith upon its issue, publication, service or occurrence (time being of the essence in this respect) of any application, demand, notice, order, proposal or transaction in any way affecting, concerning or touching its assets herein secured or any part thereof and produce the same to the Lender if called upon to do so.
- 7.2 The Borrower will do all acts and take all steps necessary or expedient to safeguard and preserve its assets and each part thereof or the title or ownership thereto.
- 7.3 The Lender may, if it thinks fit, and on behalf or in the name and the expense of the Borrower, do all such acts and employ all such persons as the Lender deems

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necessary or expedient, for the purpose of safeguarding and preserving the Charged Property or the Lender's rights and interests thereon.

8. COVENANTS BY BORROWER

8.1 Covenants

The Borrower covenants with the Lender as follows:

- (a) not to create or permit to exist upon or affect any of the Charged Property any Security Interest which ranks, or may come to rank in priority to or pari passu with the floating charge contained in Clause **3.1(b)** or, except with the prior written consent of the Lender, any Security Interest which will rank after the charges contained in this Debenture;
- (b) not to transfer, assign, charge, sell, lend or otherwise dispose of any of the Charged Property and (in particular) not to exercise any statutory or other powers of making leases or of accepting or agreeing to accept surrenders of lease, and not to part with possession of, or grant any licence or right to occupy, any of the freehold or leasehold property from time to time and at any time owned by the Borrower without the prior written consent of the Lender;
- (c) not to transfer, sell, lease or otherwise dispose of any property or assets subject to this Debenture (other than the property referred to in Sub-clause (b) above) otherwise than by way of sale on arm's length terms in the ordinary course of the Borrower's day-to-day trading or in the case of property which is spent, consumed or has otherwise outlived its useful life, by way of disposal provided that such property has been replaced prior to such disposal with new and unused property of the same original quality and type;
- (d) forthwith to inform the Lender in writing if it chooses not to call up or receive in advance of calls any of the uncalled capital from time to time and at any time of the Borrower;
- (e) forthwith to inform the Lender in writing if it acquires, or agrees to acquire any immovable property;
- (f) to deposit with the Lender (which the Lender shall be entitled to retain during the continuance of this security and for as long as any Secured Amounts remain unpaid) all documents of title relating to all freehold and leasehold property and any documents of title to plant and machinery from time to time owned by the Borrower and, upon the deposit with the Lender of the issue document of title of any freehold or leasehold property which is referred to in Clause **3.1(a)**, the floating charge created by Clause **3.1(b)** shall immediately crystallize, attach and become affixed (without further assurance by the Borrower or intervention by the Lender) as regards the property comprised in that issue document of title;

Debenture

- (g) except with the prior written consent of the Lender, not to transfer, factor, discount, sell, release, compound, pledge, assign, subordinate, defer or otherwise vary the terms of any book or other debts or amounts from time to time and at any time due, owing or payable to the Borrower and not to deal otherwise with the same except by getting in the same in the usual course of trading; and to pay into the Borrower's account with the Lender all moneys which it may receive in respect of such debts and, if the Lender so requires, promptly to execute at the Borrower's own cost a legal assignment to the Lender in terms specified by the Lender of all or any of such debts or amounts and any Security Interests or documents relating to them or otherwise to negotiate the same to the Lender;
- (h) forthwith to notify the Lender in writing of any notice or information received by the Borrower concerning:
 - (i) any proposal for the compulsory acquisition of any of its freehold or leasehold property;
 - (ii) any application which is made (or proposed to be made) by any person other than the Borrower for permission for any development which affects any of its freehold or leasehold property; or
 - (iii) any application made by any person for an order for the Borrower to be placed under judicial management and for the appointment of a judicial manager,

and, at the cost of the Borrower, to take any action regarding any such proposal, application or matter as the Lender may reasonably require;

- (i) except with the prior written consent of the Lender, not to negotiate, compromise, abandon or settle any claim for compensation (whether payable under any statute or otherwise) or any claim under any insurance in respect of any land or buildings from time to time and at any time owned by the Borrower or any other material compensation, insurance or other claim;
- (j) not to lessen the value of the Borrower's interest in any of the Charged Property from time to time and at any time owned by the Borrower;
- (k) to keep in a good state of repair and in proper working order and to renew and replace when necessary all buildings, structures, fixtures, plant, machinery and equipment belonging to, or used by, the Borrower;
- (l) to carry on the business of the Borrower in a proper and efficient manner and not to make any alteration to the nature of its business;
- (m) to allow the Lender and/or any persons appointed in writing by the Lender full access to the Charged Property to carry out any survey, valuation or inspection;

Debenture

- (n) punctually to pay all rents, hire, royalties and other sums reserved by, and to comply with all its other obligations under, any lease, hiring agreement or licence under which any of the Charged Property is for the time being held or used; and to comply with all covenants and all statutory and other requirements affecting the Charged Property;
- (o) punctually to pay all governmental or other taxes, duties, rates and outgoings assessed upon or payable with reference to the Charged Property and to discharge all liabilities which by the general law would rank, or might come to rank, in priority to any of the charges contained in this Debenture;
- (p) if the Lender so requires, promptly to execute at the Borrower's own cost a first legal charge (in form and content satisfactory to the Lender) of any immovable property from time to time and at any time hereafter owned by the Borrower;
- (q) to observe and perform all covenants and stipulations from time to time affecting its freehold and leasehold property or the mode of user or enjoyment of the same and not without the prior consent in writing of the Lender enter into any onerous and restrictive obligations affecting any such property or make any structural or material alteration thereto;
- (r) to observe and perform all covenants and stipulations from time to time affecting its patent applications trade marks trade names registered designs and copyrights and all other industrial or intangible property or any licence or ancillary or connected rights or benefits from time to time relating to industrial or intangible property and preserve maintain and renew when necessary or desirable all such licences and rights;
- (s) not do or cause to permit to be done anything which may in any way depreciate jeopardise or otherwise prejudice the value to the Lender of the Charged Property and not (without the prior consent in writing of the Lender) incur any expenditure or liabilities of an exceptional or unusual nature;
- (t) not to redeem or purchase its own shares or pay any dividend;
- (u) to deposit with the Lender and permit the Lender during the continuance of this Debenture to hold and retain all stock and share certificates and documents of title relating to the securities and such deeds or transfers in blank and other documents as the Lender may from time to time require for perfecting its title to the securities (duly executed by or signed on behalf of the registered holder) or for vesting or enabling it to vest the same in itself or its nominees or in any purchaser; and
- (v) at any time if and when required by the Lender, to execute such further fixed or floating charges or assignments in favour of the Lender as the Lender shall from time to time direct and require over all or any of the Charged Property both present and future including that specified in any notice converting the floating

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charge into a fixed charge all freehold and leasehold properties present and future and the book and other debts revenues and claims of the Borrower and all rights and remedies relating thereto both present and future (including any vendor's lien) to secure all moneys obligations and liabilities hereby covenanted to be paid or otherwise hereby secured or to facilitate the realisation of the Charged Property or the exercise of the powers conferred on the Lender or the Receiver such further charges or assignments to be prepared by or on behalf of the Lender at the cost of the Borrower.

8.2 Failure to perform

If the Borrower for any reason fails punctually to observe or perform any of its obligations to the Lender (whether under the Facility Agreement and/or Other Security Documents or otherwise), the Lender shall have the power, on behalf of or in the name of the Borrower or otherwise, to perform that obligation and to take any steps which the Lender may in its absolute discretion consider appropriate with a view to remedying, or mitigating the consequences of, the failure but so that the exercise of this power (or the failure to exercise it) shall in no circumstances prejudice the Lender's rights under Clause 19.

8.3 Judicial Management

- (a) The Borrower hereby represents and warrants that no application has been made for a judicial management order in relation to the Borrower.
- (b) The Borrower hereby covenants with the Lender that during the subsistence of this Debenture and so long as any moneys obligations and liabilities remain owing to the Lender hereunder, the Borrower will not apply for an order for the Borrower to be placed under judicial management or for the appointment of a judicial manager and the Borrower will forthwith notify the Lender of any application made by any person for an order for the Borrower to be placed under judicial management and for the appointment of a judicial manager.
- (c) In the event any application is made by any person for an order for the Borrower to be placed under judicial management and for the appointment of a judicial manager, the Lender shall have the power, to take any steps which the Lender may in its absolute discretion consider appropriate to dismiss such application including but not limited thereto to exercise its right to oppose the judicial management application as a secured creditor.

8.4 Corporate Voluntary Arrangement

- (a) The Borrower hereby represents and warrants that the Borrower has not entered into or proposed to enter into any arrangement or composition (voluntary or otherwise) with any of its creditors and no declaration has been made by any competent court or authority in respect of a moratorium on the payment of the Secured Amounts or other suspension of payments generally.

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- (b) The Borrower hereby covenants with the Lender that during the subsistence of this Debenture and so long as any moneys obligations and liabilities remain owing to the Lender hereunder, the Borrower shall not propose to enter into or permit the entry of any arrangement or composition (voluntary or otherwise) with any creditors of the Borrower.
- (c) In the event the Borrower enters into or permits the entry of any arrangement or composition (voluntary or otherwise) with any creditors of the Borrower, the Lender shall have the power, to take any steps which the Lender may in its absolute discretion consider appropriate to challenge such arrangement or composition and dismiss such application including but not limited thereto to exercise its right to oppose as a secured creditor.

9. INSURANCE

9.1 Insurance

- (a) The Borrower shall keep all the Charged Property covered by this Debenture wheresoever situate in good order and condition and insured by the Borrower at its expenses with the name of the Lender endorsed as loss payee for a sum satisfactory to the Lender against loss or damage and against any other risks as the Lender may from time to time decide to their full insurable value to the satisfaction of the Lender with either the Lender's panel of insurance company or any other insurance company to be approved by the Lender and the Borrower shall punctually pay all premiums necessary for maintaining such insurance and shall permit the insurance policy to be deposited with and retained by the Lender during the period of this security and all moneys which may at any time hereafter be received or receivable under any such insurance or any other insurance covering any of the Charged Property shall be paid to the Lender (or if not paid by the insurers directly to the Lender, held in trust for the Lender) and shall at the option of the Lender be applied in replacing or restoring or reinstating the properties and assets plant equipment and machinery destroyed lost or damaged (any deficiency being made good by the Borrower) or (save in the case of leasehold property) in reduction of the Secured Amounts.
- (b) If default is made by the Borrower in effecting maintaining or renewing any such insurance as aforesaid it shall be lawful for but not obligatory upon the Lender at the cost and expense of the Borrower to effect maintain or renew any such insurance as aforesaid as the Lender may think fit and any sum if paid out by the Lender may be debited to the account of the Borrower and shall be deemed to be charged on the Charged Property in addition to the principal moneys hereby advanced.

Debenture

9.2 Restriction Against Additional Insurance

The Borrower shall not except at the request or with the consent in writing of the Lender effect or keep on foot any insurance against any risk in respect of the Charged Property if the Lender has effected or shall keep on foot such insurance.

9.3 Lender's Right to Collect Proceeds

The Lender is hereby authorised but not obligated, in its own name or in the name of the Borrower to demand, collect, give receipts for and prosecute all necessary actions in the courts to recover any and all insurance monies that may become due and payable under the insurance policies. All expenditure incurred thereby shall be for the account of the Borrower and shall be deemed to be and form part of the Secured Amounts and until reimbursed, such sum shall carry interest at the relevant rate stated in the Facility Agreement and the Letter of Offer or at such other rate as may be determined by the Lender (which determination shall be conclusive and binding on the Borrower) from the date of payment by the Lender.

9.4 Compliance with Insurance Terms

The Borrower shall not do any act, or allow or permit any act to be done (whether by omission or commission), whereby the insurance policies may become void or voidable, or may become a ground of repudiation by the insurers or allow Charged Property to be used in any manner not permitted under the insurance policies.

9.5 Premium Receipts

The Borrower shall pay all premia for the insurance effected pursuant to Clause **9.1(a)** on the first day on which the same ought to be paid and if required, shall permit all insurance policies and the receipt or other evidence of payment of premia or any premium paid by the Borrower to remain in custody of the Lender and will when required deliver or produce to the Lender or to such persons as the Lender may direct any policy of insurance effected by the Borrower and the receipt of other evidence of payment of the current premium in respect thereof.

9.6 Application of Insurance Monies

- (a) The Lender may require any money received on any insurance of the Charged Property whether effected by the Lender or by the Borrower to be applied in or towards making good the loss or damage in respect of which the moneys is received or receivable or in or towards the discharge of the Secured Amounts and the Borrower shall in the meantime hold any money received on such insurance in trust for the Lender, and the Lender shall upon exercise of its powers contained in this clause be entitled to receive and give a good discharge for any such monies.

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- (b) In the event of all such monies as aforesaid being less than the Secured Amounts and all other amounts due and payable by the Borrower to the Lender hereunder, the Borrower shall forthwith pay to the Lender the difference between the amount due and the amount so received and until such payment shall also pay interest on such balance at the relevant rate prescribed by the Lender in the Facility Agreement and the Letter of Offer or at such higher rate as the Lender may prescribe from time to time.

9.7 Workmen's Compensation Insurance

The Borrower shall take out and maintain for such amount and with such insurance company as shall be approved by the Lender a policy of insurance in respect of Workmen's Compensation for all employees of the Borrower, or alternatively, comply with any law for the time being relating to the establishment of social security schemes or benefits for the employees.

10. DEFAULT

If:-

- (a) the Borrower shall fail to observe or perform any of its agreements, covenants, stipulations, terms and conditions contained in this Debenture, and in the case of a failure capable of being remedied, the Lender does not determine, within seven (7) days after the Borrower became aware of the failure, that it has been remedied to the Lender's satisfaction; or
- (b) an event of default shall have occurred;

then and in either of such cases, the amount of the Secured Amounts outstanding for the time being shall immediately become payable by the Borrower to the Lender on demand and the Lender shall forthwith be entitled to exercise the rights and powers upon default provided by law and this Debenture without any previous notice to or concurrence on the part of the Borrower.

11. DEMANDS

Any demand for payment of the Secured Amounts or any part thereof for the time being outstanding may be made by a notice in writing requiring repayment and may be signed on behalf of the Lender by its general manager, manager, assistant manager, sub-manager, accountant or any other officer of the Lender or by any solicitor or firm of solicitors purporting to act for the Lender. Service of such notice shall be effected in the same manner as provided in Clause 22.13.

12. APPOINTMENT OF RECEIVER

- 12.1 At any time after the Secured Amounts shall have become immediately repayable or upon the Borrower's request:-

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- (a) the Lender or any person authorised by the Lender may enter into and upon any land or premises where the Charged Property may be without any notice and may take possession and control of such land and premises and all the Charged Property and all books of accounts and documents relating to such Charged Property;
- (b) the Lender may at its discretion be at liberty to give any notice which may be deemed necessary by the Lender to any person or persons owing money to the Borrower that all such moneys be paid to the Lender alone and the Borrower hereby irrevocably appoints the manager of the Lender or the officer in charge for the time being of the Lender and each of them jointly and severally to be its attorneys and attorney for it and in its name and on its behalf to demand sue for and take all appropriate legal proceedings to recover such moneys and to give a good receipt for the same and to give such notices to the debtors of the Borrower and take all necessary steps to complete the assignment of such moneys to the Lender as may be necessary;
- (c) the Lender may appoint in writing under the hand of the manager or the officer in charge for the time being of the Lender any person or persons to be Receiver of all or any of the Charged Property to act jointly and severally and may in like manner from time to time remove or accept the resignation of any Receiver so appointed and appoint another in his or their stead and/or extend the appointment to relate to any other such properties.

12.2 A Receiver so appointed shall be the agent of the Borrower and the Borrower shall be solely responsible for his or their acts and defaults and remuneration. Such Receiver shall have power:-

- (a) to take possession or collect and get in any Charged Property and for that purpose to take any proceedings in the name of the Borrower or otherwise as may seem expedient;
- (b) to carry on manage or concur in carrying on and managing and to continue the business of the Borrower or any part thereof as agent or agents for the Borrower and for any of those purposes to raise and borrow any money that may be required upon the security of the whole or any part of the Charged Property and to apply or petition for, seek and otherwise howsoever obtain or procure certificates consents licences leases permission and title convenient, expedient or necessary for all or any such purposes;
- (c) subject when applicable to the provisions of any and all relevant legislation (including, but so that this provision shall be in amplification but not in derogation of the generality of the foregoing legislation relating to land and mines or mining) forthwith (obtaining when and where necessary the leave of the Court) to or to agree to sell, license, exchange, lease or otherwise

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dispose of or deal with the Charged Property and to carry the same into effect by conveying or executing in the name or on behalf of the Borrower any deed or document whatsoever for such consideration (if any) (including cash debentures or other obligations shares stock or other valuable consideration) payable in a lump sum or by instalments spread over such period as the Lender shall think fit; plant machinery and other fixtures may be recovered and sold separately from the premises containing them without the consent of the Borrower being obtained thereto;

- (d) to make any arrangements or enter into any compromise which he or they shall think expedient; bring take defend or discontinue any actions suits or proceedings whatsoever civil or criminal in relation to the Charged Property;
- (e) to make and effect all or any repairs and improvements to the Charged Property and to maintain and renew all insurance in respect of the Charged Property against loss or damage by fire or any other risk in such sums as he or they shall think fit;
- (f) to employ and dismiss such managers agents officers servants clerks accountants and workmen and others in respect of the Charged Property and upon such terms and with such salaries wages or remuneration and for such purposes as he or they shall think proper;
- (g) to allow time for payment of any debts either with or without security;
- (h) for such consideration and on such terms as he may think fit, to purchase outright or acquire by leasing, hiring, licensing or otherwise, any land, buildings, plant, equipment, vehicles or materials or any other property, assets or rights of any description which he considers necessary or desirable for the carrying on, improvement or realization of any business of the Borrower or otherwise for the benefit of the Charged Property;
- (i) in connection with the exercise, or the proposed exercise, of any of his powers or in order to obtain payment of his remuneration (whether or not it is already due) to borrow or raise money from any person, including any of the banks, without security or on the security of the property and assets of the Borrower whether subject to this Debenture or not, and generally in such manner and on such terms as he may think fit;
- (j) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning any of the Charged Property;
- (k) to transfer all or any of the Charged Property and/or any of the liabilities of the Borrower to any other company or body corporate, whether or not formed or acquired for the purpose;

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- (l) to call up all or any portion of the uncalled capital for the time being (if any) of the Borrower;
 - (m) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Property which he may consider expedient as effectually as if he were solely and absolutely entitled to the Charged Property;
 - (n) to repair and keep in repair the works machinery plants and other property of the Borrower comprised in the security hereby made and for this purpose to apply in the name of the Borrower for any certificate licence permission or consent required under any Act, Ordinance, other regulations or by-law made by any competent authority;
 - (o) to execute and do all such other acts deeds and things as to him or them may appear necessary or proper for or in relation to any of the purposes aforesaid and which he or they lawfully may or can do as agent or agents for the Borrower;
 - (p) generally to do and cause to be done such acts and things which the Borrower may have done in the ordinary conduct of its business as well as for the protection and/or for the improvement of the Charged Property.
- 12.3 The powers of appointment of a Receiver hereunder shall be in addition to and without prejudice to any statutory and other powers of the Lender whether under the Companies Act or any other legislation and so that such powers shall be and remain exercisable by the Lender in respect of the Charged Property and of which no appointment of a Receiver by the Lender shall from time to time be subsisting and notwithstanding that an appointment under the powers of Clause 12.1 and 12.2 hereof shall have subsisted and been withdrawn in respect of that property or shall be subsisting in respect of any other Charged Property.
- 12.4 The Lender may at any time after the Secured Amounts shall have become repayable effect the sale of the properties of which it has taken possession under the provisions of Clause 12.1(a) hereof upon giving not less than twenty-four (24) hours' notice of the intended sale to the Borrower in such manner as the Lender shall deem proper with liberty to bid buy in and resell the same and the Lender shall not be liable for any loss caused to the Borrower thereby and the Borrower shall do all things necessary to enable the Lender to complete any sale by the Lender of any part of the Charged Property. The Lender shall be liable only for loss caused by its wilful default.

13. ADDITIONAL POWERS OF LENDER

- 13.1 To the extent permitted by law, the terms of the statutory powers of sale and leasing available to a chargee are hereby extended to authorise the Lender at its absolute discretion:-

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- (a) to sell all the title to and interest in the Charged Property and to do so in consideration of shares, debentures or any other securities whatsoever, or of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by a Security Interest or a guarantee, or for such other consideration whatsoever as the Lender may think fit, and also to grant any option to purchase, and to effect exchanges;
- (b) with a view to selling the Charged Property (or offering it for sale) to repair, replace and develop such property or assets and to apply for any appropriate permission, licence or approval;
- (c) to sever any fixtures and to sell them apart from the land or buildings on or to which they are affixed, and also to apportion any rent affecting the property sold, to charge such rent upon the property sold or retained and to agree to indemnify any purchaser in respect of such rent or any covenants by the limitation of a new rent, by granting powers of entry or otherwise, or to reserve any such indemnity or powers of entry;
- (d) with a view to, or in connection with, the sale of any of the Charged Property to carry out any transaction, scheme or arrangement which the Lender may, in its absolute discretion, consider appropriate;
- (e) to insure any of the Charged Property against such risks (in addition to loss or damage by fire) and for such amounts as the Lender may consider appropriate;
- (f) to do all or any of the things or exercise all or any of the powers (mutatis mutandis) which are mentioned or referred to in Clause 12 and which may not be included in paragraphs (a) to (e) above.

14. PROCEEDS

14.1 Upon the exercise of the powers hereunder, the Lender shall, subject to any statutory priorities, apply the proceeds thereof in the following manner:-

- Firstly in payment of all costs, charges, expenses and liabilities incurred by the Lender and every receiver, attorney, agent, delegate or other persons appointed by the Lender under this Debenture in recovering or taking any action to recover the Secured Amounts;
- Secondly in or towards payment of all interest due and payable to the Lender under the Facility Agreement and/or Other Security Documents;
- Thirdly in or towards payment of all principal due and payable to the Lender in respect of the Facility;

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Fourthly in and towards payment of all other indebtedness of the Borrower owing and payable to the Lender; and

Fifthly the surplus (if any) shall be paid to the Borrower or any other person legally entitled to the surplus.

PROVIDED ALWAYS that if the Lender shall be of the opinion that the security may prove deficient, payments may be made to the Lender on the request of the Lender on account of principal or other monies before interest but such alteration in the order of payment shall not prejudice the rights of the Lender to receive the full amount to which they would have been entitled if the primary order of payment had been observed or any lesser amount which the sum ultimately realised from the security may be sufficient to pay.

14.2 Without prejudice to the rights of the Lender under Clause 14.1 herein and notwithstanding any provision herein, the Borrower hereby expressly agree that if the amount realised by the Lender on a sale of Charged Property after deduction and payment from the proceeds of such sale of all fees, dues and other costs is less than the Secured Amounts for the time being outstanding and due to the Lender and whether at such sale the Lender is the purchaser or otherwise, the Borrower shall pay to the Lender the difference between the amount due and the amount so realised and until such payment will also pay on such balance at the relevant rate stated in the Letter of Offer or at such other rate as may be determined by the Lender from time to time (which determination shall be binding and conclusive on the Borrower) together with such default interest stipulated in the Letter of Offer.

15. PROTECTION OF THIRD PARTIES

15.1 No enquiry

No purchaser from, or other person dealing with, the Lender or the Receiver shall be concerned to enquire whether any of the powers which it or he has exercised or purported to exercise has arisen or become exercisable, whether the Secured Amounts remain outstanding or whether any case has happened to authorise the Receiver to act or as to the property or validity of the exercise or purported exercise of any such power. The title of any such purchaser and the position of any such person shall not be impeachable by reference to any of those matters.

15.2 Discharge to purchaser

The receipt of the Lender or the Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any amounts paid to or by the direction of the Lender or the Receiver.

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15.3 Purchaser

In Clause **15.1** and Clause **15.2**, "purchaser" includes any person acquiring for money or money's worth, any lease of, any Security Interest over or any other interest or right whatsoever in relation to, the Charged Property.

16. PROTECTION OF LENDER AND RECEIVER

16.1 No liability

Neither the Lender nor the Receiver shall be liable in respect of any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise, any of their respective powers unless such loss or damage is caused by its or his negligence or wilful default.

16.2 Possession

Without prejudice to the generality of Clause **16.1**, entry into possession of the Charged Property shall not render the Lender or Receiver liable to account as chargee in possession; and if and whenever the Lender or Receiver enters into possession of the Charged Property, it shall be entitled at any time at its pleasure to go out of such possession.

17. LIENS AND OTHER SECURITIES NOT AFFECTED

Nothing contained in this Debenture shall prejudice or affect any lien to which the Lender is entitled or any other securities (whether taken as additional or collateral security or otherwise howsoever) which the Lender may, at any time or from time to time hold for or on account of the Secured Amounts hereby secured and no provision in this Debenture shall operate so as to merge or otherwise prejudice or affect any bill, note, guarantee, mortgage or other security which the Lender may for the time being have for the Secured Amounts or any other monies owing to the Lender and not hereby secured or any right or remedy of the Lender thereunder.

18. INTEREST RATE IN OTHER SECURITIES

When the payment of the Secured Amounts hereby secured or intended so to be shall be further secured to the Lender by any bill of exchange, promissory note, draft, receipt or other instrument reserving a higher rate of interest to be paid in respect thereof than that covenanted to be paid under the Letter of Offer, such higher rate of interest shall be payable in respect of the Secured Amounts and nothing contained in or to be implied from this Charge shall affect the right of the Lender to enforce and recover payment of such higher rate of interest or as the case may be the difference between such higher rate and the rate payable under the Letter of Offer.

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19. INDEMNITY

19.1 The Borrower further covenants with the Lender to fully indemnify the Lender and the Receiver against all claims, proceedings, liabilities, costs, charges and expenses which the Lender or the Receiver may incur at any time:-

- (a) in consequence of anything done or purported to be done by the Lender or the Receiver under this Debenture and/or any of the other Facility Agreement and/or Other Security Documents or any other document relating thereto or of any failure by the Borrower to comply with its obligations to the Lender thereunder or otherwise in connection therewith; or
- (b) in consequence of any payment in respect of the Secured Amounts (whether made by the Borrower or a third person) being impeached or declared void for any reason whatsoever.

19.2 The amounts payable under Clause 19.1 shall carry interest (as well after as before judgment) in accordance with the provisions of the Letter of Offer and/or the Facility Agreement from the date on which they were paid or incurred by the Lender or the Receiver (as the case may require) and such amounts and interest may be debited by the Lender to any account of the Borrower, but shall, in any event, form part of the Secured Amounts and accordingly be secured by this Debenture.

20. EXPENSES

The Borrower further covenants with the Lender to reimburse or pay to the Lender or the Receiver (on a full indemnity basis) the amount of all costs, charges and expenses incurred by the Lender or the Receiver in connection with:

- (a) the investigation of title to or any survey, inspection or valuation of the Charged Property under or in connection with this Debenture and the preparation, registration or perfecting of this Debenture (or any of the charges herein contained) or any other document relating hereto;
- (b) the exercise, or any attempted or purported exercise or the consideration of any exercise, by or on behalf of the Lender or the Receiver of any of the powers of the Lender or the Receiver or any other action taken by or on behalf of the Lender or the Receiver with a view to or in connection with the recovery by the Lender or the Receiver of the Secured Amounts from the Borrower or any other person; and
- (c) the carrying out or consideration of any other act or matter which the Lender or the Receiver may consider to be for preservation, improvement or benefit of the Charged Property.

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21. POWER OF ATTORNEY

21.1 Power of Attorney

- (a) For the purpose of giving effect to the Borrower's obligations under this Debenture, the Borrower hereby irrevocably appoints the Lender and/or the manager and/or the officer in charge for the time being of the Lender and/or the Receiver and his substitute(s) the attorney(s) of the Borrower for the Borrower and in the attorney's own name(s) or in the name of the Borrower or in the joint names of the attorney(s) and the Borrower and on behalf of the Borrower as its act and deed to do and execute any deed assurance or act which may be required or may be deemed proper on any sale or disposition by the Lender or by any Receiver as aforesaid of any Charged Property under any power of sale or other disposition applicable thereto and to execute, seal complete, sign, transfer and deliver or otherwise perfect any transfer, deed, assurance, agreement, instrument, assignment, act or thing and to bring, take, defend, prosecute, compromise, submit to arbitration and/or discontinue any actions, suits or proceedings whatsoever which may be required or may be deemed proper for any of the purposes of this Debenture or which the Borrower ought to execute, seal, complete, sign, transfer and deliver or otherwise perfect and do pursuant to its obligations under this Debenture with power for such attorney(s) to appoint and remove any substitute(s).
- (b) The Borrower hereby undertakes that it will ratify and confirm whatsoever the attorney(s) appointed pursuant to sub-clause (a) shall lawfully do or cause to be done and hereby expressly agrees that all acts done or caused to be done by such attorney(s) shall be as good and effectual to all intents and purposes whatsoever as if the same has been done by the Borrower in its own person.

21.2 Notwithstanding the provisions herein before contained the Lender shall have the full right and power at its sole and absolute discretion to appoint a receiver or receivers who is or are not also to be manager or managers and such receiver or receivers shall have all the powers enumerated in Clauses 12.2 and 12.3 hereof save and excluding the power to carry on or manage or continue the business of the Borrower or such other powers applicable to managers only.

22. FURTHER PROVISIONS

22.1 Further assurance

The Borrower further covenants with the Lender from time to time and at any time that upon the Lender's demand to execute at the Borrower's own cost any documents or do any act or thing which:

- (a) the Lender may specify with a view to perfecting or improving any charge or security created or intended to be created by this Debenture; or

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- (b) the Lender or the Receiver may specify with a view to facilitating the exercise or the proposed exercise of any of their powers.

22.2 Interest

All monies expended by the Lender hereunder from time to time for and on behalf of the Borrower and for its account with interest thereon at the relevant rate stated in the Letter of Offer or at such other rate as may be determined by the Lender (which determination shall be conclusive and binding on the Borrower) from the date of such payments relating to insurance, quit rent, assessment, rates, taxes, repairs, legal costs and all other outgoings shall be recoverable from the Borrower and shall be repaid on demand. In default of payment, such monies shall be deemed to form part of the Secured Amount and to be secured hereunder.

22.3 Waivers

No failure or delay on the part of the Lender in exercising or omission of the Lender to exercise any right, power privilege or remedy accruing to the Lender under this Debenture or the Letter of Offer or the Facility Agreement upon any default on the part of the Borrower shall impair any such right, power, privilege or remedy or be construed as a waiver thereof or an acquiescence in such default; nor shall any action by the Lender in respect of any default or any acquiescence in any such default, affect or impair any right, power, privilege or remedy of the Lender in respect of any other or subsequent default.

22.4 Time of the Essence

Time shall be of the essence of this Debenture.

22.5 New account

Without prejudice to Clause **8.1(a)**, if the Lender receives notice of any Security Interest or any other interest [other than an interest arising out of a sale in the usual course of business which is permitted by Clause **8.1(b)** affecting the Charged Property]:

- (a) the Lender may open a new account with the Borrower and, if it does not, it shall nevertheless be deemed to have done so at the time it received such notice; and
- (b) all payments made by the Borrower to the Lender after the Lender receives such notice shall be credited or deemed to have been credited to the new account and, in no circumstances whatsoever, shall operate to reduce the Secured Amounts as at the time the Lender received such notice.

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22.6 Transfers

If the Borrower has more than one account with the Lender, the Lender may at any time and without prior notice to the Borrower transfer all or part of any credit balance on any such account to any other account which may then be in debit or otherwise apply the credit balance in or towards satisfying the Secured Amounts, whether or not the Secured Amounts are expressed in the same currency, and the Lender is hereby authorised to effect any necessary conversions at the then prevailing rates of exchange of or available to the Lender.

22.7 Modification and Indulgence

The Lender may at any time without in any way affecting security for or in connection with the Facility Agreement and/or Other Security Documents:

- (a) determine, vary, modify, restructure, reduce or increase the Facility and/or any credit or other facility granted to the Borrower and may open or continue any account or accounts (or both) with the Borrower at any branch or branches of the Lender; and/or
- (b) grant to the Borrower or any other security party or guarantor or any surety or any other person any time or indulgence; and/or
- (c) renew any bill, notes or other negotiable securities; and/or
- (d) deal with, exchange, release or modify or abstain from perfecting or enforcing any securities or other guarantees or rights it may now or at any time hereafter or from time to time have from or against the Borrower or any other security party or any other person; and/or
- (e) enter into any deed of composition with the Borrower or any other security party or guarantor or any other person.

22.8 Invalidity of any provision

If any of the provisions of this Debenture becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

22.9 Right of Lender to Consolidation

It is hereby expressly agreed and declared that unless the Lender otherwise agrees, the Charged Property shall not be discharged except on payment by the Borrower of not only the Secured Amounts but also all moneys secured by any other charge created by the Borrower in favour of the Lender as security for moneys and liabilities owing and incurred by the Borrower under the Facility Agreement and/or Other Security Documents.

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22.10 Suspense Account

Any money received on the sale of the Charged Property may be placed and kept to the credit of a suspense account for so long as the Lender may think fit without any obligation in the meantime to apply the same or any part thereof in or towards discharge of any Secured Amounts. Notwithstanding any such payment in the event of any proceedings in or analogous to liquidation, composition or arrangement the Lender may prove for and agree to pay any dividend or composition in respect of the whole or any part of such money and liabilities in the same manner as if this security had not been created.

22.11 Reconstruction of the Lender or the Borrower

The security liabilities and/or obligations created by this Debenture shall continue to be valid and binding for all purposes whatsoever notwithstanding any change by amalgamation reconstruction or otherwise which may be made in the constitution of the Lender or the Borrower or both, and it is hereby expressly declared that no change of any sort whatsoever in relation to or affecting the Lender or the Borrower, or both, shall in any way affect the security liabilities and or obligations created hereunder in relation to any transaction whatsoever whether past present or future.

22.12 Powers cumulative

The powers which this Debenture confers on the Lender and the Receiver are cumulative and without prejudice to their respective powers under the general law and may be exercised as often as the Lender or the Receiver thinks appropriate. The Lender or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The Borrower acknowledges that the respective powers of the Lender and the Receiver shall in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing.

22.13 Notices

- (a) Any notice or communication under or in connection with this Debenture shall be in writing and shall be delivered in the manner specified in the Facility Agreement.
- (b) No change in the Address for Service of the Borrower howsoever brought about shall be effective or binding on the Lender unless actual notice of such change has been given to the Lender.

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22.14 Governing law and Jurisdiction

This Debenture is governed by, and shall be construed in accordance with, the laws of Malaysia and the courts of Malaysia have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including any dispute regarding the existence, validity or termination of this Debenture). The Borrower agrees that the courts of Malaysia are the most appropriate and convenient courts to settle any disputes arising from this Debenture and will not argue to the contrary. This Clause 22.14 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to any disputes arising from this Debenture in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

22.15 Stamp duties

The Borrower shall, upon notice from the Lender, pay all stamp duties, fees, taxes or other charges payable on or incidental to the execution, issue, delivery and registration of this Debenture and any documents related thereto, including but not limited to discharge of charge, and shall reimburse the Lender for any such duties, fees, taxes or other charges paid by the Lender.

22. 16 Additional Interchange or Substitution of Facility

The Borrower may at any time in its absolute discretion and without affecting the security hereby created at the request of the Borrower grant additional facilities, vary, interchange or substitute any of the Facility granted with other banking facilities to be granted to the Borrower and this Debenture shall secure such additional or interchanged or substituted facilities.

22. 17 Concurrent Proceedings

Notwithstanding any provision hereof, it is hereby expressly agreed that upon default or breach by the Borrower or any term, covenant, stipulation and/or undertaking herein provided and on the part of the Borrower to be observed and performed, the Lender shall thereafter have the right to exercise all or any of the remedies available whether by this Debenture or the Other Security Documents or by statute or otherwise and shall be entitled to exercise such remedies concurrently, including pursuing all remedies of sale or possession, all rights of set-off, to collect the proceeds of all assignments and to give good and valid discharge therefore and to commence legal proceedings by way of a civil suit or otherwise to recover all Indebtedness due and owing to the Lender PROVIDED THAT nothing herein contained shall be construed as imposing any obligation (whether at law or in equity) upon the Lender to exhaust its remedy to realize its security hereunder before commencing any action or before enforcing any other remedies or exercising any other rights against the Borrower or any other security party; AND the Borrower hereby irrevocably and unconditionally agrees and consents to the Lender commencing separate proceedings, enforcing other remedies and exercising other rights which the Lender may have against the Borrower or any other

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security party simultaneously or consecutively in any order as the deems fit with or without having exhausted its rights to realise its security hereunder.

22.18 Costs

The Borrower shall be liable to pay all costs, fees, taxes and expenses in connection with or incidental to this Debenture including the Lender's solicitors' fees (on a solicitor and client basis) in connection with the preparation and execution of this Debenture and any documents related thereof. If the Secured Amounts or any part thereof shall be required to be recovered through any process of law or if the Secured Amounts or any part thereof shall be placed in the hands of solicitors for collection the Borrower shall pay (in addition to the Secured Amounts then due and payable) the Lender's solicitors' fees (on a solicitor and client basis) and any other fees, taxes and expenses incurred in respect of such collection.

22.19 Inconsistencies with the Facility Agreement

All the provisions of the Facility Agreement, to the extent that they do not conflict with the provisions hereof and are not repugnant to the context, shall apply to this Debenture as if the same were expressly set out herein. In the event of any conflict between the provisions of this Debenture, the Letter of Offer and the Facility Agreement, the provisions of this Debenture shall prevail for the purposes of interpretation and enforcement of this Debenture.

22.19 Defect in Borrowing Powers

Where any monies are owing and secured by this Debenture, they shall be deemed to be so owing and so secured notwithstanding any effect, informality or insufficiency in the borrowing powers or charging powers of the Borrower or in the exercise thereof which might have been a defence as between the Borrower and the Lender.

22.20 Effective Date

The Borrower hereby agrees that this Debenture shall come into force on the date stated in the preamble hereto irrespective of the diverse dates upon which they may have each executed this Debenture.

22.21 Independent Legal Advice

The Borrower hereby acknowledges that the Borrower has read and understood the contents of this Debenture and the Borrower further warrants that the Borrower has sought independent legal advice in relation to this Debenture and acknowledge the obligations arising herefrom.

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22.22 Enforcement

This Debenture is in addition to and not in substitution for any other rights or securities which the Lender may have under or by virtue of the Facility Agreement and/or the Letter of Offer and/or the Other Security Documents or otherwise howsoever and may be enforced without first having recourse to the Facility Agreement and/or the Letter of Offer and/or the Other Security Documents or any of such other rights or securities and without taking any steps or proceedings against the Borrower or any other person.

22.23 Assignment of Benefits

- (a) The Borrower shall not assign or transfer any of its rights or obligations under this Debenture.
- (b) The Lender may without the consent of the Borrower and upon giving notice to the Borrower and at the cost and expense of the Borrower assign its rights under this Debenture or any part thereof or transfer its obligations hereunder or any part thereof, subject to the terms of this Debenture, and for this purpose may disclose to a potential assignee or transferee such information about the Borrower as shall have been made available to the Lender. Where the Lender transfers its obligations or any part thereof, the Borrower shall execute such documents as are reasonably necessary to release the Lender to the extent of the transfer and join the transferee as a party hereto.

22.24 Service of Legal Process

- (a) The service of any Legal Process in respect of any action arising out of or connected with this Debenture may be effected by personal delivery or by forwarding a copy of the Legal Process by prepaid registered or ordinary post to their respective Address for Service and such Legal Process shall be deemed to have been duly served on the day of delivery or if sent by post, after the expiration of five (5) days from the date it is posted.
- (b) No change in the Address for Service howsoever brought about shall be effective or binding on either party unless that party has given to the other actual notice of the change of Address for Service and nothing done in reliance of sub-clause (a) above shall be affected or prejudiced by any subsequent change in the Address for Service over which the other party has no actual knowledge of at the time the act or thing was done or carried out.
- (c) Without prejudice to any other mode of service allowed under any relevant law, the Borrower:
 - (i) irrevocably appoints Comsale Malaysia Sdn. Bhd (Company No. 1250114-K), a company incorporated in Malaysia and having its registered address at Level 10, Menara LGB, 1 Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur as its agent for service of process in relation to any

Debenture

proceedings before the Malaysian courts in connection with this Debenture and

- (ii) agrees that failure by a process agent to notify the Borrower of the process will not invalidate the proceedings concerned.

22.25 Statement by the Lender

If and when the Facility or any part thereof shall be cancelled, withdrawn or revoked and or the accounts in respect thereof shall be closed, any statement issued by the General Manager, Manager, Assistant Manager or any other authorised officer of the Lender from time to time as to the amount of monies and liabilities from time to time incurred or due to the Lender by or from the Borrower (save for manifest error) shall be deemed to be accepted by the Borrower as final and conclusive for all purposes whatsoever including for the purpose of legal proceedings.

22.26 No Obligation to Make Further Advances

Nothing contained herein shall be deemed to render it obligatory upon the Lender either at law or in equity to make or continue to make any advances or to afford any other accommodation or facilities whatsoever to the Borrower if the Lender in its absolute discretion deems it inadvisable so to do without assigning any reason therefore.

22.27 Counterparts

This Debenture may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any of the parties may execute this Debenture by signing any one of such counterparts.

22.28 Stamp Duty Declaration

It is hereby agreed and declared that this Debenture, the Letter of Offer and the Facility Agreement and the Other Security Documents are instruments employed in one transaction to secure the Secured Amount and all other monies payable by the Borrower pursuant to this Debenture to the Lender and for the purpose of Section 4(3) of the First Schedule of the Stamp Act, 1949 of the States of Malaya, this Debenture is deemed to be the secondary instrument.

Signatories to this document are advised to seek independent legal advice before signing this document.

(Remainder of Page Intentionally Left Blank)

Debenture

IN WITNESS WHEREOF the parties have hereunto set their respective hands and seals.

The Borrower

Signed for and on behalf of)
the Borrower)
COMSALE COMPUTER INC.)



Director
Name: NEIL SHAUL
Passport No.: HM107136

CERTIFICATE OF AUTHENTICATION

I, YEOH SHUEN CHUN (NRIC No. 900707-10-5273), an Advocate and Solicitor of the High Court of Malaya practising at Kuala Lumpur, hereby certify that the signature of NEIL SHAUL (Passport No.: HM107136) was written in my presence on 26 JULY 2018 and is, to my own personal knowledge, the true signature of NEIL SHAUL (Passport No.: HM107136) who has acknowledged to me that he is of full age and that he has voluntarily executed this instrument.

Dated this 26 JULY 2018

Witness my hand,

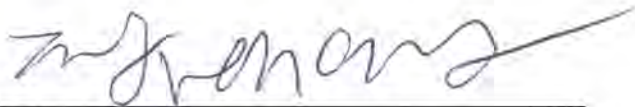


YEOH SHUEN CHUN
BC/Y/710
PEGUAMBELA & PEGUAMCARA
KUALA LUMPUR

Debenture

The Borrower

Signed for and on behalf of)
the Borrower)
COMSALE COMPUTER INC.)



Director
Name: FENG WENQIANG
Passport No.: G56519754

CERTIFICATE OF AUTHENTICATION

I, **YEOH SHUEN CHUN (NRIC No. 900707-10-5273)**, an Advocate and Solicitor of the High Court of Malaya practising at Kuala Lumpur, hereby certify that the signature of **FENG WENQIANG (Passport No.: G56519754)** was written in my presence on **26 JULY 2018** and is, to my own personal knowledge, the true signature of **FENG WENQIANG (Passport No.: G56519754)** who has acknowledged to me that he is of full age and that he has voluntarily executed this instrument.

Dated this **26 JULY 2018**

Witness my hand,



YEOH SHUEN CHUN
BC/Y/710
PEGUAMBELA & PEGUAMCARA
KUALA LUMPUR

This is Exhibit "F" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits
Rachel Bengino



HSBC Bank Canada

GUARANTEE

To: HSBC Bank Canada

In consideration of HSBC Bank Canada

(herein called the "Bank") dealing with Comsale Computer Inc.

(herein called the "Customer") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby jointly and severally unconditionally guarantee(s) payment to the Bank of all present and future debts and liabilities direct or indirect, absolute or contingent, now or at any time and from time to time hereafter due or owing to the Bank from or by the Customer whether as principal or surety, and whether incurred by the Customer alone or jointly with any other person or persons, or otherwise howsoever together with all costs, charges and expenses (including legal fees on a solicitor and client basis) incurred by the Bank, the receiver, receiver-manager or agent of the Customer, or the agent of the Bank in the perfection and enforcement of this Guarantee and of any security held by the Bank in respect of such indebtedness, obligations, liabilities, expenses and interest.

** (if unlimited
delete paragraph
and have
customer initial)*

~~Provided that no sum in excess of \$ _____ and interest thereon as herein provided calculated from the date demand is made under this Guarantee and accruing both before and after judgment (the "Limited Amount"), shall be recoverable from the undersigned hereunder.*~~

[For an obligation which is payable only in a currency other than Canadian currency express the Limited Amount in the foreign currency.]

Provided that if this Guarantee is expressed to be made in respect of a Limited Amount, the undersigned shall, in addition to the Limited Amount be liable for all amounts received by the undersigned as trustee and agent for the Bank in accordance with paragraphs 13 or 18 and all costs, charges and expenses (including legal fees on a solicitor and client basis) incurred by the Bank, the receiver, receiver-manager or agent of the Customer, or the agent of the Bank in the perfection and enforcement of this Guarantee.

And the undersigned and each of them (if more than one) hereby jointly and severally agree(s) with the Bank as follows:

1. The sum collectible by the Bank under this Guarantee shall include interest accruing on the debt owed by the Customer to the Bank at the respective rates of interest applicable to the various obligations of the Customer which constitute the Customer's debts and liabilities to the Bank. Where the Customer is liable to the Bank for interest calculated at more than one rate, then the particular rate of interest charged on a particular obligation shall continue to apply hereunder in respect of such obligation both before and after default and before and after judgment.
2. Every certificate issued under the hand of the Manager or Acting Manager of the Bank at the branch where the Customer's account is kept, purporting to show the amount at any particular time due and payable to the Bank and covered by this Guarantee, shall be received as conclusive evidence against the undersigned that such amount is at such time due and payable to the Bank and is covered hereby.
3. If this Guarantee is expressed to be made in respect of a Limited Amount and the Limited Amount is less than the obligation or the aggregate of the obligations of the Customer, then a certificate by the Manager or Acting Manager of the branch of the Bank where the Customer's account is kept shall be conclusive as to which of the obligations of the Customer are being allocated for collection under this Guarantee and the rate or rates of interest applicable.
4. If the Customer is a corporation, no change in the name, objects, capital stock or constitution of the Customer shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Guarantee shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the obligations of the Customer in whole or in part in whatsoever manner including, without limitation, by amalgamation with the Customer.
5. The Bank shall not be obliged to inquire into the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and moneys, advances, renewals or credits in fact borrowed or obtained from the Bank in exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding that such borrowing or obtaining of moneys, advances, renewals or credits is in excess of the powers of the Customer or of its directors or other agents, or is in any way irregular, defective or informal.

6. If the Customer is a partnership, no change in the name of the Customer's firm or in the membership of the Customer's firm through the death, retirement or introduction of one or more partners or otherwise, or by the disposition of the Customer's business in whole or in part, shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Guarantee shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the obligations of the Customer in whole or in part in whatsoever manner.
7. The Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may cease or refrain from giving credit or making loans or advances to, may accept compositions from, may change the terms of any debts and liabilities hereby guaranteed, and may otherwise deal with the Customer and all other persons (including the undersigned and any other guarantor) and securities, as the Bank may see fit, and all dividends, compositions, and moneys received by the Bank from the Customer or from any other persons or estates capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross. No loss of or in respect of the securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. Until all indebtedness of the Customer to the Bank has been paid in full, the undersigned shall not have any right of subrogation to the Bank or to the securities held by the Bank and this Guarantee shall not be diminished or affected on account of any act or failure to act on the part of the Bank which would prevent subrogation from operating in favour of the undersigned. The Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities; and the undersigned shall have no right to be subrogated to the Bank or to the securities held by the Bank until the Bank has received payment in full of its claim with interest.
8. The Bank shall not be bound or obliged to exhaust its recourse against the Customer or any other persons or any security it may hold or take any other action before being entitled to payment from the undersigned of each and every of the debts and liabilities guaranteed and it shall not be obliged to offer or deliver its security before its whole claim has been paid. The undersigned unconditionally waives any right it may have to oblige the Bank to (i) proceed against the Customer or any other person; (ii) exhaust any property, security or assets heretofore, now or hereafter furnished to the Bank, by the Customer or any other person who is or may become liable in respect of any of the debts and liabilities guaranteed; or (iii) apply any property, security or assets of the Customer or any other person who is or may become liable in respect of any of the debts and liabilities guaranteed to the discharge of the debts and liabilities guaranteed or to the favour of the undersigned.
9. The Bank, in its sole discretion and as the Bank sees fit, without in any way prejudicing or affecting the rights of the Bank hereunder, may appropriate any moneys received to any portion of the debts and liabilities hereby guaranteed, whether then due or to become due, and may revoke or alter any such appropriation.
10. This shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Bank, but the Bank shall not be obliged to enforce its rights against the Customer or other persons or the securities it may hold before being entitled to payment from the undersigned of all and every of the debts and liabilities hereby guaranteed: Provided always that the undersigned may determine his or her or their further liability under this continuing guarantee by 90 days' notice in writing to be given to the Bank, and the liability hereunder of the undersigned shall continue until the expiration of 90 days after the giving of such notice, notwithstanding the death or insanity of the undersigned, and after the expiry of such notice the undersigned shall remain liable under this Guarantee in respect of any sum or sums of money owing to the Bank as aforesaid on the date such notice expired and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date but maturing thereafter, but in the event of the determination of this Guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
11. Notwithstanding the provisions of any statute relating to the rate of interest payable by debtors, this Guarantee shall remain in full force and effect whatever the rate of interest received or demanded by the Bank.
12. The undersigned hereby grants to the Bank the right to set off against any and all accounts, credits or balances maintained by the undersigned with the Bank, the aggregate amount of any and all liabilities of the undersigned hereunder if and when the same shall become due and payable.
13. All debts and liabilities present and future of the Customer to the undersigned are hereby assigned to the Bank and postponed to the present and future debts and liabilities of the Customer to the Bank and all moneys received by the undersigned from the Customer shall be received by the undersigned as trustee and agent for the Bank and forthwith upon receipt shall be paid over to the Bank until the Customer's indebtedness to the Bank is fully paid and satisfied; all without prejudice to or without

in any way limiting or lessening the liability of the undersigned to the Bank whether this Guarantee is expressed to be made in respect of a Limited Amount or otherwise.

14. The Bank shall not be obliged to give the undersigned notice of default by the Customer, and upon any default by the Customer the undersigned shall be held bound directly to the Bank as principal debtor in respect of the payment of the amounts hereby guaranteed.
15. No suit based on this Guarantee shall be instituted until demand for payment has been made. Any notice, demand or court process may be served by the Bank on the undersigned or his or her or their legal personal representatives either personally or by posting the same by ordinary mail postage prepaid, in an envelope addressed to the address of the party to be served last known to the Bank, and the notice or demand so sent shall be deemed to be served on the day following that on which it is mailed.
16. This Guarantee shall be operative and binding upon every signatory hereof notwithstanding the non-execution hereof by any other proposed signatory or signatories, and the undersigned acknowledges that this Guarantee has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the undersigned affecting or limiting the liability of the undersigned under this Guarantee or inducing the undersigned to grant this Guarantee except as specifically contained herein in writing, and agrees that this Guarantee is in addition to and not in substitution for any other guarantees held or which may hereafter be held by the Bank.
17. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on the Bank unless made in writing under the signature of either the President or one of the Vice-Presidents of the Bank.
18. The undersigned shall file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law or upon any indebtedness of the Customer to the undersigned and will assign to the Bank all of the undersigned's rights thereunder. In all such cases, whether an administration, bankruptcy, or otherwise, the person or persons authorized to pay such claims shall pay to the Bank the full amount payable on the claim in the proceeding before making any payment to the undersigned; all without in any way limiting or lessening the liability of the undersigned to the Bank whether this Guarantee is expressed to be made in respect of a Limited Amount or otherwise. All moneys received by the undersigned in all such cases shall be received by the undersigned as trustee and agent for the Bank and forthwith upon receipt shall be paid over to the Bank until the Customer's indebtedness is fully paid and satisfied. To the fullest extent necessary for the purposes of this paragraph 18 the undersigned hereby assigns to the Bank all the undersigned's rights to any payments or distributions to which the undersigned otherwise would be entitled.
19. In this Guarantee, any word importing the singular number shall include the plural, and without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and every one of the undersigned, and any word importing a person shall include a corporation, partnership and any other entity.
20. If this Guarantee is executed by more than one party, the liability of each of the undersigned hereunder shall be joint and several.
21. This Guarantee shall extend to and enure to the benefit of the successors and assigns of the Bank, and shall be binding upon the undersigned and the respective heirs, executors, administrators, successors and assigns of each of the undersigned.
22. No invalidity, irregularity or unenforceability by reason of any bankruptcy or similar law or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect the liability of the Customer to the Bank or of any security therefor, shall affect, impair or be a defence to this Guarantee. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
23. With respect to any portion of the indebtedness secured hereby which is payable in a currency other than Canadian currency (the "Foreign Currency Obligation"), the following provisions shall apply:
 - (a) Payment hereunder with respect to the Foreign Currency Obligation shall be made in immediately available funds in lawful money of the jurisdiction in the currency of which the Foreign Currency Obligation is payable (the "Foreign Currency") in such form as shall be customary at the time of payment for settlement of international payments in Vancouver, British Columbia without set-off, compensation or counterclaim and free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges and withholdings with respect thereto.

- (b) The undersigned shall hold the Bank harmless from any loss incurred by the Bank arising from any change in the value of Canadian currency in relation to the Foreign Currency between the date the Foreign Currency Obligation becomes due and the date of payment thereof.
- (c) If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Foreign Currency into Canadian funds ("Canadian dollars"), the rate of exchange used shall be that at which in accordance with normal banking procedures the Bank could purchase the Foreign Currency with Canadian dollars on the business day preceding that on which final judgment is given.

The obligation of the undersigned in respect of any Foreign Currency Obligation due by it to the Bank hereunder shall, notwithstanding any judgment in Canadian dollars, be discharged only to the extent that on the business day following receipt by the Bank of any sum adjudged to be so due in Canadian dollars the Bank may in accordance with normal banking procedures purchase the Foreign Currency with Canadian dollars; if the amount of the Foreign Currency so purchased is less than the sum originally due to the Bank in the Foreign Currency the undersigned agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Bank against such loss and if the Foreign Currency purchased exceeds the sum originally due to the Bank in the Foreign Currency the Bank agrees to remit such excess to the undersigned to the extent the undersigned is entitled thereto.

- 24. All the rights, powers and remedies of the Bank hereunder and under any other agreement now or at any time hereafter in force between the Bank and the undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of the Bank at law or in equity.
- 25. The undersigned by its signature of this Guarantee on the one hand and the Bank by making this Guarantee available to the undersigned on the other hand acknowledge having expressly required it to be drawn up in the English language. La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à la disposition des garants d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.
- 26. This Guarantee shall be construed in accordance with the laws of the Province of * Ontario and shall be deemed to have been made in such Province and to be performed there, and the Courts of such Province shall have jurisdiction over all disputes which may arise under this Guarantee, provided that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

*(insert
Province
where
Customer's
Account is
kept)

If the undersigned becomes resident outside the Province referred to in this paragraph 26 then the undersigned hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph 26 in respect of any proceeding hereon. Service of any process upon the undersigned may be made by ordinary mail in an envelope addressed to the following address:

or in any other manner permitted by law.

- 27. If this Guarantee is to be construed in accordance with the laws of the province of Quebec and for all other purposes pursuant to which the interpretation of this Guarantee may be subject to the laws of the province of Quebec or a court or tribunal exercising jurisdiction in the province of Quebec: i) if more than one undersigned, each of the undersigned shall be solidarily liable with one another and with the Customer and hereby waives all benefits of division and discussion, ii) any "right of setoff" or similar expression shall include a "right of compensation", iii) an "agent" shall include a "mandatary", iv) "joint and several" and "jointly and severally" shall include "solidary" and "solidarily", and v) a "corporation" shall include a "company".

28. Each of the undersigned hereby acknowledges that it has read the contents of the Guarantee, understands that the signing of this Guarantee involves joint and several financial responsibility on the part of the undersigned and has in no way whatsoever, directly or indirectly, sought, received or relied upon any representation or statement from or any agreement or undertaking with the Bank or any officer, employee or agent thereof.

Given under seal at Markham, this 5th day of July ~~June~~, 2018.

Witness

Signature of Guarantor

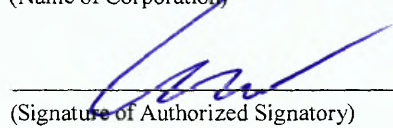
(Seal)

(Seal)

**[Where a
Guarantor is a
corporation, the
corporate seal is
to be affixed in
the presence of its
signing officer(s)]*

Corporate Guarantee*

COMSALE GROUP INC.
(Name of Corporation) CS


(Signature of Authorized Signatory)

Neil Shaul, President
(Print name of Authorized Signatory)

(Signature of Authorized Signatory)

(Print name of Authorized Signatory)

For use in Alberta

THE GUARANTEES ACKNOWLEDGEMENT ACT
(Section 3)
CERTIFICATE

I hereby certify that:

1. _____ (Guarantor's name) _____, the Guarantor in the Guarantee dated _____
made between _____ and **HSBC Bank Canada**, which this certificate is attached
to or noted upon, appeared in person before me and acknowledged that he/she had executed the Guarantee.
2. I satisfied myself by examination of the Guarantor that he/she is aware of the contents of the Guarantee and understands it.

CERTIFIED by _____ (Print name) _____, Barrister and Solicitor at the _____
_____ of _____, in the Province of Alberta, this _____
day of _____.

Signature

STATEMENT OF GUARANTOR

I am the person named in this certificate.

(Signature of Guarantor)



UNLIMITED CONTINUING GUARANTY

Date: July 5, 2018

NAME		STATE OF INCORPORATION	
COMSALE INC.		New York	
NO. AND STREET			
1021 E. Glendale Avenue			
CITY, VILLAGE OR TOWN		STATE	COUNTRY
Sparks		Nevada 89431	USA (GUARANTOR)
LENDING OFFICE, DEPARTMENT, OR DIVISION			
HSBC BANK CANADA		Commercial Banking Department	
NO. AND STREET		CITY	PROVINCE COUNTRY
3601 Highway 7, Suite 108		Markham	Ontario L3R 0M3 Canada (BANK)

1. Guaranty of Payment.

- (a) Guarantor hereby unconditionally guarantees the full and prompt payment to BANK when due, whether by acceleration or otherwise, of any and all Indebtedness (as hereinafter defined) of Comsale Computer Inc. ("Debtor") to BANK.
- (b) As used in this Guaranty, "Indebtedness" shall mean any and all indebtedness and other liabilities of Debtor to BANK of every kind and character and all extensions, renewals and replacements thereof, including, without limitation, all unpaid accrued interest thereon and all costs and expenses payable as hereinafter provided: (i) whether now existing or hereafter incurred; (ii) whether direct, indirect, primary, absolute, secondary, contingent, secured, unsecured, matured or unmatured, by guaranty or otherwise; (iii) whether such indebtedness is from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred; (iv) whether or not such indebtedness is evidenced by a negotiable or non-negotiable instrument or any other writing; (v) whether such indebtedness is contracted by Debtor alone or jointly or severally with another or others; and (vi) whether related to foreign exchange obligations, treasury management services of other Interest Rate Protection Agreements, as defined below; provided that "Indebtedness" shall not include "Excluded Swap Obligations" (as defined below). "Interest Rate Protection Agreement" shall mean any agreement, device or arrangement entered into by Debtor or Guarantor and which is designed to protect such Guarantor or Debtor from fluctuations of interest rates, exchange rates or forward rates, including, but not limited to dollar-denominated or cross-currency exchange agreements, forward currency exchange agreements, interest rate caps, collars or floors, forward rate currency or interest rate options, puts, warrants, swaps, swaptions, U.S. Treasury locks and U.S. Treasury options, and any and all cancellations, buybacks, reversals, terminations or assignments of any of the foregoing. "Excluded Swap Obligation" means, with respect to the Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of the Guarantor of, or the grant by the Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of the Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of the Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal. "Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.
- (c) Guarantor acknowledges that valuable consideration supports this Guaranty, including, without limitation, any commitment to lend, extension of credit or other financial accommodation, whether heretofore or hereafter made by BANK to Debtor; any extension, renewal or replacement of any Indebtedness, any forbearance with respect to any Indebtedness or otherwise; any cancellation of an existing guaranty; any purchase of any of Debtor's assets by BANK; or any other valuable consideration.

2. **BANK's Costs and Expenses.** Guarantor agrees to pay on demand all costs and expenses of every kind incurred by BANK: (a) in enforcing this Guaranty; (b) in collecting any Indebtedness from Debtor or Guarantor; (c) in realizing upon or protecting any collateral for this Guaranty or for payment of any Indebtedness; and (d) for any other purpose related to the Indebtedness or this Guaranty. "Costs and expenses" as used in the preceding sentence shall include, without limitation, reasonable attorneys' fees incurred by BANK in retaining counsel for advice, suit, appeal, any insolvency or other proceedings under the Federal Bankruptcy Code or otherwise, or for any purpose specified in the preceding sentence.

3. Nature of Guaranty: Continuing, Absolute and Unconditional.

- (a) This Guaranty is and is intended to be a continuing guaranty of payment of the Indebtedness (irrespective of the aggregate amount thereof and whether or not the Indebtedness from time to time exceeds the amount of this Guaranty, if limited), independent of, in addition and without modification to, and does not impair or in any way affect, any other guaranty, indorsement, or other agreement in connection with the Indebtedness, or in connection with any other indebtedness or liability to BANK, or collateral held by BANK therefor or with respect thereto, whether or not furnished by Guarantor. This Guaranty and Guarantor's obligations hereunder shall not be modified, terminated, impaired or in any way affected by the execution, delivery or performance by Guarantor, Debtor or any other person of any other guaranty, indorsement or other agreement or the delivery of collateral therefor. Guarantor waives any claim, remedy or other right which Guarantor might now have or hereafter acquire against Debtor or any other person that is primarily or contingently liable for the Indebtedness including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, or any right to participate in any claim or remedy of BANK against Debtor or any collateral therefor which BANK now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute, or common law.
- (b) This Guaranty is absolute and unconditional and shall not be changed or affected by any representation, oral agreement, act or thing whatsoever, except as herein provided. This Guaranty is intended by Guarantor to be the final, complete and exclusive expression of the agreement between Guarantor and BANK. Guarantor expressly disclaims any reliance on any course of dealing or usage of trade or oral representation of BANK including, without limitation, representations to make loans to Debtor or enter into any other agreement with Debtor or Guarantor. No modification or amendment of any provision of this Guaranty and no waiver of any right by BANK shall be effective unless in writing and signed by a duly authorized officer of BANK.

4. Certain Rights and Obligations.

- (a) Guarantor authorizes BANK, without notice, demand or additional reservation of rights against Guarantor and without affecting Guarantor's obligations hereunder, from time to time: (i) to renew, refinance, modify, subordinate, extend, increase, accelerate, or otherwise change the time for payment of, the terms of or the interest on the Indebtedness or any part thereof; (ii) to accept from any person or entity and hold collateral for the payment of the Indebtedness or any part thereof, and to exchange, enforce or refrain from enforcing, or release such collateral or any part thereof; (iii) to accept and hold any indorsement or guaranty of payment of the Indebtedness or any part thereof or any negotiable instrument or other writing intended by any party to create an accord and satisfaction with respect to the Indebtedness

or any part thereof, and to discharge, terminate, release, substitute, replace or modify any such obligation of any such indorser or guarantor, or any person or entity who has given any security interest in any collateral as security for the payment of the Indebtedness or any part thereof, or any other person or entity in any way obligated to pay the Indebtedness or any part thereof, and to enforce or refrain from enforcing, or compromise or modify, the terms of any obligation of any such indorser, guarantor, person or entity; (iv) to dispose of any and all collateral securing the Indebtedness in any manner as BANK, in its sole discretion, may deem appropriate, and to direct the order or manner of such disposition and the enforcement of any and all indorsements and guaranties relating to the Indebtedness or any part thereof as BANK, in its sole discretion, may determine; and (v) to determine the manner, amount and time of application of payments and credits, if any, to be made on all or any part of any component or components of the Indebtedness (whether principal, interest, costs and expenses, or otherwise), including, without limitation, if this Guaranty is limited in amount, to make any such application to Indebtedness, if any, in excess of the amount of this Guaranty.

- (b) If any default shall be made in the payment of any Indebtedness, Guarantor hereby agrees to pay the same in full: (i) without deduction by reason of any setoff, defense or counterclaim of Debtor; (ii) without requiring protest, presentment or notice of non-payment or notice of default to Guarantor, to Debtor or to any other person; (iii) without demand for payment or proof of such demand; (iv) without requiring BANK to resort first to Debtor (this being a guaranty of payment and not of collection) or to any other guaranty or any collateral which the BANK may hold; (v) without requiring notice of acceptance hereof or assent hereto by BANK; and (vi) without requiring notice that any Indebtedness has been incurred or of the reliance by the BANK upon this Guaranty; all of which Guarantor hereby waives.
- (c) Guarantor's obligation hereunder shall not be affected by any of the following, all of which Guarantor hereby waives: (i) any failure to perfect or continue the perfection of any security interest in or other lien on any collateral securing payment of any Indebtedness or Guarantor's obligation hereunder; (ii) the invalidity, unenforceability, propriety of manner of enforcement of, or loss or change in priority of any such security interest or other lien; (iii) any taking, holding, continuation, collection, modification, leasing, impairment, surrender or abandonment of, or any failure to protect, preserve or insure, any such collateral; (iv) any delay in the exercise or waiver of, any failure to exercise, or any forbearance in the exercise of, any right or remedy of BANK or any person (including, without limitation, those remedies described in Section 4(c)(iii) of this Guaranty) against Guarantor, Debtor or any person or relating to the Indebtedness or any part thereof or the collateral therefor; (v) failure of Guarantor to receive notice of any intended disposition of such collateral; (vi) any defense arising by reason of the cessation from any cause whatsoever of liability of the Debtor including, without limitation, any failure, delay, waiver, forbearance, negligence or omission by BANK in enforcing its claims against the Debtor or any collateral therefor including, without limitation, any failure to make, prove, or vote any claim relating to the Indebtedness or any collateral therefor in any case or proceeding pursuant to the Federal Bankruptcy Code or any similar law, or any satisfaction of the Indebtedness or any part thereof by reason of the failure of BANK to recover against any collateral therefor or the failure of BANK to obtain a judgment for any deficiency; (vii) any release, settlement, composition, adjustment, compromise, replacement, cancellation, discharge, assignment, sale, exchange, conversion, participation or other transfer or disposition of any obligation of Debtor or of any collateral therefor; (viii) the invalidity or unenforceability of any of the Indebtedness; (ix) the creation of any security interest, lien or other encumbrance in favor of any person other than BANK; (x) any refusal or failure of BANK or any other person prior to the date hereof or hereafter to grant any additional loan or other credit accommodation to Debtor or BANK's or any other party's receipt of notice of such refusal or failure; (xi) any refusal or failure of BANK or any other person to provide to Guarantor any information relating to Debtor, any other guarantor, indorser, or any person or entity who has given any collateral as security for the payment of the Indebtedness or any information relating to Debtor's or such guarantor's, indorser's, person's or entity financial condition, business or assets, or if such information is provided, to provide such information completely and accurately; (xii) any change in the ownership or membership of Guarantor or Debtor; (xiii) the expiration of the period of any statute of limitations with respect to any lawsuit or other legal proceeding against Debtor or any person in any way related to the Indebtedness or a part thereof or any collateral therefor; or (xiv) any other thing or circumstance which might otherwise constitute a defense to Guarantor's obligation hereunder.

5. Collateral.

As further security for payment of the Indebtedness and of any other indebtedness, now existing or hereafter incurred, of Guarantor to BANK, Guarantor hereby grants to BANK a security interest in and lien on any and all money, securities and other property of Guarantor, and all proceeds thereof, which is or hereafter may be in the actual or constructive possession or control of BANK in any capacity or of any third party acting on BANK's behalf, including, without limitation, all deposit and other accounts and all moneys owed or to be owed by BANK to Guarantor; and with respect to all such money, securities and other property, BANK shall have all the rights and remedies of a secured party under the Uniform Commercial Code and under any other applicable law, as the same may from time to time be in effect in New York State, in addition to those rights granted herein or in any other agreement now or hereafter in effect between Guarantor and BANK.

- 6. Guaranty of Performance.** Guarantor also guarantees the full, prompt and unconditional performance of all obligations and agreements of every kind owed or hereafter to be owed by Debtor to BANK. Every provision for the benefit of the BANK contained in this Guaranty shall apply to the guaranty of performance given in this paragraph.

- 7. Termination.** This Guaranty shall remain in full force and effect as to each Guarantor until the officer in charge of the Lending Office, Department or Division of BANK indicated above shall actually receive from such Guarantor written notice of its discontinuance, or notice of the death or judicial declaration of incompetency of such Guarantor; provided, however, this Guaranty shall remain in full force and effect thereafter until all indebtedness outstanding, or contracted or committed for (whether or not outstanding), before the receipt of such notice by BANK, and any extensions, renewals or replacements thereof (whether made before or after receipt of such notice), together with interest accruing thereon after such notice, shall be finally and irrevocably paid in full. Discontinuance of this Guaranty as to one Guarantor shall not operate as a discontinuance hereof as to any other Guarantor. Payment of all of the Indebtedness from time to time shall not operate as a discontinuance of this Guaranty, unless notice of discontinuance as above provided has theretofore actually been received by BANK. Guarantor agrees that, to the extent that Debtor makes a payment or payments to BANK on the Indebtedness, or BANK receives any proceeds of collateral to be applied to the Indebtedness, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or otherwise are required to be repaid to Debtor, its estate, trustee, receiver or any other party, including, without limitation, under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such repayment, the obligation or part thereof which has been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the date such initial payment, reduction or satisfaction occurred, notwithstanding any contrary action which may have been taken by BANK in reliance upon such payment or payments. As of the date any payment or proceeds of collateral are returned, the statute of limitations shall start anew with respect to any action or proceeding by BANK against Guarantor under this Guaranty. Guarantor shall defend and indemnify BANK of and from any claim or loss under this paragraph including actual attorneys' and paralegals' fees and expenses in the defense of any such action or suit.

8. Other Parties; Joint and Several Liability.

- (a) BANK shall have the right to discharge or release one or more of the undersigned from any obligation hereunder, in whole or in part, without in any way releasing, impairing or affecting its right against the other or others of the undersigned. The failure of any other person to sign this Guaranty shall not release or affect the obligations or liability of the undersigned.
- (b) If more than one party executes this Guaranty, the obligations of the undersigned hereunder shall be joint and several and the term "Guarantor" shall include each as well as all of them.

- 9. Hazardous Substances.** For the purposes of this Section 9, (i) "Hazardous Substances" means, without limitation, any explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or any other material defined as a hazardous substance in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 et seq., and (ii) "Release" has the same meaning as given to that term in Section 101(22) of such Act and the regulations promulgated thereunder. Guarantor agrees to indemnify, defend, and hold harmless BANK from and against any and all liabilities, claims, damages, penalties, liens, expenditures, losses, and charges including, but not limited to, all costs of investigation, monitoring, legal representation, remedial response, removal, restoration or permit acquisition, which may now or in the future be undertaken, suffered, paid, awarded, assessed, or otherwise incurred by BANK as a result of the presence or suspected presence of, Release of or threatened Release of Hazardous Substances on, in, under or near any property or improvements thereon, owned, leased or operated by Debtor or Guarantor. The liability of Guarantor to BANK under the covenants of this Section is not limited by any exculpatory provisions in any agreement in connection with the Indebtedness or collateral therefor and shall survive repayment of the Indebtedness or any transfer or termination of any agreement in connection with the Indebtedness or collateral therefor or this Guaranty regardless of the means of such transfer or termination.

10. Miscellaneous.

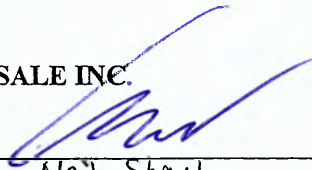
- (a) "Debtor" and "Guarantor" as used in this Guaranty shall include: (i) any successor individual or individuals, association, partnership or corporation to which all or a substantial part of the business or assets of Debtor or Guarantor shall have been transferred including, without limitation, a debtor in possession under the Federal Bankruptcy Code; (ii) in the case of a partnership Debtor or Guarantor, any new partnership which shall have been created by reason of the admission of any new partner or partners therein or by reason of the dissolution of the existing partnership by voluntary agreement or the death, resignation or other withdrawal of any partner; and (iii) in the case of a corporate Debtor or Guarantor, any other corporation into or with which Guarantor or Debtor (if Debtor is a corporation) shall have been merged, consolidated, reorganized, or absorbed.
- (b) Without limiting any other right of BANK, whenever BANK has the right to declare any Indebtedness to be immediately due and payable (whether or not it has so declared), BANK at its sole election may set off against the Indebtedness any and all moneys then owed to Guarantor by BANK in any capacity, whether or not the Indebtedness or the obligation to pay such moneys owed by BANK is then due, and BANK shall be deemed to have exercised such right of setoff immediately at the time of such election even though any charge therefor is made or entered on BANK's records subsequent thereto.
- (c) Guarantor's obligation hereunder is to pay the Indebtedness in full when due according to its terms, and shall not be affected by any extension of time for payment by Debtor, any bar to the enforceability of the Indebtedness, or any limitation on the right to attorneys' fees, resulting from any proceeding under the Federal Bankruptcy Code or any similar law. Guarantor's obligation under this Guaranty shall also include payment of interest accrued on the Indebtedness before or after a filing of a petition under the bankruptcy laws and interest on, and principal of, loans made to the debtor in possession after the filing of such a petition by or against Debtor.
- (d) No course of dealing or usage of trade, and no oral or written representations or agreement, between Debtor or Guarantor and BANK, whether or not relied on or acted upon, and no act, delay or omission by BANK in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The giving of notice or a demand by BANK at any time shall not operate as a waiver in the future of the BANK's right to exercise any right or remedy without notice or demand. BANK may remedy any default by Debtor under any agreement with Debtor or with respect to any Indebtedness in any reasonable manner, without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. After Debtor's failure to pay the Indebtedness in full, or any part thereof, BANK may exercise against Guarantor each right and remedy of a creditor against a principal debtor upon a past due liquidated obligation. All rights and remedies of BANK hereunder are cumulative.
- (e) BANK and Guarantor as used herein shall include the heirs, executors or administrators, or successors or assigns, of those parties. The rights and benefits of BANK hereunder shall, if BANK so directs, inure to any party acquiring any interest in the Indebtedness or any part thereof. If any right of BANK hereunder is construed to be a power of attorney, such power of attorney shall not be affected by the subsequent disability or incompetence of Debtor or Guarantor.
- (f) BANK's rights and remedies under this Guaranty are assignable and any participation may be granted by BANK herein in connection with the assignment or granting of a participation by BANK in the Indebtedness or any part thereof.
- (g) Captions of the sections of this Guaranty are solely for the convenience of BANK and Guarantor, and are not an aid in the interpretation of this Guaranty.
- (h) GUARANTOR AGREES THAT ANY ACTION OR PROCEEDING TO ENFORCE OR ARISING OUT OF THIS GUARANTY MAY BE COMMENCED IN THE SUPREME COURT OF NEW YORK IN ANY COUNTY, OR IN THE DISTRICT COURT OF THE UNITED STATES IN ANY DISTRICT, IN WHICH BANK HAS AN OFFICE, AND GUARANTOR WAIVES PERSONAL SERVICE OF PROCESS AND AGREES THAT A SUMMONS AND COMPLAINT COMMENCING AN ACTION OR PROCEEDING IN ANY SUCH COURT SHALL BE PROPERLY SERVED AND SHALL CONFER PERSONAL JURISDICTION IF SERVED BY REGISTERED MAIL TO GUARANTOR AT THE ADDRESS SPECIFIED ABOVE, OR AS OTHERWISE PROVIDED BY THE LAWS OF THE STATE OF NEW YORK OR THE UNITED STATES.
- (i) If any provision of this Guaranty is unenforceable in whole or in part for any reason, it shall be deemed modified to the extent necessary to make it or the applicable provision enforceable, or if for any reason such provision is not deemed modified, the remaining provisions shall continue to be effective.
- (j) Any payment or other act which results in the extension or renewal of the statute of limitations in connection with any action or proceeding against the Debtor relating to the Indebtedness, shall extend or renew the statute of limitations in connection with any action or other proceeding against the Guarantor in connection with this Guaranty whether or not Guarantor had notice of, or consented to, such payment or act.
- (k) Any demand for payment against Guarantor made by BANK under this Guaranty shall be in writing and delivered in person or by first class mail postage prepaid at the Guarantor's address first written above, and shall be deemed received: (i) upon delivery, if delivered in person, and (ii) two days after deposited in the mail or delivered to the post office, if mailed.
- (l) This Guaranty and the transactions evidenced hereby shall be construed under the laws of New York State without regard to principles of conflicts of law.
- (m) GUARANTOR AND BANK HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY GUARANTOR AND BANK MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR IN EQUITY, IN CONNECTION WITH THE GUARANTY OR THE TRANSACTIONS RELATED HERETO. GUARANTOR REPRESENTS AND WARRANTS THAT NO REPRESENTATIVE OR AGENT OF BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WILL NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS JURY TRIAL WAIVER. GUARANTOR ACKNOWLEDGES THAT BANK HAS BEEN INDUCED TO ENTER INTO THIS GUARANTY BY, AMONG OTHER THINGS, THE PROVISIONS OF THIS SECTION.
- (n) The parties hereby confirm their express wish that this Guaranty and all documents related thereto be drawn up in English. Les parties reconnaissent leur volonté expresse que le présent contrat ainsi que tous les documents s'y rattachant soient rédigés en anglais.

This Guaranty is unlimited in amount unless an amount is inserted in the space at the end of this paragraph. Only if an amount is so inserted, this Guaranty is limited to that amount (hereinafter referred to as the "Maximum Amount"), plus the sum of (a) all unpaid interest which accrues on the Maximum Amount until payment of the Maximum Amount in full, calculated at the rate provided for in any instrument, document or agreement evidencing or pertaining to the Indebtedness; (b) all costs and expenses payable pursuant to Section 2(a) of this Guaranty; and (c) an amount equal to a fraction of all costs and expenses payable pursuant to Sections 2(b), 2(c) and 2(d) of this Guaranty, the numerator of which fraction is the Maximum Amount and the denominator of which fraction is the sum of all outstanding Indebtedness (less any unpaid accrued interest thereon), if such Indebtedness is either (i) payable on demand by its terms and for which the BANK has made demand for payment, or (ii) payable other than on demand by its terms and is presently due and owing, whether by maturity, acceleration or otherwise. Maximum Amount: UNLIMITED

Doc #01-3128685.1

[Signature Page Follows]

COMSALE INC.

By: 
Name: Neil Shaul
Title: President

[Signature Page - Unlimited Continuing Guaranty]

This is Exhibit "G" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.

KBungis

A Commissioner for taking affidavits

Rachel Bungis

TO: HSBC BANK CANADA (the "Lender")

NEGATIVE PLEDGE AGREEMENT

WHEREAS Comsale Computer Inc. (the "**Borrower**") is indebted or liable and may hereafter become further indebted or liable to the Lender including, without limitation, under or pursuant to a facility letter dated as of May 10, 2018 between the Lender and the Borrower (as amended from time to time, the "**Facility Letter**");

AND WHEREAS each of the undersigned (collectively, the "**Undersigned**") has agreed to enter into this agreement in favour of the Lender;

NOW THEREFORE in consideration of the loans and other financial accommodations to be made by the Lender to the Borrower in accordance with the terms of the Facility Letter, and as an inducement to the Lender to make such loans and other financial accommodations and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Undersigned, each of the Undersigned agrees with the Lender as follows:

1. Following either a default under the Facility Letter or demand by the Lender under the Facility Letter, each of the Undersigned hereby agrees that it shall not, without the prior written consent of the Lender:

- (a) sell, transfer, lease or otherwise convey or dispose of any of its assets or property to any other Person (as such term is defined in the Facility Letter); and
- (b) make any payment or transfer of funds, directly or indirectly, to any of its shareholders, other holders of capital stock, partners, subsidiaries, affiliates or any other related party (including without limitation any of the Undersigned) including without limitation (i) by way of loans, advances, distributions, dividends, redemption of shares, share buyback, return of capital, repayment of loans, payments on account of equity ownership (whether capital stock or other equity interests) any amount paid, directly or indirectly, (ii) to purchase, redeem, or otherwise acquire or retire any of its capital stock or other equity interests or any warrants, options, or similar instruments to acquire the same, or (iii) in respect of management fees or shareholder bonuses.

2. Each of Comsale Malaysia Sdn. Bhd and Comsale Hong Kong Limited hereby agrees that it shall not, without the prior written consent of the Lender:

- (a) create or incur any indebtedness; and
- (b) mortgage, charge, hypothecate, assign by way of security, create a security interest in or otherwise directly or indirectly encumber any of its assets, property or undertaking.

3. Each of the undersigned acknowledges that the Lender is relying upon this agreement in making funds available to the Borrower.

4. This agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document and instrument now or hereafter held by the Lender.

5. No failure by the Lender to exercise any right, power, remedy or privilege (whether in whole or in part) shall operate as a waiver thereof. No single or partial exercise of any right, power, remedy or privilege shall preclude any other or further exercise thereof or the exercise of any further right, power or privilege. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently, and are not exclusive of any other rights or remedies provided by law.



6. This agreement shall be construed in accordance with and governed by the laws of Ontario and for the purpose of legal proceedings this agreement shall be deemed to have been made in Ontario and to be performed there. The courts of Ontario shall have jurisdiction over all disputes which may arise under this agreement and each of the undersigned hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts, provided that nothing herein shall prevent the Lender from proceeding at its election against each of the undersigned in the courts of any other province, country or jurisdiction.

7. For the purposes of this agreement, words importing the singular shall include the plural and vice versa; and words importing gender shall include all genders.

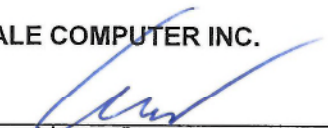
8. This agreement shall be binding on each of the undersigned and each of their respective successors and assigns including any successor by reason of amalgamation and shall enure to the benefit of the Lender and its successors and assigns.

9. This agreement may be executed by fax or electronic email.

[Remainder of this page is left intentionally blank, signature page follows]

DATED 5th day of ~~June~~ ^{July}, 2018.

COMSALE COMPUTER INC.

By: 
Name: Neil Shaul
Title: President

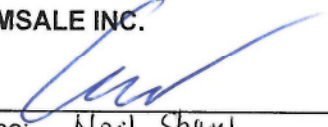
By: _____
Name: _____
Title: _____

COMSALE GROUP INC.

By: 
Name: Neil Shaul
Title: President

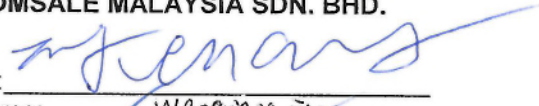
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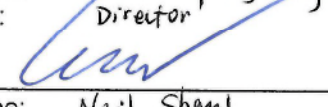
COMSALE INC.

By: 
Name: Neil Shaul
Title: President

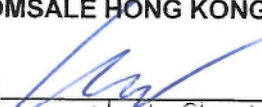
By: _____
Name: _____
Title: _____

COMSALE MALAYSIA SDN. BHD.

By: 
Name: Wengiang Feng
Title: Director

By: 
Name: Neil Shaul
Title: Director

COMSALE HONG KONG LIMITED

By: 
Name: Neil Shaul
Title: _____

By: 
Name: Wengiang Feng
Title: President

This is Exhibit "H" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits

Rachel Bengino



EDC GUARANTEE Approval

EFFECTIVE DATE: July 16, 2018

Reference No. 880-68450

HSBC Bank Canada
3601 Highway 7 East, Suite 108
Liberty Square, HSBC Tower Branch
Markham ON L3R 0M3
Canada

Attention: Kevin Fan
Fax: 905-475-5957

This Approval is issued in Ottawa, Ontario, by Export Development Canada ("EDC") to HSBC Bank Canada (the "Institution"), with offices located in Markham, ON, Canada in response to the Institution's request and it cancels, replaces and supersedes any Approvals specified in the Special Conditions below.

If the Institution has its headquarters in the province of Québec, Chapter XIII of the Civil Code of Québec applies to this Guarantee and all references to "Guarantee", "guarantor", "Guarantor" and "Guaranteed" in this Guarantee and any forms provided by EDC relating thereto, shall be replaced with "Suretyship", "surety", "Surety" and "Suretyship" respectively.

This Approval is subject to and incorporates the EDC Guarantee General Terms and Conditions Form No. 003.

THIS APPROVAL IS ISSUED WITH RESPECT TO THE FOLLOWING TRANSACTION(S) OF THE INSTITUTION:

- (a) Transaction(s):** A loan to the Obligor described as Foreign Inventory Facility, in the principal amount of CAD 4,000,000, made under the Transaction Agreement
- (b) Transaction Agreement:** The credit agreement dated June 4, 2018
- (c) Obligor:** Comsale Computer Inc., having offices located at 111 Snidercroft Rd., Unit B Concord, ON, Canada
- (d) Purpose:** The Transaction provides financing for certain working capital, capital expenditure and/or other financing requirements of the Obligor and the Obligor's foreign affiliate: Comsale Malaysia Sdn. Bhd., Comsale Inc., and Comsale Hong Kong Limited (each a "Foreign Affiliate").

SPECIFIC INFORMATION REGARDING THE GUARANTEE IS AS FOLLOWS:

- (e) Guarantee Expiry Date:** September 30, 2019, unless otherwise agreed by EDC
- (f) Maximum Liability:** CAD 2,000,000 (or the equivalent thereof in the currency of the Transaction, as determined by EDC) plus accrued and unpaid interest calculated at the Guaranteed

Interest Rate for up to a maximum of one hundred and twenty (120) days of accrued and unpaid interest.

(g) Set-up Fee: CAD 5,000.00, payable within fifteen (15) Business Days of the date hereof.

(h) Guarantee Fee(s): The Institution will pay Guarantee Fee(s) in the amount and on the dates set forth below provided however that no such Guarantee Fee(s) shall be payable after (i) the occurrence of a Guaranteed Event, or (ii) any termination in accordance with Section 21.

Guarantee Fee Payment Dates	Amounts
August 6, 2018	CAD 1,600.00
October 16, 2018	CAD 4,160.00
January 16, 2019	CAD 4,070.00
April 16, 2019	CAD 4,110.00
July 16, 2019	CAD 3,480.00

(i) Guarantee Fee Rate: 2.75% per annum

(j) Guaranteed Percentage: 50%

(k) Guaranteed Event: A Payment Default

(l) Guaranteed Amount: Up to the lesser of (i) the Maximum Liability and (ii) the Guaranteed Percentage of the aggregate of: (x) the principal amount outstanding under the Transaction, excluding any principal amounts advanced after the Institution became aware of the occurrence of any Payment Default or any default under the Transaction Documentation other than a Payment Default, the consequence of which is a Material Adverse Effect, and (y) accrued and unpaid interest calculated at the Guaranteed Interest Rate on the amount in (x) up to a maximum of one hundred and twenty (120) days of accrued and unpaid interest.

(m) Guaranteed Interest Rate: (i) for amounts outstanding in Canadian Dollars: 0.5% less than the Prime Rate announced from time to time by the Institution or, if the Institution does not have a Prime Rate, 0.5% less than the average of the Prime Rates announced from time to time by any 3 of the following banks selected by EDC: Royal Bank of Canada, Bank of Montreal, Canadian Imperial Bank of Commerce, The Toronto-Dominion Bank, National Bank of Canada and The Bank of Nova Scotia, and (ii) for amounts outstanding in United States Dollars, Euro Dollars, Pounds Sterling or Australian Dollars: 1.0% less than the Base Rate announced from time to time by the Institution or, if the Institution does not have a Base Rate, 1.0% less than the average of the Base Rates announced from time to time by any 3 of the following banks selected by EDC: Royal Bank of Canada, Bank of Montreal, Canadian Imperial Bank of Commerce, The Toronto-Dominion Bank, National Bank of Canada and The Bank of Nova Scotia

(n) Primary Collateral: Any collateral specified in the Transaction Documentation and not otherwise specified in this paragraph, whose proceeds of realization are applied or designated for application exclusively to the Transaction or to the Transaction before application to other transactions and all proceeds therefrom and all rights related thereto

Distribution Method: Primary Distribution Method**(o) Other Collateral:**

Without limiting the definition of Primary Collateral, any collateral specified in the Transaction Documentation and in any other agreement between the Institution and the Obligor which does not constitute Primary Collateral, all proceeds therefrom and all rights related thereto.

Distribution Method: Other Distribution Method**(p) Primary Guarantees:**

Any guarantees, suretyships, indemnities, letters of credit or similar instruments forming part of the Transaction Documentation and not otherwise specified in this paragraph, the payments under which are applied or designated for application exclusively to the Transaction or to the Transaction before application to other transactions and the following guarantees and/or suretyships: of Comsale Malaysia Sdn. Bhd., of Comsale Hong Kong Limited.

Distribution Method: Primary Distribution Method**(q) Other Guarantees:**

Any guarantees, suretyships, indemnities, letters of credit or similar instruments forming part of the Transaction Documentation and in any other agreement between the Institution and the Obligor, which does not constitute Primary Guarantees.

Distribution Method: Other Distribution Method**(r) Special Distribution****Method:**

Not applicable

(s) Address for Notices:

for the Institution:

HSBC Bank Canada
3601 Highway 7 East, Suite 108
Liberty Square, HSBC Tower Branch
Markham, ON
Canada
L3R 0M3

Attention: Kevin Fan
Fax: 905-475-5957

for EDC:

Export Development Canada
150 Slater Street
Ottawa Ontario, K1A 1K3
Canada

Attention: Loans Services – International Financing
Guarantees
Phone: 613-598-2842
Fax: 613-598-2514
Or Email: IFG.loanservices@edc.ca

Cc:
Attention: Asset Management,
Fax: 613-598-3186
or Email: IFG.assetmanagement@edc.ca

(t) Forms:

The applicable forms are available in the Canadian Financial Institutions section of EDC's website at www.edc.ca.

SPECIAL CONDITIONS:

The Institution confirms (i) that it has obtained a representation from the Obligor that no security interests, liens or encumbrances have been granted to any person in relation to the Foreign Inventory or proceeds related thereto and (ii) the Obligor has agreed not to grant any security interests, liens or encumbrances to any person in relation to the Foreign Inventory or proceeds related thereto without the consent of the Institution and (iii) its understanding that the granting by the Institution of any such consent referred to in (ii) without the prior written consent of EDC shall constitute an amendment to the Transaction Documentation the resulting consequence of which is a Material Adverse Effect under exclusion 4.(9) of the Guarantee.

Notwithstanding Section 3 of the General Terms and Conditions and as a condition to effectiveness of the Guarantee, the Institution is required to provide an executed Release to EDC of EDC's obligations under the Approval with Effective Date of November 1, 2017 with Reference no. 880-66709 between EDC and The Toronto-Dominion Bank.

In those cases where the Obligor or a Third Party Guarantor is incorporated under the laws of a jurisdiction other than Canada or any province thereof or any state of the United States of America and/or any Transaction Documentation is governed by the laws of a jurisdiction other than a province of Canada or a state of the United States of America, the Institution shall be deemed to have met the standard of care referred to in section 4.(4)(i) of the General Terms and Conditions, if it has relied entirely on the opinion of external legal counsel.

EXPORT DEVELOPMENT CANADA



Wei Song
Financing Manager
International Financing, Guarantees



Keith Steacy
Senior Financing Manager

Date: July 13, 2018

Electronic signatures shall be deemed to constitute originals.



EDC GUARANTEE

General Terms and Conditions

DEFINITIONS

- Definitions** 1. In this Guarantee, capitalized terms have the meanings ascribed to them below or in the Approval, unless otherwise indicated.

"Approval" means the approval issued by EDC that incorporates these General Terms and Conditions and sets out the details of this Guarantee, together with any Special Conditions that add to, or supersede any of these General Terms and Conditions.

"Australian Dollars" and **"AUD"** each mean the lawful currency of Australia.

"Base Rate" means a fluctuating annual reference rate of interest used for the determination of the interest rate to be charged to Canadian commercial customers of varying degrees of creditworthiness borrowing United States Dollars in Canada, as announced from time to time by a bank.

"Business Day" means any day excluding Saturday, Sunday and any other day on which banks are closed for business in Toronto or Montreal, Canada and with respect to amounts in United States Dollars, New York, New York, United States of America.

"Canadian Dollars" and **"CAD"** each mean the lawful currency of Canada.

"Claim Expiry Date" means the date falling one hundred and twenty (120) calendar days after the Guaranteed Event unless otherwise extended pursuant to Section 11.

"Collateral" means all Primary Collateral and all Other Collateral.

"Declaration" means a completed document executed by the Obligor and delivered to EDC.

"Demand" means a demand by the Institution for payment by EDC under this Guarantee.

"Demand Details Form" means a document executed by the Institution in the form provided by EDC.

"Distribution Method" means the Primary Distribution Method, the Other Distribution Method or any Special Distribution Method specified in the Approval.

"EDC Acquired Rights" means the rights under the Transaction Documentation that accrue to EDC upon payment by it under this Guarantee.

"Effective Date" means the date set forth on the first page of the Approval.

"Enforcement Plan" means the general proposed course of action with respect to the enforcement and preservation of rights under the Transaction Documentation other than the Institution Rights.

"Euro Dollars" and **"EUR"** each mean the lawful currency of the member states of the Economic and Monetary Union of the European Union.

"First Prior Charge" means the highest obtainable registered perfected or published security interest or hypothec in respect of the Collateral in the relevant jurisdiction by a secured creditor acting prudently in similar circumstances, together with all necessary subordination or cession of rank or other intercreditor agreements required to create a first prior security interest against all prior registered secured creditors.

"Guarantee" means these General Terms and Conditions together with the Approval and any annexes, schedules and amendments thereto.

"Indemnity" means a document which may be executed by EDC in the form provided by EDC.

"Institution Rights" means the rights, obligations and interests of the Institution under transactions other than the Transaction that may be part of the Transaction Documentation.

"Material" means:

- (i) when used to qualify a default, any default which indicates or results from a material adverse change in (1) the financial condition or business of the Obligor or any Third Party Guarantor, (2) the ability of the Obligor or any Third Party Guarantor to perform its obligations under the Transaction Documentation, or (3) the rights and remedies available to the Institution under the Transaction Documentation;
- (ii) when used to qualify the reporting as to the Enforcement Plan, any actions which are not technical or administrative in nature and include (1) the appointment of a receiver, receiver-manager, monitor or other similar professional, (2) the identification and valuation of the Collateral, including the identification of potential buyers for the Collateral, (3) the sale or lease of any Collateral, (4) the receipt and/or application of any Recovered Amounts, (5) the receipt or delivery by the Institution of any communication in respect of the EDC Acquired Rights, (6) the release, subordination or discharge of any Security, (7) any settlement with any creditor or with respect to any Collateral, or (8) the initiation or participation in any bankruptcy, insolvency, reorganization or similar proceedings.

"Material Adverse Effect" means an increase in the risk that EDC would be required to make a payment under this Guarantee and/or not be able to recover the amount claimed under this Guarantee from the Obligor, Third Party Guarantors or any other person under the Transaction Documentation or realize on the Collateral after payment under this Guarantee, provided that if EDC and the Institution disagree as to the occurrence of a Material Adverse Effect, such determination shall be settled by the courts referred to in Section 35.

"Non-Guaranteed Percentage" means the difference between 100% and the applicable Guaranteed Percentage.

"Notice of Demand" means a completed document executed by the Institution in the form provided by EDC.

"Notice of Intent to Enforce" means a completed document executed by the Institution in the form provided by EDC.

"Other Distribution Method" means a distribution of amounts in the following order after deduction therefrom of the related reasonable costs of acceleration and enforcement, if any and of any amounts required to be paid in respect of statutory liens, deemed trusts, garnishment rights or other unregistered priority claims:

- (i) first, to the Institution for all indebtedness of the Obligor to the Institution under the Transaction Documentation other than the indebtedness of the Obligor under the Transaction, subject to any limitations specified in the Approval;
- (ii) then, on a pari passu basis, to EDC the applicable Guaranteed Percentage of such amounts and to the Institution, the applicable Non-Guaranteed Percentage of such amounts until EDC has been paid in full in respect of the Guaranteed Amount; and
- (iii) thereafter, but subject to the rights of any other person legally entitled thereto, to the Institution for any other indebtedness owing by the Obligor to the Institution.

"Payment Default" means a failure on the part of the Obligor to make payment to the Institution of all or part of amounts owing under the Transaction, when due, whether at stated maturity, mandatory prepayment, upon acceleration or by reason of bankruptcy, insolvency, winding up, liquidation, dissolution or any similar proceeding.

"Pounds Sterling" and **"GBP"** each mean the lawful currency of the United Kingdom.

"Primary Distribution Method" means a distribution of amounts in the following order after deduction therefrom of the related reasonable costs of acceleration and enforcement, if any and of any amounts required to be paid in respect of statutory liens, deemed trusts, garnishment rights or other unregistered priority claims:

- (i) first, on a pari passu basis, to EDC, the applicable Guaranteed Percentage of such amounts and to the Institution, the applicable Non-Guaranteed Percentage of such amounts, until EDC has been paid in full in respect of the Guaranteed Amount; and
- (ii) then, but subject to the rights of any other person legally entitled thereto, to the Institution for any other indebtedness owing by the Obligor to the Institution.

"Prime Rate" means a fluctuating annual reference rate of interest used for the determination of the interest rate to be charged to Canadian commercial customers of varying degrees of creditworthiness borrowing Canadian Dollars in Canada, as announced from time to time by a bank.

"Rank of Charge" means a First Prior Charge subject to (i) statutory liens, deemed trusts, garnishment rights and other unregistered priority claims and (ii) any permitted liens or other exceptions specified in the Approval.

"Recovered Amounts" means any proceeds of realization of Collateral and any payments under any credit agreement and any Third Party Guarantees.

"Residual Loss" means the Guaranteed Amount minus EDC's share of the Recovered Amounts calculated in accordance with Section 17.

"Release" means a completed document executed by the Institution in the form provided by EDC.

"Security" means all Third Party Guarantees and/or all security interests or hypothecs in the Collateral, as the context may require.

"Subrogation and Release" means a document executed by EDC and the Institution in the form provided by EDC or in such other form as may be mutually satisfactory to EDC and the Institution.

"Third Party Guarantees" means all Primary Guarantees and all Other Guarantees.

"Third Party Guarantor(s)" means any and all providers of Third Party Guarantees.

"Transaction Documentation" means all documentation evidencing the Transaction and the Security, including the Transaction Agreement.

"United States Dollars" and **"USD"** each mean the lawful currency of the United States of America.

"Waiver" means each document executed by any Third Party Guarantor in the form provided by EDC.

GUARANTEE

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| Guarantee | 2. In consideration of the fees payable hereunder by the Institution and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and subject to the terms and conditions of this Guarantee, EDC hereby unconditionally and irrevocably guarantees payment to the Institution of the obligations under the Transaction, up to the Guaranteed Amount (notwithstanding article |
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2344 of the Civil Code of Québec if the Institution's headquarters are in the province of Québec), in the event of the occurrence of a Guaranteed Event.

Effectiveness 3. This Guarantee is effective as of the Effective Date.

EXCLUSIONS

Uncurable 4. EDC shall not be liable to pay any part of the Guaranteed Amount where any of the following has occurred, unless otherwise agreed by EDC:

- (1) the Guaranteed Event occurs prior to the Effective Date;
- (2) (i) the Guaranteed Event occurs after the Guarantee Expiry Date, or any earlier termination in accordance with Section 21, or (ii) if the Guaranteed Event is as a result of the failure to pay pursuant to an acceleration notice, the Institution has not demanded payment from the Obligor prior to the Guarantee Expiry Date or any earlier termination in accordance with Section 21;
- (3) the Institution has not fulfilled the requirement of Section 5.(1) hereof prior to the Claim Expiry Date;
- (4) (i) the Institution has failed to meet its normal standard of care, applicable at the time the Approval is issued, for comparable transactions not guaranteed by EDC in ensuring that the Transaction Documentation is legal, valid, binding and enforceable and (ii) the Security does not create the Rank of Charge in the Collateral specified in the Approval;
- (5) the Institution has failed to meet its normal standard of care, applicable at the time the Approval is issued, for comparable transactions not guaranteed by EDC in administering and preserving its rights under the Transaction Documentation and the resulting consequence of such failure is a Material Adverse Effect;
- (6) the Institution has failed to meet its normal standard of care, for comparable transactions not guaranteed by EDC in enforcing (to the extent it is required or permitted to do so hereunder) its rights and remedies under the Transaction Documentation against the Obligor, Third Party Guarantors and the Collateral and the resulting consequence of such failure is a Material Adverse Effect;
- (7) the Institution has released, subordinated or discharged any part of the Security, or permitted any of the foregoing to occur (other than the release or discharge of the Collateral required for the purpose of the sale or disposition thereof in connection with the enforcement and realization, by the Institution, against the Collateral);
- (8) the Institution has incurred any obligation or made any advance under or in respect of any part of the Transaction prior to the satisfaction of all conditions precedent applicable thereto other than such conditions precedent which are waived by the Institution acting in accordance with its normal standard of care for comparable transactions not guaranteed by EDC;
- (9) the Institution has amended the Transaction Documentation and the resulting consequence is a Material Adverse Effect;
- (10) the Institution has waived any Payment Default;
- (11) the Institution has waived any default under the Transaction Documentation other than a Payment Default and the resulting consequence is a Material Adverse Effect;
- (12) the Institution has not paid the Guarantee Fee(s) or the Set-up Fee, to the extent due, as set forth in the Approval.

EDC's review of any part of the Transaction Documentation prior to the issuance of the Approval shall not constitute a confirmation that exclusion (4) above has not occurred.

PAYMENT BY EDC

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| Demand | 5. (1) To make a Demand, the Institution shall, deliver to EDC prior to the Claim Expiry Date: (i) a Notice of Demand or a Notice of Intent to Enforce (ii) a duly completed Demand Details Form with all required supporting documents attached thereto, (iii) a duly executed Subrogation and Release, to be effective simultaneously with the successful transfer of payment by EDC to the Institution of the Guaranteed Amount and (iv) an Enforcement Plan (except in the case where a Notice of Intent to Enforce has been delivered to EDC pursuant to Section 11). The applicable forms are available in the Canadian Financial Institutions section of EDC's website at www.edc.ca . |
| Payment | (2) EDC shall not be liable to pay any part of the Guaranteed Amount until thirty (30) calendar days after the satisfaction of the provisions of Subsection 5.(1). |
| Condition | (3) Unless prohibited by applicable law, the Institution is required to demand payment from the Obligor and all Third Party Guarantors before making a Demand. |
| Reductions | 6. EDC may deduct from the Guaranteed Amount payable by EDC the Guaranteed Percentage of any amount received by the Institution before the date of payment by EDC that would, in the normal course, be applied to reduce the obligations owing under the Transaction. |

INSTITUTION'S OBLIGATIONS

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| Covenants | 7. The Institution shall: |
| Information | (1) at the request of EDC, and subject to any restrictions affecting the Institution, provide EDC with all information and documents with respect to any matter relevant to this Guarantee which the Institution has in its possession and take all reasonable steps to allow EDC to obtain from any third party related to the Transaction any such information and documents which the Institution does not have in its possession; |
| Environment | (2) notify EDC promptly upon becoming aware of any environmental claim, notice or order against the Obligor; |
| Default | (3) notify EDC promptly upon becoming aware of the occurrence of any of the following and of the action the Institution is contemplating in respect thereof: (i) any Payment Default, (ii) any default under the Transaction Documentation other than a Payment Default, the consequence of which is a Material Adverse Effect, or (iii) any payment default or any other Material default under any other agreement between the Institution and the Obligor or any Third Party Guarantor; and

(4) notify EDC promptly upon transferring the Transaction to its special loans or work out division. |

FEES

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| Set-Up Fee | 8. The Institution will pay to EDC the Set-Up Fee indicated in the Approval. |
| Guarantee Fee | 9. The Institution will pay to EDC the Guarantee Fee(s) indicated in the Approval. |
| Late Fees | 10. The Institution will pay interest to EDC on any overdue fees hereunder at the annual rate equal to the Guarantee Fee Rate plus 2%, computed from the due date and compounded monthly on the last day of each month until payment in full. |

NOTICE OF INTENT TO ENFORCE

Notice of Intent to Enforce

11. Notwithstanding anything to the contrary herein, prior to making a Demand hereunder, the Institution may choose, upon the occurrence of a Guaranteed Event but no later than the Claim Expiry Date, to notify EDC of its intent to enforce and exercise all rights and remedies of the Institution under the Transaction Documentation against the Obligor, the Third Party Guarantors and the Collateral, by delivering a Notice of Intent to Enforce. Upon receipt of the Notice of Intent to Enforce, the Claim Expiry Date shall automatically be extended to the date falling one hundred and twenty days (120) calendar days after the date upon which the Institution has exercised all of its rights and remedies under the Transaction Documentation against the Obligor, the Third Party Guarantors and the Collateral. Prior to making a Demand hereunder, the Institution shall calculate the Residual Loss.

CURRENCY AND PLACE OF PAYMENT

- Currency** 12. (1) All payments by EDC to the Institution hereunder shall be made in the currency of the Transaction to the account indicated in the Demand Details Form.
- (2) All payments by the Institution to EDC hereunder shall be made in the currency of the Transaction, unless otherwise indicated in the Approval, to the accounts below or to such other accounts as EDC may notify the Institution. Each payment shall specify the Reference No. of the Approval.
- CAD Account** 13. (1) Payments to EDC in Canadian Dollars shall be made to Royal Bank of Canada, 90 Sparks Street, Ottawa, Ontario, Canada, K1P 5T6, for the credit of Export Development Canada, SWIFT Code ROYCCAT2, institution number 003, transit number 00006, account number 1070481.
- USD Account** (2) Payments to EDC in United States Dollars shall be made to Citibank, N.A., 111 Wall Street, New York, New York 10043, U.S.A. for the credit of Export Development Canada, ABA number 021000089, SWIFT CITIUS33, account number 36236357.
- EUR Account** (3) Payments to EDC in Euro Dollars shall be made to Bank of America, P.O. Box 407, 5 Canada Square, London, UK, E14 5AQ for the credit of Export Development Canada, IBAN number GB36 BOFA 1650 5045 4470 27, SWIFT BOFAGB22, account number 6008 45447027.
- GBP Account** (4) Payments to EDC in Pounds Sterling shall be made to Bank of America, P.O. Box 407, 5 Canada Square, London, UK, E14 5AQ for the credit of Export Development Canada, IBAN number GB58 BOFA 1650 5045 4470 19, SWIFT BOFAGB22, Sort Code 16 50 50, account number 6008 45447019.
- AUD Account** (5) Payments to EDC in Australian Dollars shall be made to Bank of America, P.O. Box 407, 5 Canada Square, London, UK, E14 5AQ for the credit of Export Development Canada, IBAN number GB89 BOFA 1650 5045 4470 43, SWIFT BOFAGB22, account number 6008 45447043, Cover at Bank of America, Sydney, SWIFT BOFAAUSX.

MAXIMUM LIABILITY

Maximum Liability

14. EDC's maximum liability under this Guarantee is in all events limited to the Maximum Liability.

RECOVERY

Subrogation

15. EDC shall be immediately subrogated to all rights, title and interest of the Institution under the Transaction Documentation (but not its obligations) upon, and to the extent of, its payment in full of the Guaranteed Amount to the Institution. If the Institution's headquarters are in the province of Québec, such subrogation is pursuant to article 1651 of the Civil Code of Québec and notwithstanding the terms of article 1658 of the Civil Code of Québec.

The Institution agrees to execute a Subrogation and Release with respect to the EDC Acquired Rights, and upon request by EDC, an assignment of the EDC Acquired Rights. For greater certainty, EDC shall not be subrogated into or request an assignment of any Institution Rights.

- Enforcement**
16. (1) The Institution shall take, without requirement for prior consultation with EDC, emergency and routine actions to preserve rights under the Transaction Documentation in accordance with its normal standard of care for comparable transactions not guaranteed by EDC.
- (2) EDC shall not be liable to pay any part of the Guaranteed Amount until receipt by EDC of an Enforcement Plan acceptable to EDC. Upon receipt of EDC's consent to such Enforcement Plan the Institution shall implement such Enforcement Plan in accordance with its normal standard of care for comparable transactions not guaranteed by EDC and the Institution shall deliver a report to EDC on a bi-weekly or other basis agreed by the parties detailing specific Material actions taken in accordance with the Enforcement Plan. If EDC and the Institution cannot agree on the Enforcement Plan, the assistance of the courts referred to in Section 35 may be sought or EDC may exercise its rights under Subsection (4). The Institution shall obtain EDC's consent to any change to the Enforcement Plan. For greater certainty, the Institution shall not obtain EDC's consent to any course of action concerning enforcement action in respect of the Institution Rights.
- (3) Subsection 16.(2) is not applicable where the Institution has delivered to EDC a Notice of Intent to Enforce pursuant to Section 11. In the event that the Institution has delivered to EDC a Notice of Intent to Enforce pursuant to Section 11, the Institution shall enforce all rights and remedies under the Transaction Documentation against the Obligor, Third Party Guarantors and the Collateral in accordance with its normal standard of care for comparable transactions not guaranteed by EDC and the Institution shall deliver a report to EDC when it has taken Material actions but in any event no less than semi-annually.
- (4) EDC may, at any time after or concurrently with payment of the Guaranteed Amount:
- (i) take or retain a third party to take, any enforcement action in respect of the EDC Acquired Rights provided that EDC or such third party shall cooperate with the Institution to ensure an orderly realization of the Security; or
 - (ii) direct the Institution to take any reasonable enforcement action within the reasonable capabilities of the Institution in respect of the EDC Acquired Rights, provided that EDC executes and delivers the Indemnity.

- Distribution of Proceeds**
17. (1) Any Recovered Amounts shall be held in trust by the Institution or EDC, as the case may be, and promptly distributed in accordance with the Distribution Method(s) specified in the Approval. Any amounts received by the Institution or EDC which cannot be identified specifically as amounts payable by the Borrower or any Third Party Guarantors in connection with the Transaction or as amounts derived from the realization of Primary Collateral or Other Collateral (including amounts which derive from realization by way of a sale of all or substantially all of a party's assets, including the sale of a party's business as a going concern), despite the Institution's commercially reasonable efforts in the circumstance, shall be held in trust by the Institution or EDC, as the case may be, and promptly distributed proportionately to each of the Transaction and other transactions between the Institution and the Obligor, with the portion of the proceeds allocated to the Transaction then distributed in accordance with the Primary Distribution Method.
- (2) Any amounts other than Recovered Amounts (if applicable) that would, in the normal course, be applied in full or in part to reduce the exposure under the Transaction, shall be held in trust by the Institution or EDC, as the case may be, and promptly distributed proportionately to each of the Transaction and other transactions between the Institution and the Obligor, with the portion of the proceeds allocated to the Transaction then distributed in accordance with the Primary Distribution Method.

- (3) In the case of (1) and (2) above, if EDC has not already paid the Institution under a Demand, such amounts shall be applied by the Institution to reduce the indebtedness owed to it in respect of the Transaction, with a corresponding reduction in the amount of the Guaranteed Amount, with any amounts received in excess of the Guaranteed Amount to be applied as the Institution decides, in its sole discretion.

Recovery Costs 18. All acceleration and enforcement costs shall be recovered in accordance with the applicable Distribution Method. Where Recovered Amounts are insufficient to cover the related costs of acceleration and enforcement, such costs shall be shared proportionately by EDC and the Institution based on the ratio of the Guaranteed Amount to the total outstanding principal and interest under all exposure of the Institution to the Obligor secured by the Collateral and/or Third Party Guarantees or such other ratio as may be agreed by the parties.

Claw Back 19. Each of the Institution and EDC agree that the other party may take any action to recover any payment that was paid by the other when not due and payable hereunder.

MISCELLANEOUS

Contribution 20. The obligations of EDC hereunder are not joint with any other guarantor. If the Institution's headquarters are in the province of Québec, EDC renounces the right to invoke the benefit of division or discussion as it may have pursuant to the Civil Code of Québec. The Institution shall obtain a Waiver from any new Third Party Guarantors obtained after this Guarantee becomes effective upon execution of any such Third Party Guarantees and promptly provide a copy thereof to EDC. The Institution shall indemnify EDC for any cost, loss and/or damages to EDC resulting directly or indirectly from the Institution's failure to obtain any Waiver.

Early Termination 21. EDC may terminate its obligations under this Guarantee ten (10) Business Days after notice thereof to the Institution, if the Institution fails to comply with the provisions of Sections 8 or 9 and such failure is not cured within such notice period. Such termination shall not apply in respect of any Guaranteed Event which has taken place prior to such notice by EDC. The termination provision contained in this Subsection is effective notwithstanding the terms of article 2364 of the Civil Code of Québec if the Institution's headquarters are in the province of Québec.

Interest Calculation 22. All interest calculations hereunder using Prime Rate as a reference rate will be calculated on the basis of the actual number of days elapsed divided by 365 (366 days in the case of a leap year). All interest calculations using Base Rate as a reference rate will be calculated on the basis of the actual number of days elapsed divided by 360. For purposes of the *Interest Act* (Canada), where in this Guarantee (i) a rate of interest is to be calculated on the basis of a year of 360 days, the yearly rate of interest to which the 360 day rate is equivalent is such rate multiplied by the number of days in the year for which such calculation is made and divided by 360, or (ii) a rate of interest is to be calculated during a leap year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by 366 and divided by 365.

Declarations 23. The Institution shall notify EDC promptly upon learning that any part of a Declaration is or has become incorrect and agrees, upon EDC's notification, to suspend or terminate any Transaction, on such terms as EDC may advise, if any Declaration is or becomes materially false, if the Obligor fails to provide evidence substantiating the truth of the Declaration to EDC upon request, or if the Obligor fails to comply with any other requirement of the Declaration.

Time Periods 24. In the calculation of any time period hereunder, the first day of such period shall be included in the calculation and the last day of such period shall not be included. Any payments due on a day other than a Business Day shall be deemed to be due on the next succeeding Business Day.

Expiry 25. (1) The Institution recognizes that the Guarantee Expiry Date applies notwithstanding: (i) any outstanding obligations under the Transaction at such date, and (ii) article 2364 of the Civil Code of Québec if the Institution's headquarters are in the province of Québec.

- (2) Renewal or extension of this Guarantee will only be considered upon written request by the Institution and will be subject to EDC's internal authorization processes. Any reminder received by the Institution from EDC advising the Institution of an upcoming expiry of this Guarantee shall not be construed as an agreement express or implied to renew or extend the stated term of this Guarantee.
- (3) No payment of fees by the Institution to EDC shall be construed as an agreement, express or implied, to amend or extend the stated term of this Guarantee nor will any such payment create any new liability for EDC. EDC will return any fee overpayment to the Institution upon written request, without interest.

**Waiver of
Conditions**

26. EDC may waive, with or without conditions, any term or condition for its benefit in this Guarantee.

Disclosure

27. Any obligation of EDC to maintain confidentiality of the matters contained herein or in the Approval shall be subject to the requirements of applicable law, regulation or legal process and Canada's and/or EDC's international commitments. Further, the Institution agrees to EDC's disclosure, following the signing of this Guarantee, of: the name of the Institution, the EDC financial service provided and date of related agreement, a general description of the transactions/project (including country), the amount of EDC support in an approximate dollar range, and the name of the Canadian supplier.

**No
Representation**

28. The Institution makes no representation as to the completeness, accuracy or reliability of any information provided to EDC in any credit write-up of the Institution, under the section entitled "Exporter Profile" of any form of application for this Guarantee or under Subsection 7.1(1) and provides such information to EDC solely as a form of assistance to EDC in order that EDC may conduct its own due diligence in regard to the Obligor and the Transaction in a timely fashion. Statements of opinion in any of the foregoing information, whether of the Institution or of others, cannot be relied upon in any manner and no action, whether in contract or in tort, will lie against the Institution or others in respect of the foregoing information or the use to which any of it may be put.

Costs /Expenses

29. Subject to Section 18, each party shall be responsible for its costs incurred in respect of the negotiation, execution and administration of this Guarantee, including in respect of all documents or information to be provided by either of the parties hereunder.

GENERAL

Notice

30. Every notice, demand, request, consent, approval, waiver or agreement to be given or made hereunder shall be in writing and shall be delivered to the other party by hand, sent by mail or transmitted by electronic mail or fax and shall be deemed to have been given and received: if delivered by hand, upon delivery; if sent by mail, on the earlier of the actual receipt and seven (7) days after posting; and if transmitted by electronic mail or fax, on the earlier of the actual receipt and two (2) days following the date of transmission; in each case excluding Saturdays and Sundays and those statutory holidays on which the offices of EDC and the Institution are normally closed for business. The mailing addresses and electronic mail (if any) and fax numbers of EDC and the Institution for such purposes shall be those specified in the Approval or such other address or electronic mail or fax number as EDC or the Institution may from time to time notify the other party in writing.

**Entire
Agreement**

31. This Guarantee constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, written or oral, with respect thereto.

Assignment

32. This Guarantee will enure to the benefit of and be binding on the parties hereto and their respective successors and permitted assignees. Neither party will transfer its rights and obligations under the Transaction Documentation and this Guarantee without the other party's prior written consent, which it may grant or withhold in its sole discretion, with or without conditions. In the event that the Institution takes any such action without EDC's consent as aforesaid, EDC's obligations under this Guarantee will be terminated. For greater certainty, this Section does not apply to the transfer of any Institution Rights.

- Severability** 33. If any provision of this Guarantee or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Guarantee and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each provision of this Guarantee shall be separately valid and enforceable to the fullest extent permitted.
- Interpretation** 34. The marginal notes and headings in this Guarantee have been inserted for convenience of reference only and do not form part of this Guarantee, and shall not be referred to in the interpretation of this Guarantee. All references herein to "Section", "Subsection", "herein", "hereunder" and similar terms, shall relate to this Guarantee. Unless the context requires otherwise, the singular shall include the plural and vice versa.
- Governing Law** 35. If the Institution's headquarters are outside the province of Québec, this Guarantee shall be governed by the laws of the province of Ontario and by the laws of Canada as applicable therein. The parties submit to the non-exclusive jurisdiction of the Courts of Ontario.
- If the Institution's headquarters are in the province of Québec, this Guarantee shall be governed by the laws of the province of Québec and by the laws of Canada as applicable therein. The parties submit to the non-exclusive jurisdiction of the Courts of Québec.
- Language** 36. The parties hereto have expressly required that this Guarantee and all document, agreements, correspondence and notices related thereto be drafted in the English language. Les parties aux présentes ont expressément requis que le présent contrat et tous les autres documents, conventions, correspondance ou avis qui y sont afférents soient rédigés en langue anglaise.

EXPORT DEVELOPMENT CANADA



**EXTENSION OF THE GUARANTEE EXPIRY DATE
OF THE EDC GUARANTEE**

Date: October 8, 2019

To: HSBC Bank Canada (the "Institution")

Re: EDC Guarantee Approval with reference No. 880- 68450 (the "Approval") issued by
Export Development Canada ("EDC") in favour of the Institution, as amended from time to time.

Section (e) of the Approval sets out the Guarantee Expiry Date of the Approval unless otherwise agreed by EDC.

EDC hereby advises the Institution that, from and as of the date hereof, the Guarantee Expiry Date for purposes of Section (e) of the Approval shall be "**November 30, 2019**". This extension of the Guarantee Expiry Date of the Approval is effective as of October 1, 2019 and is conditional upon the receipt by EDC of the following fees: (i) an extension fee of **CAD 8,270.00** and (ii) an administration fee of **CAD 1,000.00**, payable within fifteen (15) Business Days of the date hereof.

Capitalized terms in this letter have the meanings ascribed to them in the Approval, unless otherwise indicated.

Yours truly,

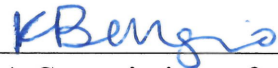
EXPORT DEVELOPMENT CANADA

Signature:
Vincent Landry
Financing Manager
International Financing, Guarantees

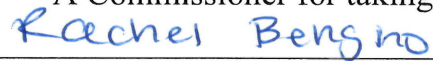
Signature:
David Gauthier
Senior Financing Manager
International Financing, Guarantees

CC: Amanda Klurowicz, EDC

This is Exhibit "I" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits





August 30, 2019

PRIVATE & CONFIDENTIAL

Comsale Computer Inc.
323-18B 3200 Dufferin Street,
Toronto, Ontario
M6A 0A1

Attention: Neil Shual, Wengiang (Ken) Feng, Thomas Lucey

Dear Sirs:

As you are aware, HSBC Bank Canada (the "Bank") has issued a facility letter dated **June 4, 2018**, as amended (collectively referred to here as the "Facility Letter") to Comsale Computer Inc. (the "Borrower").

The Facility Letter contains various covenants, including the following:

- a) Debt Service Coverage to be no less than 1.20 to 1.0 at any time.
- b) Total loan advances cannot exceed the margin security value.
- c) Monthly, reporting within 30 days of each calendar month; Quarterly, reporting within 60 days of the Borrower's fiscal quarter end; Annually, reporting within 120 days of the Borrower's fiscal year end.

The Borrower was in contravention of the above covenants for the fiscal year ended March 31, 2019.

The Bank hereby requires that the above-noted covenant breaches shall be rectified by September 30, 2019, and the Borrower shall remain in compliance with all other covenants and conditions set out in the Facility Letter. Borrower shall make sure to submit the reports on a timely manner as per the reporting requirements set out in the Facility Letter.

The Bank does not waive the above breaches and defaults and reserves all rights, including any right to make demand and decline future requests, under the Facility Letter. The Bank affirms all rights and remedies under the Facility Letter in respect of subsequent breaches or defaults arising under the Facility Letter and the Bank's security.

Please acknowledge this letter by signing the enclosed copy and returning it to the undersigned.

Yours truly,

HSBC BANK CANADA

A blue ink signature of Kevin Fan, written over a horizontal line.

Kevin Fan
Director
Corporate Banking

A black ink signature of Paul Keya, written over a horizontal line.

Paul Keya
Senior Director & Team Lead
Corporate Banking

ACKNOWLEDGED and ACCEPTED this _____ day of _____.

BORROWER

Comsale Computer Inc.

Per: _____

Authorized Signatory

Title:

Name:

Per: _____

Authorized Signatory

Title:

Name:

GUARANTORS

Comsale Group Inc.

Per: _____

Authorized Signatory

Title:

Name:

Per: _____

Authorized Signatory

Title:

Name:

Comsale Malaysia Sdn. Bhd.

Per: _____

Authorized Signatory

Title:

Name:

Per: _____

Authorized Signatory

Title:

Name:

Comsale Inc.

Per: _____

Authorized Signatory

Title:

Name:

Per: _____

Authorized Signatory

Title:

Name:

Comsale Hong Kong Limited

Per: _____

Authorized Signatory

Title:

Name:

Per: _____

Authorized Signatory

Title:

Name:

This is Exhibit "J" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits

Rachel Bengino



September 27, 2019

PRIVATE & CONFIDENTIAL

Comsale Computer Inc.
323- 18B 3200 Dufferin Street
Toronto, Ontario, M6A 0A1

Attention: Neil Shaul, Wengiang (Ken) Feng and Thomas Lucey

Non-waiver of rights

We refer to the facility letter dated as of June 4, 2018 between HSBC Bank Canada (the "**Bank**") and Comsale Computer Inc. (the "**Borrower**"), as it may be amended, rested, amended and rested, revised, supplemented, replaced or otherwise modified from time to time (the "**Facility Letter**").

All terms used in this letter and not specifically defined shall have the meanings given to such terms in the Facility Letter.

As of the date hereof, the following defaults under the Facility Letter have occurred (collectively, the "**Existing Defaults**"):

- (i) the draft financial statements of the Borrower for its fiscal year ended March 31, 2019 reported a Debt Service Coverage less than the minimum permitted Debt Service Coverage of 1.20:1.0;
- (ii) the amount advanced under the Operating Loan Facility exceeded the margined availability pursuant to Section 6.1 of the Facility Letter;
- (iii) the annual reporting required by Section 10(c) of the Facility Letter which was required to be delivered within 120 days of the Borrower's fiscal year ended March 31, 2019 has not been delivered; and
- (iv) certain monthly and quarterly reporting required by Section 10(a) and (b) of the Facility Letter which was required to be delivered within 30 days of each calendar month end and 60 days of each fiscal quarter end have not been delivered.

The Existing Defaults are not waived and the Bank expressly reserves all of its rights and remedies under the Facility Letter as a result of or in connection with the Existing Defaults including to demand payment of all amounts owing by the Borrower to the Bank.

We ask that you provide to us each of the following as soon as possible but in any event no later than October 4, 2019:

- (i) a 13 week forecast including profit and loss statement, balance sheet and cash flow statement; and
- (ii) a budget forecast for the remainder of the Borrower's 2020 fiscal year (month over month to March 31, 2020) which shall include without limitation a balance sheet, income statement and cash flow statement, in each case, consistent with the presentations provided to the Bank by Deloitte.

We also ask you provide to us as soon as possible the consolidated audited financial statements of the Comsale Group.

Yours truly,

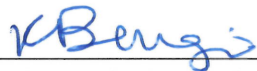
HSBC BANK CANADA



Kevin Fan
Director, Corporate Banking

Paul Leva
Senior Director & Team Lead, Corporate Banking

This is Exhibit "K" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits





October 26, 2019

VIA EMAIL

Comsale Computer Inc.
18B-3200 Dufferin St.
Suite # 323
Toronto, ON M6A 0A1

Comsale Computer Inc.
300 Spinnaker Way
Concord, ON L4K 4W1

Attention: Neil Shaul (Director and Officer)
Wenqiang Feng (Director and Officer)

Dear Sirs:

Re: Indebtedness of Comsale Computer Inc. (the "Borrower") to HSBC Bank Canada (the "Bank")

We refer to the credit facility agreement dated June 4, 2018 (the "**Credit Agreement**") between the Bank and the Borrower and the credit facilities made available by the Bank to the Borrower thereunder.¹ Any capitalized terms not otherwise defined herein have the meanings attributed to them in the Credit Agreement.

Neither the Borrower nor the Bank are able to confirm what the Maximum Limit under the Operating Loan Facility is at this time, since the Borrower has not provided the Bank with a current margin certificate in order to allow the Bank to verify the borrowings that may be available to the Borrower under the Credit Agreement. The failure to do so is a breach under the Credit Agreement.

We are in receipt of a cash flow forecast (the "**Forecast**") delivered by the Borrower for the period up to and including November 9, 2019. The Forecast reflects disbursements for critical payroll, utilities, insurance, rent and Deloitte retainer through November 9, 2019 in the total amount of CDN\$652,244¹ (the "**Disbursements**"). The Borrower has requested that the Bank continue to make sufficient funds available to it to allow it to pay the Disbursements, notwithstanding that in doing so, the Borrower will likely exceed the Maximum Limit authorized under the Operating Loan Facility pursuant to the Credit Agreement.

As of the close of business on Friday, October 25, 2019, the total amount outstanding under the Operating Loan Facility (only) is CDN\$15,938,578.30². At the request of and as an accommodation to the Borrower, the Bank is prepared to temporarily permit the Borrower to fund those disbursements that it has identified as critical disbursements up to November 9, 2019, in

¹ In all places where dollar amounts are inserted in this letter, such amounts are based on information received by the Bank to date.

² This amount represents the CDN equivalent of the aggregate CDN and US borrowings using the Bank's existing rates for conversion.

- 2 -

accordance with the Forecast, up to a maximum permitted overdrawn position of \$590,822.30 on the following terms:

1. The Borrower has confirmed that it will immediately (by no later than the opening of business on Monday, October 28, 2019) have engaged Deloitte Restructuring Inc. and Deloitte LLP (together, "**Deloitte**"), on the terms set out in the engagement letters provided to the Borrower from Deloitte, to review the Borrower's financial position and prepare a restructuring plan to be shared with the Bank prior to November 8, 2019;
2. The Borrower will permit borrowings under the Operating Loan Facility to fund payment of the retainer required under the Deloitte engagement agreements in the total amount of CDN\$150,000 in accordance with the Forecast, even if such payment creates an excess in the Maximum Limit under the Operating Loan Facility;
3. The Borrower shall strictly comply with the Forecast and all reporting obligations as required under the Credit Agreement; and
4. Upon the outstanding balance under the Operating Loan Facility exceeding the Canadian dollar equivalent of \$16,000,000 at any time, the maximum permitted overdrawn position shall be permanently reduced by an amount equal to all deposits made to the Borrower's accounts up to and including November 9, 2019.

The Bank is assessing its position on a day to day basis, and nothing contained in this letter constitutes an amendment to or waiver of any of the Bank's rights or any of the Borrower's or Guarantors' obligations under the Credit Agreement. For greater certainty, the Bank expressly reserves and preserves all of its rights and remedies, including but not limited to the right to issue a demand for payment at any time.

Please return a fully executed version of this letter acknowledging and accepting the terms set out hereunder **by no later than 9:00 a.m. on Monday, October 28, 2019**. Receipt of an electronic copy will constitute an original.

Yours truly,

HSBC BANK CANADA

Per: Brian Pettit

Assistant Vice-President

Per: John Borch

Assistant Vice-President

- 3 -

Each of the undersigned Borrower and corporate guarantors hereby acknowledges and agrees to the terms and condition(s) set out herein this ____ day of October, 2019.

Borrower:

COMSALE COMPUTER INC.



Per: *NEIL SHAN*

Title: *CEO*

I have authority to bind the Corporation.

Corporate Guarantors:

COMSALE GROUP INC.



Per:

Title:

I have authority to bind the Corporation.

COMSALE INC.



Per:

Title:

I have authority to bind the Corporation.

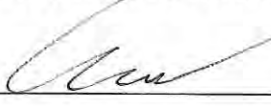
COMSALE MALAYSIA SDN. BHD.

Per: 

Title:

I have authority to bind the Corporation.

COMSALE HONG KONG LIMITED

Per: 

Title:

I have authority to bind the Corporation.

This is Exhibit "L" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.

RBengio

A Commissioner for taking affidavits

Rachel Bengio

From: [Brian Pettit](#)
To: [neil shaul](#); [John Borch](#)
Cc: [ken Feng](#); [Thomas Lucev](#)
Subject: RE: EXTERNAL: My previous email did not get delivered

Neil,

We are not clear on your reference to payroll in your email below, or why payroll was not presented for payment in the ordinary course (particularly as it was included in the Cash Flow Forecast and listed as a critical payment by you), but that is entirely your decision.

If by “accept the Receiver immediately” you are confirming that you will execute the Consent form attached to the BIA Notice issued by the Bank’s counsel today, we would ask that you sign and deliver that to us as soon as possible tonight or tomorrow morning. Your lawyer can explain to you that that will facilitate our attending in court tomorrow afternoon in order to seek the appointment of a Receiver by the Court, so that the instability can be addressed on an urgent basis. If a Receiver is to be appointed, it would be best for that to occur in an orderly fashion and on a consensual basis, to minimize the negative implications to the business and assets secured in favour of the Bank.

Until such time as the Receiver has actually been appointed by the Court, the company remains in possession and control of its assets. We would expect the company to ensure that no steps are taken by any employees or anyone else that could jeopardize the ability of the Receiver, once appointed, to take possession of the assets and recover the full value for them.

We look forward to hearing from you with respect to your Consent to the immediate appointment of a Receiver, and will make arrangements to get that in place as soon as possible.

Thank you.

Brian Pettit

Assistant Vice-President | North America Risk
Loan Management Unit | HSBC Bank Canada
70 York Street, 6th Floor
Toronto, Ontario, M5J 1S9

Phone 416-868-8025
Fax 416-868-3812
Website <http://www.hsbc.ca>

Protect our environment - please only print this if
you have to!

From: neil shaul [mailto:comsaleinc@gmail.com]

Sent: November-04-19 6:34 PM

To: Brian Pettit <brian_pettit@hsbc.ca>; John Borch <john_borch@hsbc.ca>

Cc: ken Feng <ken@comsale.com>; Thomas Lucey <thomas@comsale.com>

Subject: EXTERNAL: My previous email did not get delivered

Hello Gentlemen

Since the payroll did not go out them Friday and did not go out today I have no choice and I will accept the receiver immediately

At this point I'm looking to send all employees home I have a hard deadline at 7:30 p.m. Toronto time tonight for my Malaysia team and I'm looking to do the same thing for North America tomorrow by the end of the day

If you don't want me to send employees home please advise immediately (before 7.30 p.m. tonight for Malaysia workers) and please take the responsibility for their pay as well

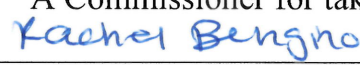
Tks

Neil Shaul

This message originated from the Internet. Its originator may or may not be who they claim to be and the information contained in the message and any attachments may or may not be accurate.

This is Exhibit "M" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits




Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Rachel Bengino
T: 416-304-1153
E: rbengino@tgf.ca
File No. 100-430

November 4, 2019

VIA EMAIL

Comsale Computer Inc.
18B-3200 Dufferin St.
Suite # 323
Toronto, ON M6A 0A1

Comsale Computer Inc.
300 Spinnaker Way
Concord, ON L4K 4W1

Attention: Neil Shaul (Director and Officer)
Wenqiang Feng (Director and Officer)

Dear Sirs:

Re: Indebtedness of Comsale Computer Inc. (the “Borrower”) to HSBC Bank Canada (the “Bank”)

We act as counsel for the Bank in respect of this matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to a credit facility agreement dated June 4, 2018 (the “**Credit Agreement**”) and the HSBC Commercial MasterCard Agreement dated August 23, 2018. As at the opening of business on November 4, 2019, the Borrower is indebted to the Bank in the amounts of CDN\$17,404,122.21 and USD\$896,781.96, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are as set out in Schedule “A”.

All amounts owing to the Bank are payable on demand. **On behalf of the Bank, we hereby demand payment from the Borrower of the Indebtedness, namely the sums of CDN\$17,404,122.21 and USD\$896,781.96, together with accrued and accruing costs (including legal costs on a full indemnity basis) and accruing interest.**

Please note that this amount will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by either certified cheque or bank draft at the following address:

Thornton Grout Finnigan LLP
100 Wellington St. West, Suite 3200
Toronto, ON M5K 1K7
Attention: Rachel Bengino

If full payment, as set forth herein, is not received by noon on November 14, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose herewith a Notice of Intention to Enforce Security delivered to you in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). Please govern yourself accordingly.

Yours very truly,

Thornton Grout Finnigan LLP



Rachel Bengino

Encl.

cc: Brian Pettit and John Borch, HSBC Bank Canada
cc: Comsale Inc., as Guarantor
cc: Comsale Group Inc., as Guarantor
cc: Export Development Canada, as Guarantor
cc: Comsale Malaysia Sdn. Bhd and Comsale Hong Kong Limited as parties to the Negative Pledge Agreement dated July 5, 2018.

SCHEDULE “A”

Indebtedness of Comsale Computer Inc. (the “Borrower”) to HSBC Bank Canada as at the opening of business on November 4, 2019

Facility	Principal Balance	Accrued Interest and Charges	Total
Demand Revolving Facility	CDN\$14,944,030.04 USD\$581,583.97	CDN\$92.17 USD\$285.95	CDN\$14,944,122.21 USD\$581,869.92
Foreign Inventory Facility	CDN\$2,000,000	N/A	CDN\$2,000,000
Demand Non-Revolving Facility	CDN\$460,000.00	N/A	CDN\$460,000.00
Foreign Exchange Facility	nil	nil	nil
Interest rate swap facility	nil	nil	nil
Commercial Card	USD\$314,912.04	N/A	USD\$314,912.04
TOTAL	CDN\$17,404,030.04 USD\$896,496.01	CDN\$92.17 USD\$285.95	CDN\$17,404,122.21 USD\$896,781.96

E&OE

- a) Operating Loan: Interest accrues at the Bank’s Prime Rate (or U.S. Base Rate, as applicable) plus 0.65% per annum. As at November 4, 2019, the Bank’s Prime Rate is 3.95% and the Bank’s U.S Base Rate is 5.25%.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: COMSALE COMPUTER INC.

Take notice that:

1. HSBC Bank Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of Comsale Computer Inc. (the “**Company**”) described below:

(a) all property, assets and undertaking of the Company, now owned or hereafter acquired, wherever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement;

(b) Debenture; and

(c) Security over Cash, Credit Balances and Deposit Instruments.

3. The total amount of the indebtedness secured by the security is CDN\$17,404,122.21 and USD\$896,781.96, as at the opening of business on November 4, 2019, plus interest accruing thereafter and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s Canadian Dollar Prime Rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Company consents to an earlier enforcement.

Dated at Toronto this 4th day of November, 2019.

**HSBC BANK CANADA by its solicitors
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: HSBC BANK CANADA (the “Bank”)

FROM: COMSALE COMPUTER INC. (the “Company”)

The Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Company.

DATED at this day of , 2019.

COMSALE COMPUTER INC.

Per: _____ c/s
Name:
Title:

(I have authority to bind the Corporation)

This is Exhibit "N" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits

Rachel Bengino



Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Rachel Bengino
T: 416-304-1153
E: rbengino@tgf.ca
File No. 100-430

November 4, 2019

VIA EMAIL

Comsale Group Inc.
18B-3200 Dufferin St.
Suite # 323
Toronto, ON M6A 0A1

Attention: Neil Shaul (Director and Officer)
Wenqiang Feng (Director and Officer)

Dear Sirs:

**Re: Your Guarantee of the Obligations of Comsale Computer Inc. (the “Borrower”) to
HSBC Bank Canada (the “Bank”)**

We act as counsel for the Bank in respect of this matter.

We refer to the credit facilities made available to the Borrower by the Bank pursuant to a credit facility agreement dated June 4, 2018 and the HSBC Commercial MasterCard Agreement dated August 23, 2018 (the “**Credit Facilities**”). The Borrower’s indebtedness to the Bank as at the opening of business on November 4, 2019 is set out in the attached Schedule “A” (the “**Indebtedness**”).

Pursuant to your guarantee of the Borrower’s obligations under the Credit Facilities dated July 5, 2018 (the “**Guarantee**”), you guaranteed the Indebtedness plus interest and costs. Your obligations under the Guarantee are payable on demand. We also refer to the general security agreement dated July 5, 2018, which granted the Bank a security interest in all of your assets, property and undertakings.

We have, on this date, issued a demand for payment to the Borrower. **On behalf of the Bank, we hereby demand payment from you pursuant to the Guarantee of the said sums of CDN\$17,404,122.21 and USD\$896,781.96, as at the opening of business on November 4, 2019, together with all costs and fees incurred by the Bank and all interest accruing up to and including the date of payment.**

We also enclose herewith a Notice of Intention to Enforce Security delivered to you in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). Please govern

yourself accordingly.



Yours very truly,

Thornton Grout Finnigan LLP

Rachel Bengino

SCHEDULE “A”

Indebtedness of Comsale Computer Inc. (the “Borrower”) to HSBC Bank Canada as at the opening of business on November 4, 2019

Facility	Principal Balance	Accrued Interest and Charges	Total
Demand Revolving Facility	CDN\$14,944,030.04 USD\$581,583.97	CDN\$92.17 USD\$285.95	CDN\$14,944,122.21 USD\$581,869.92
Foreign Inventory Facility	CDN\$2,000,000	N/A	CDN\$2,000,000
Demand Non-Revolving Facility	CDN\$460,000.00	N/A	CDN\$460,000.00
Foreign Exchange Facility	nil	nil	nil
Interest rate swap facility	nil	nil	nil
Commercial Card	USD\$314,912.04	N/A	USD\$314,912.04
TOTAL	CDN\$17,404,030.04 USD\$896,496.01	CDN\$92.17 USD\$285.95	CDN\$17,404,122.21 USD\$896,781.96

E&OE

- a) Operating Loan: Interest accrues at the Bank’s Prime Rate (or U.S. Base Rate, as applicable) plus 0.65% per annum. As at November 4, 2019, the Bank’s Prime Rate is 3.95% and the Bank’s U.S Base Rate is 5.25%.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: COMSALE GROUP INC.

Take notice that:

1. HSBC Bank Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of Comsale Group Inc. (the “**Company**”) described below:
 - (a) all property, assets and undertaking of the Company, now owned or hereafter acquired, wheresoever located.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement.
3. The total amount of the indebtedness secured by the security is CDN\$17,404,122.21 and USD\$896,781.96 as at the opening of business on November 4, 2019, plus interest accruing thereafter and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s Canadian Dollar Prime Rate, subject to fluctuations in the principal amount of the indebtedness from time to time.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Company consents to an earlier enforcement.

Dated at Toronto this 4th day of November, 2019.

**HSBC BANK CANADA by its solicitors
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: HSBC BANK CANADA (the “Bank”)

FROM: COMSALE GROUP INC. (the “Company”)

The Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Company.

DATED at this day of , 2019.

COMSALE GROUP INC.

Per: _____ c/s
Name:
Title:

(I have authority to bind the Corporation)



Copy

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Rachel Bengino
T: 416-304-1153
E: rbengino@tgf.ca
File No. 100-430

November 4, 2019

VIA EMAIL

Comsale Computer Inc.
18B-3200 Dufferin St.
Suite # 323
Toronto, ON M6A 0A1

Comsale Computer Inc.
300 Spinnaker Way
Concord, ON L4K 4W1

Attention: Neil Shaul (Director and Officer)
Wenqiang Feng (Director and Officer)

Dear Sirs:

Re: Indebtedness of Comsale Computer Inc. (the “Borrower”) to HSBC Bank Canada (the “Bank”)

We act as counsel for the Bank in respect of this matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to a credit facility agreement dated June 4, 2018 (the “**Credit Agreement**”) and the HSBC Commercial MasterCard Agreement dated August 23, 2018. As at the opening of business on November 4, 2019, the Borrower is indebted to the Bank in the amounts of CDN\$17,404,122.21 and USD\$896,781.96, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are as set out in Schedule “A”.

All amounts owing to the Bank are payable on demand. **On behalf of the Bank, we hereby demand payment from the Borrower of the Indebtedness, namely the sums of CDN\$17,404,122.21 and USD\$896,781.96, together with accrued and accruing costs (including legal costs on a full indemnity basis) and accruing interest.**

Please note that this amount will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by either certified cheque or bank draft at the following address:

Thornton Grout Finnigan LLP
100 Wellington St. West, Suite 3200
Toronto, ON M5K 1K7
Attention: Rachel Bengino

If full payment, as set forth herein, is not received by noon on November 14, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose herewith a Notice of Intention to Enforce Security delivered to you in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). Please govern yourself accordingly.

Yours very truly,

Thornton Grout Finnigan LLP



Rachel Bengino

Encl.

cc: Brian Pettit and John Borch, HSBC Bank Canada
cc: Comsale Inc., as Guarantor
cc: Comsale Group Inc., as Guarantor
cc: Export Development Canada, as Guarantor
cc: Comsale Malaysia Sdn. Bnd and Comsale Hong Kong Limited as parties to the Negative Pledge Agreement dated July 5, 2018.

SCHEDULE “A”

Indebtedness of Comsale Computer Inc. (the “Borrower”) to HSBC Bank Canada as at the opening of business on November 4, 2019

Facility	Principal Balance	Accrued Interest and Charges	Total
Demand Revolving Facility	CDN\$14,944,030.04 USD\$581,583.97	CDN\$92.17 USD\$285.95	CDN\$14,944,122.21 USD\$581,869.92
Foreign Inventory Facility	CDN\$2,000,000	N/A	CDN\$2,000,000
Demand Non-Revolving Facility	CDN\$460,000.00	N/A	CDN\$460,000.00
Foreign Exchange Facility	nil	nil	nil
Interest rate swap facility	nil	nil	nil
Commercial Card	USD\$314,912.04	N/A	USD\$314,912.04
TOTAL	CDN\$17,404,030.04 USD\$896,496.01	CDN\$92.17 USD\$285.95	CDN\$17,404,122.21 USD\$896,781.96

E&OE

- a) Operating Loan: Interest accrues at the Bank’s Prime Rate (or U.S. Base Rate, as applicable) plus 0.65% per annum. As at November 4, 2019, the Bank’s Prime Rate is 3.95% and the Bank’s U.S Base Rate is 5.25%.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: COMSALE COMPUTER INC.

Take notice that:

1. HSBC Bank Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of Comsale Computer Inc. (the “**Company**”) described below:

(a) all property, assets and undertaking of the Company, now owned or hereafter acquired, wheresoever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement;

(b) Debenture; and

(c) Security over Cash, Credit Balances and Deposit Instruments.

3. The total amount of the indebtedness secured by the security is CDN\$17,404,122.21 and USD\$896,781.96, as at the opening of business on November 4, 2019, plus interest accruing thereafter and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s Canadian Dollar Prime Rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Company consents to an earlier enforcement.

Dated at Toronto this 4th day of November, 2019.

**HSBC BANK CANADA by its solicitors
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: HSBC BANK CANADA (the “Bank”)

FROM: COMSALE COMPUTER INC. (the “Company”)

The Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Company.

DATED at this day of , 2019.

COMSALE COMPUTER INC.

Per: _____ c/s
Name:
Title:

(I have authority to bind the Corporation)



Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Rachel Bengino
T: 416-304-1153
E: rbengino@tgf.ca
File No. 100-430

November 4, 2019

VIA EMAIL

Comsale Inc.
4800 Van Epps Rd., Unit 105
Brooklyn Heights, Ohio
44131

Attention: Neil Shaul (Chief Executive Officer)

Dear Sirs:

**Re: Your Guarantee of the Obligations of Comsale Computer Inc. (the “Borrower”) to
HSBC Bank Canada (the “Bank”)**

We act as counsel for the Bank in respect of this matter.

We refer to the credit facilities made available to the Borrower by the Bank pursuant to a credit facility agreement dated June 4, 2018 and the HSBC Commercial MasterCard Agreement dated August 23, 2018 (the “**Credit Facilities**”). The Borrower’s indebtedness to the Bank as at the opening of business on November 4, 2019 is set out in the attached Schedule “**A**” (the “**Indebtedness**”).

Pursuant to your guarantee of the Borrower’s obligations under the Credit Facilities dated July 5, 2018 (the “**Guarantee**”), you guaranteed the Indebtedness plus interest and costs. Your obligations under the Guarantee are payable on demand. We also refer to the general security agreement dated July 5, 2018, which granted the Bank a security interest in all of your assets, property and undertakings.

We have, on this date, issued a demand for payment to the Borrower. **On behalf of the Bank, we hereby demand payment from you pursuant to the Guarantee of the said sums of CDN\$17,404,122.21 and USD\$896,781.96 as at the opening of business on November 4, 2019, together with all costs and fees incurred by the Bank and all interest accruing up to and including the date of payment.**

We also enclose herewith a Notice of Intention to Enforce Security delivered to you in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). Please govern yourself accordingly.

Yours very truly,

Thornton Grout Finnigan LLP



Rachel Bengino

SCHEDULE “A”

Indebtedness of Comsale Computer Inc. (the “Borrower”) to HSBC Bank Canada as at the opening of business on November 4, 2019

Facility	Principal Balance	Accrued Interest and Charges	Total
Demand Revolving Facility	CDN\$14,944,030.04 USD\$581,583.97	CDN\$92.17 USD\$285.95	CDN\$14,944,122.21 USD\$581,869.92
Foreign Inventory Facility	CDN\$2,000,000	N/A	CDN\$2,000,000
Demand Non-Revolving Facility	CDN\$460,000.00	N/A	CDN\$460,000.00
Foreign Exchange Facility	nil	nil	nil
Interest rate swap facility	nil	nil	nil
Commercial Card	USD\$314,912.04	N/A	USD\$314,912.04
TOTAL	CDN\$17,404,030.04 USD\$896,496.01	CDN\$92.17 USD\$285.95	CDN\$17,404,122.21 USD\$896,781.96

E&OE

- a) Operating Loan: Interest accrues at the Bank’s Prime Rate (or U.S. Base Rate, as applicable) plus 0.65% per annum. As at November 4, 2019, the Bank’s Prime Rate is 3.95% and the Bank’s U.S Base Rate is 5.25%.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: COMSALE INC.

Take notice that:

1. HSBC Bank Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of Comsale Inc. (the “**Company**”) described below:
 - (a) all property, assets and undertaking of the Company, now owned or hereafter acquired, wheresoever located.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement.
3. The total amount of the indebtedness secured by the security is CDN\$17,404,122.21 and USD\$896,781.96 as at the opening of business on November 4, 2019, plus interest accruing thereafter and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s Canadian Dollar Prime Rate, subject to fluctuations in the principal amount of the indebtedness from time to time.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Company consents to an earlier enforcement.

Dated at Toronto this 4th day of November, 2019.

**HSBC BANK CANADA by its solicitors
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: HSBC BANK CANADA (the “Bank”)

FROM: COMSALE INC. (the “Company”)

The Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Company.

DATED at _____ this _____ day of _____, 2019.

COMSALE INC.

Per: _____ c/s
Name: _____
Title: _____

(I have authority to bind the Corporation)



Copy

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Rachel Bengino
T: 416-304-1153
E: rbengino@tgf.ca
File No. 100-430

November 4, 2019

VIA EMAIL

Comsale Computer Inc.
18B-3200 Dufferin St.
Suite # 323
Toronto, ON M6A 0A1

Comsale Computer Inc.
300 Spinnaker Way
Concord, ON L4K 4W1

Attention: Neil Shaul (Director and Officer)
Wenqiang Feng (Director and Officer)

Dear Sirs:

Re: Indebtedness of Comsale Computer Inc. (the “Borrower”) to HSBC Bank Canada (the “Bank”)

We act as counsel for the Bank in respect of this matter.

We refer to the credit facilities made available by the Bank to the Borrower (the “**Credit Facilities**”), pursuant to a credit facility agreement dated June 4, 2018 (the “**Credit Agreement**”) and the HSBC Commercial MasterCard Agreement dated August 23, 2018. As at the opening of business on November 4, 2019, the Borrower is indebted to the Bank in the amounts of CDN\$17,404,122.21 and USD\$896,781.96, plus accrued and accruing costs and accruing interest, with respect to the Credit Facilities (the “**Indebtedness**”), which amounts are as set out in Schedule “A”.

All amounts owing to the Bank are payable on demand. **On behalf of the Bank, we hereby demand payment from the Borrower of the Indebtedness, namely the sums of CDN\$17,404,122.21 and USD\$896,781.96, together with accrued and accruing costs (including legal costs on a full indemnity basis) and accruing interest.**

Please note that this amount will continue to accrue interest at the rate set out in the Credit Agreement, and costs will continue to be incurred by the Bank, for which you will be responsible, until payment of all the Indebtedness is received by either certified cheque or bank draft at the following address:

Thornton Grout Finnigan LLP
100 Wellington St. West, Suite 3200
Toronto, ON M5K 1K7
Attention: Rachel Bengino

If full payment, as set forth herein, is not received by noon on November 14, 2019, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose herewith a Notice of Intention to Enforce Security delivered to you in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). Please govern yourself accordingly.

Yours very truly,

Thornton Grout Finnigan LLP



Rachel Bengino

Encl.

cc: Brian Pettit and John Borch, HSBC Bank Canada
cc: Comsale Inc., as Guarantor
cc: Comsale Group Inc., as Guarantor
cc: Export Development Canada, as Guarantor
cc: Comsale Malaysia Sdn. Bnd and Comsale Hong Kong Limited as parties to the Negative Pledge Agreement dated July 5, 2018.

SCHEDULE “A”

Indebtedness of Comsale Computer Inc. (the “Borrower”) to HSBC Bank Canada as at the opening of business on November 4, 2019

Facility	Principal Balance	Accrued Interest and Charges	Total
Demand Revolving Facility	CDN\$14,944,030.04 USD\$581,583.97	CDN\$92.17 USD\$285.95	CDN\$14,944,122.21 USD\$581,869.92
Foreign Inventory Facility	CDN\$2,000,000	N/A	CDN\$2,000,000
Demand Non-Revolving Facility	CDN\$460,000.00	N/A	CDN\$460,000.00
Foreign Exchange Facility	nil	nil	nil
Interest rate swap facility	nil	nil	nil
Commercial Card	USD\$314,912.04	N/A	USD\$314,912.04
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E&OE

- a) Operating Loan: Interest accrues at the Bank’s Prime Rate (or U.S. Base Rate, as applicable) plus 0.65% per annum. As at November 4, 2019, the Bank’s Prime Rate is 3.95% and the Bank’s U.S Base Rate is 5.25%.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: COMSALE COMPUTER INC.

Take notice that:

1. HSBC Bank Canada (the “**Bank**”), a secured creditor, intends to enforce its security on the property of Comsale Computer Inc. (the “**Company**”) described below:

(a) all property, assets and undertaking of the Company, now owned or hereafter acquired, wheresoever located.

2. The security that is to be enforced is in the form of:

(a) General Security Agreement;

(b) Debenture; and

(c) Security over Cash, Credit Balances and Deposit Instruments.

3. The total amount of the indebtedness secured by the security is CDN\$17,404,122.21 and USD\$896,781.96, as at the opening of business on November 4, 2019, plus interest accruing thereafter and all costs and fees incurred by or charged to the Bank up to and including the date of payment. Interest accrues on the indebtedness at a rate that varies with the Bank’s Canadian Dollar Prime Rate, subject to fluctuations in the principal amount of the indebtedness from time to time.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Company consents to an earlier enforcement.

Dated at Toronto this 4th day of November, 2019.

**HSBC BANK CANADA by its solicitors
Thornton Grout Finnigan LLP**

Per:



Rachel Bengino

CONSENT

TO: HSBC BANK CANADA (the “Bank”)

FROM: COMSALE COMPUTER INC. (the “Company”)

The Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Company.

DATED at this day of , 2019.

COMSALE COMPUTER INC.

Per: _____ c/s
Name:
Title:

(I have authority to bind the Corporation)

This is Exhibit "O" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.

KBengio

A Commissioner for taking affidavits

Rachel Bengio

CONSENT

TO: HSBC BANK CANADA (the "Bank")

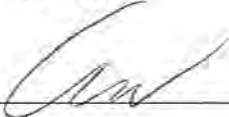
FROM: COMSALE INC. (the "Company")

The Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Company.

DATED at this 4 day of 11, 2019.

COMSALE INC.

Per:  c/s
Name:
Title: NEIL SHAW

(I have authority to bind the Corporation)

CONSENT

TO: HSBC BANK CANADA (the "Bank")

FROM: COMSALE GROUP INC. (the "Company")

The Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Company.

DATED at this 11 day of // , 2019.

COMSALE GROUP INC.

Per: _____ c/s

Name:

Title:

NEIL SHAW

(I have authority to bind the Corporation)

CONSENT

TO: HSBC BANK CANADA (the "Bank")

FROM: COMSALE COMPUTER INC. (the "Company")

The Company acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Company hereby consents to the immediate enforcement by the Bank of the security held by the Bank from the Company, and for the same consideration waives completely all rights to any delay by or any further notice from the Bank with respect to the enforcement of its security and the exercise of the other remedies of the Bank against the Company.

DATED at this 4 day of 11, 2019.

COMSALE COMPUTER INC.

Per: _____ c/s
Name: _____
Title: _____

(I have authority to bind the Corporation)

This is Exhibit "P" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits
Rachel Bengino

From: Neil Shaul [mailto:comsaleinc@gmail.com]
Sent: November-05-19 11:32 AM
To: Brian Pettit <brian_pettit@hsbc.ca>; John Borch <john_borch@hsbc.ca>
Cc: 'Thomas Lucey' <thomas@comsale.com>; 'ken Feng' <ken@comsale.com>; 'S. Fay Sulley' <fsulley@torkinmanes.com>; 'Barry S. Arbus, Q.C., LL.M.' <barbus@torkinmanes.com>; 'Stewart Thom' <sthom@torkinmanes.com>
Subject: RE: EXTERNAL: Waiting for an update

you have my consent for Malaysia in Hong Kong as well

I am working on the detail email with all steps were taken so far and I hope to share it with you within an hour or two

From: Brian Pettit
Sent: November-05-19 10:51 AM
To: 'neil shaul' <comsaleinc@gmail.com>; John Borch <john_borch@hsbc.ca>
Cc: Thomas Lucey <thomas@comsale.com>; ken Feng <ken@comsale.com>
Subject: RE: EXTERNAL: Waiting for an update

Neil,

We confirm receipt of the consents to enforcement. Please confirm whether, as director of each of Comsale Malaysia Sdn. Bhd. and Comsale Hong Kong Limited, you consent to the appointment of a Receiver over those entities as well. This is important to ensure that the steps taken by the Bank to preserve, protect and realize upon the assets located in those foreign jurisdictions can be administered efficiently and with minimal disruption.

As advised in my email last night, the Bank previously approved payment of the critical disbursements identified in the cash flow forecast delivered to the Bank, which includes payroll. It is up to you to present payroll for payment in the ordinary course.

The Bank will be seeking the appointment of a receiver this afternoon and a Court application has been scheduled for 2pm. In the interim and as stated in my email last night, we expect the company to ensure that no steps are taken by any employees or anyone else that could jeopardize the ability of the Receiver, once appointed, to take possession of the assets and recover the full value for them.

Brian Pettit

Assistant Vice-President | North America Risk
Loan Management Unit | HSBC Bank Canada
70 York Street, 6th Floor
Toronto, Ontario, M5J 1S9

RESTRICTED

Phone 416-868-8025
Fax 416-868-3812
Website <http://www.hsbc.ca>

Protect our environment - please only print this if
you have to!

From: neil shaul [<mailto:comsaleinc@gmail.com>]
Sent: November-05-19 9:33 AM
To: John Borch <john_borch@hsbc.ca>; Brian Pettit <brian_pettit@hsbc.ca>
Cc: Thomas Lucey <thomas@comsale.com>; ken Feng <ken@comsale.com>
Subject: EXTERNAL: Waiting for an update

We're going to try to run again the payroll for Canada for today I hope the bank will allow it to go out

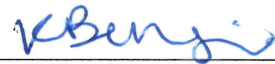
and please let me know next steps as soon as possible because I need to know what to do with employees

Tks

This message originated from the Internet. Its originator may or
may not be who they claim to be and the information contained in
the message and any attachments may or may not be accurate.

RESTRICTED

This is Exhibit "Q" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits

Rachel Bengino



**BDC Capital Inc., a wholly-owned subsidiary of
Business Development Bank of Canada
Banque de développement du Canada**

PRIORITY AGREEMENT

THIS AGREEMENT dated the 25th day of July, 2018.

AMONG:

BDC CAPITAL INC., a wholly-owned subsidiary of **BUSINESS DEVELOPMENT BANK OF CANADA**, with a business centre at 121 King Street West, Suite 1200, Toronto, Ontario M5H 3T9

(**"BDC"**)

AND:

HSBC BANK CANADA with a branch office at Liberty Square, HSBC Tower, 3601 Highway 7 East, Suite 108, Markham, Ontario, L3R 0M3

(the **"Lender"**)

AND:

COMSALE COMPUTER INC. (the **"Borrower"**) and **COMSALE INC.**, both with an office at 111 Snidercroft Road, Unit B, Concord, Ontario, L4K 2J8

(collectively, the **"Companies"** and individually a **"Company"**)

WHEREAS:

A. Each of the Companies has granted or agreed to grant to BDC a registered security interest, in all of such Company's present and after-acquired personal property, and such other security as BDC may from time to time receive from the Companies or any of them to secure present and future debts and obligations of the Companies or any of them to BDC (the **"BDC Security"**);

B. Each of the Companies has granted or agreed to grant to the Lender a registered security interest, in all of such Company's present and after-acquired personal property, and such other security as the Lender may from time to time receive from the Companies or any of them to secure present and future debts and obligations of the Companies or any of them to the Lender (the **"Lender Security"**);

C. The parties hereto have agreed to enter into this agreement in order to set out the respective priorities of the BDC Security and the Lender Security;

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE 1 - CONSENT

- 1.01 BDC hereby acknowledges its consent to the creation and issue by the Companies to the Lender of the Lender Security and to the incurring by the Companies of the indebtedness secured thereby.
- 1.02 The Lender hereby acknowledges its consent to the creation and issue by the Companies to BDC of the BDC Security and to the incurring by the Companies of the indebtedness secured thereby.

ARTICLE 2 - INTERPRETATION

- 2.01 The preamble hereto forms an integral part of this Agreement.
- 2.02 In this Agreement, the following terms shall have the following meanings:
- (a) **"BDC Collateral"** means the Life Insurance and the Proceeds thereof;
 - (b) **"Lender Collateral"** means all present and after-acquired personal property of the Companies, and the Proceeds thereof, other than the BDC Collateral;
 - (c) **"Life Insurance"** means the life insurance policy or policies insuring the life of Neil Shaul and the life insurance policy or policies insuring the life of Wenqiang Feng, now or hereafter assigned to BDC, including any replacement, revision, amendment, increase or decrease thereto and the Proceeds thereof;
 - (d) **"PPSA"** means the applicable *Personal Property Security Act*;
 - (e) **"Proceeds"** shall have the meaning ascribed to such term pursuant to the PPSA;
 - (f) **"Secured Parties"** means BDC and the Lender, and a **"Secured Party"** means either one of them, and each of their respective successors and permitted assigns; and
 - (g) **"Security"** means, collectively, the BDC Security and/or the Lender Security.

ARTICLE 3 - PRIORITIES

- 3.01 Subject to the terms and conditions of this Agreement:
- (a) The BDC Security is hereby subordinated to the security constituted by the Lender Security with respect to the Lender Collateral, to the extent of the Borrower's indebtedness to the Lender from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith (collectively, the **"Lender Priority Obligations"**); and
 - (b) The Lender Security is hereby subordinated to the security constituted by the BDC Security with respect to the BDC Collateral, to the extent of the Borrower's indebtedness to BDC from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by BDC in connection therewith.
- 3.02 The subordinations and postponements herein shall apply in all events and circumstances regardless of:
- (a) the date of execution, attachment, registration or perfection of any security interest held by BDC or the Lender, or;
 - (b) the date of any advance or advances made to the Borrower by BDC or the Lender; or
 - (c) the date of default by the Companies under any of the BDC Security or the Lender Security or the dates of crystallization of any floating charges held by BDC or the Lender; or
 - (d) any priority granted by any principle of law or any statute, including the PPSA.
- 3.03 Any Proceeds, including, without limitation, any insurance proceeds received by the Companies or by BDC or the Lender in respect of the collateral charged by the BDC Security or the Lender

Security shall be dealt with according to the preceding provisions hereof as though such Proceeds were paid or payable as Proceeds of realization of the collateral for which they compensate.

- 3.04 If any of the BDC Security or the Lender Security is found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such a claim before a court of competent jurisdiction and has provided the other party with a satisfactory indemnity.
- 3.05 Each of the parties hereto shall permit any of the other parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of the Companies upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of the Companies at all reasonable times without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.
- 3.06 If any person, other than the Secured Parties, shall have a valid claim, right or interest in or to any of the present or after-acquired personal property of the Companies which is subject to all or any part of the Security, or the Proceeds thereof, in priority to or on a parity with one of the Secured Parties but not in priority to or on a parity with the other Secured Party, then this Agreement shall not apply so as to diminish the rights (as such rights would have been but for this Agreement) of such other Secured Party to such property or the Proceeds thereof.
- 3.07 Nothing in this Agreement affects the priority of any security over any Company's real property interests held by BDC or the Lender. The real property interests of the Companies are excluded from the operation of this Agreement.
- 3.08 This Agreement is not intended to affect the priority of any third party claims and no such parties may benefit from anything contained herein.
- 3.09 Nothing in this Agreement shall affect the priority of purchase money security interests (as defined in the PPSA) properly perfected under the PPSA and hereafter acquired by BDC or the Lender in specific equipment of any of the Companies.

ARTICLE 4 - COVENANTS OF THE BORROWER

- 4.01 The Companies hereby confirm to and agree with BDC and the Lender that so long as any of the indebtedness of the Borrower to BDC and the Lender remains outstanding, each of the Companies shall stand possessed of its assets so charged for BDC and for the Lender in accordance with their respective interests and priorities as herein set out.

ARTICLE 5 - PERMITTED PAYMENTS ON DEFAULT

- 5.01 If, following the occurrence of any default in payment of any principal, interest or other amounts owing by the Borrower to the Lender or any default in any financial covenant ratio or breach of a margining covenant (a "**Default**") pursuant to the terms and conditions of the credit agreement (the "**Lender Credit Agreement**") between the Lender and the Borrower dated _____, 2018, which is continuing and has not been waived by the Lender, and BDC and the Borrower have received written notice (a "**Default Notice**") from the Lender demanding the commencement of a Payment Standstill (as hereinafter defined) and stating that such Default has occurred and is continuing and containing a description of such Default in reasonable detail, then none of the Companies shall, unless the particular Default referenced in the Default Notice has been cured (as confirmed by the Lender in writing), be entitled to make to BDC, and BDC shall not be entitled to receive from the Companies (other than the proceeds of any property and assets over which the BDC Security has priority over the Lender Security in accordance with Section 3.01), any payment, prepayment or

repayment on account of, or any distribution in respect of, debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, and whether as principal debtor, guarantor, surety or otherwise at any time owing by the Borrower or any other Company to BDC (the "**Payment Standstill**") until the earlier of any of the following events or dates has occurred:

- (a) the date which is one hundred and twenty (120) days following the date the Default Notice was issued;
- (b) the Default described in the Default Notice is cured by the Borrower or any other person on its behalf or waived by the Lender;
- (c) the Lender has taken steps to enforce the Lender Security or any part thereof;
- (d) all indebtedness of the Borrower to the Lender for the Lender Priority Obligations has been repaid; or
- (e) any proceedings (beyond the issuance of a notice pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada)) have been initiated by or against the Borrower under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any similar statute or law in any jurisdiction of similar application, by the Lender or any creditor other than BDC.

5.02 The Lender and BDC acknowledge that with respect to any particular Default, if a Default Notice is issued, the Lender shall not issue a subsequent Default Notice (for such particular Default) unless the Default has first been cured. For purposes of this paragraph, breaches of the same financial covenant in a subsequent fiscal period to a greater degree shall constitute a separate and distinct Default.

5.03 The Lender hereby confirms and agrees with BDC that the Lender may not exercise its rights under section 5.01 such that the cumulative period of one or more Payment Standstills exceeds or will exceed one hundred and twenty (120) days in any consecutive twelve month period. For purposes of clarification, the foregoing limitation shall not restrict the Lender from issuing letters of default to any of the Companies on the occurrence of a default.

5.04 The Lender covenants and agrees to give written notice to BDC forthwith after any Default has been cured or a Default has been waived by the Lender.

5.05 The Lender hereby confirms and agrees with BDC that after the expiration of any Payment Standstill provided for herein BDC shall be entitled to receive and the Companies shall be obligated to pay to BDC all payments of arrears which would have been paid during the Payment Standstill had the Payment Standstill not been invoked by the Lender including interest on such outstanding payments; provided that all amounts then due and owing on account of the Lender Priority Obligations have been paid in full. Nothing herein shall obligate the Lender to make credit facilities available to any of the Companies in an amount required to satisfy any of its obligations to BDC.

5.06 The Lender shall be entitled to amend, restate, modify, supplement or replace the Lender Credit Agreement from time to time without authorization from BDC. Notwithstanding the foregoing and notwithstanding the provisions of section 5.01, unless such amendment, restatement, modification, supplement or replacement has been approved in writing by BDC, the Lender may not deliver a Default Notice to implement or enforce a Payment Standstill in respect of a Default if (A) such Default relates to or arises from or is in connection with:

- (a) a modification to any financial ratio covenant or margining covenant contained in the Lender Credit Agreement, which is more onerous to the Borrower; or

- (b) a decrease in the amortization of scheduled payments of principal; or
- (c) an increase in the rate of interest or the frequency of scheduled payments of principal or interest, other than increases in the prime rate; or
- (d) an increase in the term credit facilities available to the Borrower; or
- (d) an increase in the operating credit facilities available to the Borrower contained in the Lender Credit Agreement of more than fifteen (15%) percent;

and (B) such Default would not have occurred prior to the making of such amendment, restatement, modification, supplement or replacement.

- 5.07 Notwithstanding anything to the contrary contained in this Agreement, BDC shall not be entitled to exercise any rights it may have to enforce the BDC Security during any Payment Standstill except in respect of the BDC Collateral. Notwithstanding the foregoing, BDC may (i) file a proof of claim or attend and vote at a meeting of creditors in connection with any action, suit or proceeding whether under the *Bankruptcy and Insolvency Act* (Canada) or otherwise, (ii) take action for non-payment of the indebtedness owing to BDC for the purposes of obtaining a monetary judgment in respect thereof, provided that no measure is taken to enforce any judgment granted in such action, (iii) take action that is required to preserve the validity, efficacy or priority of the BDC Security, (iv) take action for conversion of any non-fixed charge to a fixed charge to the extent applicable, (v) give notice of default, demand for payment or acceleration of the indebtedness owing, and/or (vi) issue one or more statutory notices (including, without limitation, a notice pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada)).

ARTICLE 6- GENERAL

- 6.01 From time to time upon request therefor BDC and the Lender may advise each other of the particulars of the indebtedness and liability of the Companies or any of them to BDC and the Lender and all security held by each therefor. The Companies hereby irrevocably and unconditionally consent to any exchange of information between BDC and the Lender.
- 6.02 BDC and the Lender each agree that it will not transfer or assign any of its security from the Companies or any of them without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement.
- 6.03 Prior to making any demand for payment on any of the Companies or proceeding to enforce its security, BDC or the Lender, as the case may be, shall provide notice of such demand or enforcement to the other of them, provided, however, that neither shall be liable for any accidental omission to provide the said notice.
- 6.04 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

for BDC: 121 King Street West,
Suite 1200
Toronto, Ontario M5H 3T9

Attention: Managing Director, Growth & Transition Capital

for the Lender: HSBC Bank Canada
Liberty Square, HSBC Tower
3601 Highway 7 East, Suite 108
Markham, Ontario, L3R 0M3

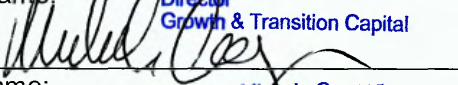
Attention: Director, Corporate Banking re: Comsale Computer Inc.

- 6.05 Each of the Companies, BDC and the Lender shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the interests of this Agreement; provided however, that no consent of any of the Companies shall be necessary to any amendment of the terms hereof by BDC and the Lender unless the interests of any of the Companies are directly materially adversely affected thereby.
- 6.06 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.
- 6.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 6.08 This Agreement shall be governed by and construed in accordance with the laws of the province in which the business centre of BDC is located as described on page 1.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

BDC CAPITAL INC.

Per: 
Name: Kyle Feucht
Director
Growth & Transition Capital
Per: 
Name: Michele Cooper
Managing Director
Growth & Transition Capital
We have the authority to bind the Corporation.

HSBC BANK CANADA

Per: _____
Name: _____
Per: _____
Name: _____

I/We have the authority to bind the Bank.

COMSALE COMPUTER INC.

Per: _____
Name: Neil Shaul
Title: President

Per: _____
Name: Wenqiang Feng
Title: _____

I/We have the authority to bind the Corporation.

COMSALE INC.

Per: _____
Name: Neil Shaul
Title: President

Per: _____
Name: Wenqiang Feng
Title: _____

I/We have the authority to bind the Corporation.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

BDC CAPITAL INC.

Per: [Signature]
Name: John Feucht
Director
Growth & Transition Capital
Per: [Signature]
Name: Michele Cooper
Managing Director
Growth & Transition Capital
We have the authority to bind the Corporation.

HSBC BANK CANADA

Per: [Signature]
Name: KEVIN PAN
Per: [Signature]
Name: Deborah Cullen
I/We have the authority to bind the Bank.

COMSALE COMPUTER INC.

Per: _____
Name: Neil Shaul
Title: President

Per: _____
Name: Wenqiang Feng
Title: _____

I/We have the authority to bind the Corporation.

COMSALE INC.

Per: _____
Name: Neil Shaul
Title: President

Per: _____
Name: Wenqiang Feng
Title: _____

I/We have the authority to bind the Corporation.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

BDC CAPITAL INC.

Per: _____
Name: _____

Per: _____
Name: _____

We have the authority to bind the Corporation.

HSBC BANK CANADA

Per: _____
Name: _____
Title: _____

I have the authority to bind the Bank.

COMSALE COMPUTER INC.

Per: _____
Name: Neil Shaul
Title: President

Per: _____
Name: Wenqiang Feng
Title: Vice-President

I/We have the authority to bind the Corporation.

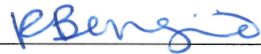
COMSALE INC.

Per: _____
Name: Neil Shaul
Title: President

Per: _____
Name: Wenqiang Feng
Title: Vice-President

I/We have the authority to bind the Corporation.

This is Exhibit "R" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits

Rachel Bengio

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 1
 (5935)

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

TYPE OF SEARCH : BUSINESS DEBTOR

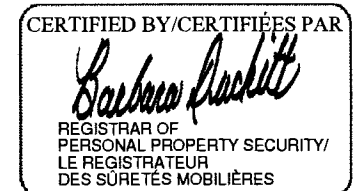
SEARCH CONDUCTED ON : COMSALE COMPUTER INC.

FILE CURRENCY : 22OCT 2019

ENQUIRY NUMBER 20191023122512.11 CONTAINS 31 PAGE(S), 9 FAMILY(IES).

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

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



(crj)5 06/2019)

CONTINUED... 2



RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 2
 (5936)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 749206629

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	2		20190319 1118 6005 9365	P PPSA	05

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME COMSALE COMPUTER INC.

04 ADDRESS 18B-3200 DUFFERIN STREET 323 TORONTO ONTARIO CORPORATION NO. M6A 0A1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / CWB NATIONAL LEASING INC.
 09 LIEN CLAIMANT ADDRESS 1525 BUFFALO PL (2927050) WINNIPEG MB R3T 1L9

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

11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE 2003 MAX-ATLAS TRAILER 40FT-53FT TRI/A 2V9CS533X3S009138

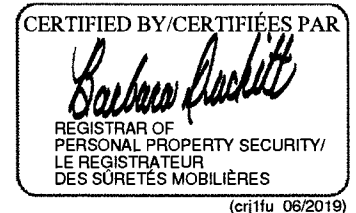
13 GENERAL ALL INDUSTRIAL EQUIPMENT CUBE CONTAINERS OF EVERY NATURE OR KIND
 14 COLLATERAL DESCRIBED IN AGREEMENT NUMBER 2927050, BETWEEN THE SECURED PARTY AND
 15 DESCRIPTION THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL

16 REGISTERING
 17 AGENT ADDRESS

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

CONTINUED...

3



RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 3
 (5937)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 749206629

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	002	2		20190319 1118 6005 9365		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING
 AGENT

17 ADDRESS

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

CONTINUED...

4

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 4
 (5938)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 741552831

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	2		20180712 1718 1532 1619	P PPSA	04

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
02 DEBTOR NAME					
03 BUSINESS NAME		COMSALE COMPUTERS INC			
04 ADDRESS		18B-3200 DUFFERIN ST		TORONTO	ON M6A0A1

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
05 DEBTOR NAME					
06 BUSINESS NAME		COMSALE COMPUTERS INC.			
07 ADDRESS		18B-3200 DUFFERIN ST		TORONTO	ON M6A0A1

SECURED PARTY / LIEN CLAIMANT	ADDRESS	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
08 SECURED PARTY / LIEN CLAIMANT						
09 ADDRESS		2680 MATHESON BLVD. E. STE 500		MISSISSAUGA	ON	L4W0A5

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10 CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED	137998.00	03JUL2022		

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE	2018 MERCEDES-BENZ	S560V4M	WDDUG8GB2JA419259

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

REGISTERING AGENT	ADDRESS	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
16 REGISTERING AGENT						
17 ADDRESS		2 ROBERT SPECK PARKWAY, 15TH FLOOR		MISSISSAUGA	ON	L4J 1H8

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

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 5
 (5939)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 741552831

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	002	2		20180712 1718 1532 1619		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02				

03 BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05				

06 BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

MERCEDES-BENZ FINANCIAL

09 ADDRESS 2680 MATHESON BLVD. E. STE 500 MISSISSAUGA ON L4W0A5

COLLATERAL CLASSIFICATION

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

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

12

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING
 AGENT

17 ADDRESS

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

CONTINUED...

6

CERTIFIED BY/CERTIFIÉES PAR
Sabrina Beckett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 6
 (5940)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 740998863

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	1		20180627 1546 1590 3500	P PPSA	6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME COMSALE COMPUTER INC.

04 ADDRESS 18B- 3200 DUFFERIN ST, SUITE 323 TORONTO ONTARIO CORPORATION NO. ON M6A 0A1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / HSBC BANK CANADA
 09 LIEN CLAIMANT

ADDRESS 3601 HIGHWAY 7, SUITE 108 MARKHAM ON L3R 0M3

COLLATERAL CLASSIFICATION

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

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

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING CASSELS BROCK & BLACKWELL LLP (33332-292/JP)
 17 AGENT

ADDRESS SUITE 2100, 40 KING STREET WEST TORONTO ON M5H 3C2

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

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR

Barbara Rackitt

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crjifu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 7
 (5941)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 738236646

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	001		20180413 1033 8077 1365	P PPSA	6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME COMSALE COMPUTER INC.

04 ADDRESS 18B-3200 DUFFERIN ST, SUITE 23 TORONTO ONTARIO CORPORATION NO. ON M6A 0A1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / VFS CANADA INC.

09 LIEN CLAIMANT ADDRESS 238 WELLINGTON ST. E. 3RD FLR. AURORA ON L4G 1J5

COLLATERAL CLASSIFICATION

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

11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE 2019 MACK ANTHEM 64T SLEEPER 1M1AN4GY0KM001492

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING REGISTRY = RECOVERY INC.

17 ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

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

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
Barbara Beckett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(c) 11/13/2019

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 8
 (5942)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 736998237

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	7		20180306 1158 1793 7770	P PPSA	4

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
02 DEBTOR NAME		COMSALE COMPUTER INC			
03 BUSINESS NAME		COMSALE COMPUTER INC			
04 ADDRESS		3200 DUFFERIN ST 18B SUITE 323,		CONCORD	ON M6A0A1
05 DEBTOR NAME		COMSALE COMPUTER INC			
06 BUSINESS NAME		COMSALE COMPUTER INC			
07 ADDRESS		111 SNIDERCROFT RD UNIT B		VAUGHAN	ON L4K2J8
08 SECURED PARTY / LIEN CLAIMANT		THE TORONTO-DOMINION BANK			
09 ADDRESS		2020 WINSTON PARK DRIVE, SUITE 301		OAKVILLE	ON L6H6X7

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

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR	2018	STRICK	53'	1S12E9538JE536484
12 VEHICLE	2017	YALE	MPB045	A245N10843R

13 GENERAL (1) 2018 JURA MODEL SB10301 COFFEE MACHINE S/N 9700118, (3)2014
 14 COLLATERAL RICOH MPC 5503 COPIERS S/N 41006590,40906421,W2017500814, 2017
 15 DESCRIPTION LOGISON ACOUSTIC NETWORK,(1)2018 STRICK 53' TANDEM AXLE VAN TRAILER

16 REGISTERING AGENT TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 17 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 9
 (5943)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 736998237

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	002	7		20180306 1158 1793 7770		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02				

DEBTOR NAME	BUSINESS NAME
03	

ONTARIO CORPORATION NO.

DEBTOR NAME	ADDRESS
04	

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05				

DEBTOR NAME	BUSINESS NAME
06	

ONTARIO CORPORATION NO.

DEBTOR NAME	ADDRESS
07	

08 SECURED PARTY / LIEN CLAIMANT TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK

09 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

COLLATERAL CLASSIFICATION

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

MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.
11	2017	YALE	MPB045	A245N10846R
12	2017	YALE	MPB045	A245N10868R

13 GENERAL S/N 1S12E9538JE536484, (1) 2008 COMBI 2-EZ HS AUTOMATIC CASE ERECTOR
 14 COLLATERAL BOTTOM CASE SEALER 2EHS S/N TB1170504, (2) 2017 YALE MODEL MPB045
 15 DESCRIPTION 4500LB PALLET TRUCKS S/N A245N10843R, A245N10846R, (1)2012 NOBLES

16 REGISTERING AGENT

17 ADDRESS

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

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
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TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 736998237

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	003	7		20180306 1158 1793 7770		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR	2017	YALE	MPB045	A245N11061R
12 VEHICLE	2017	YALE	MPB045	A245N11066R

13 GENERAL SS5 32" WALK BEHIND AUTOSCRUBBER S/N 941774, (3) 4500LB PALLET
 14 COLLATERAL TRUCKS SNA245N10868R, A245N11061R, A245N11066R) AND (1) YALE MODEL
 15 DESCRIPTION ERP040 4000LB ELECTRIC FORKLIFT SN G807N10899R C/W WORKHOG 48V

16 REGISTERING
 AGENT

17 ADDRESS

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

CONTINUED...

11

CERTIFIED BY/CERTIFIÉES PAR
Barbara Prochitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

Ontario 

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 11
 (5945)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 736998237

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	004	7		20180306 1158 1793 7770		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
11	2017 YALE	ERP040	G807N10899R

13 GENERAL BATTERY SN RRF005809 , (1)2017 BEST SHEET METAL HAND SINK STAINLESS
 14 COLLATERAL STEEL HEAVY DUTY, (2)2018 VOTI MODEL 2 XR3D-60 3D PERSPECTIVE X-RAY
 15 DESCRIPTION SCANNERS AND (4) VOTI 1M ROLLER TABLES S/N 6018117, 6018118 , (2)

16 REGISTERING
 AGENT

17 ADDRESS

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

CONTINUED...

12

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
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 (5946)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 736998237

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	005	7		20180306 1158 1793 7770		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL 2017 GARRETT REFURBISHED PD 6500I WALK THRU MAGNETOMETERS S/N
 14 COLLATERAL 57083900, 56473253, RACKING , (6) 2018 RAMCHEK LX DDR3 MEMORY
 15 DESCRIPTION TESTERS AND (4) SODIMM DDR3 204PIN ADAPTERS TOGETHER WITH ALL

16 REGISTERING
 AGENT

17 ADDRESS

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

CONTINUED...

13

CERTIFIED BY/CERTIFIÉES PAR
Barbara Rickett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
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 (5947)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 736998237

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	006	7		20180306 1158 1793 7770		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02				

03 BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05				

06 BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

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

12

13 GENERAL ATTACHMENTS, ACCESSORIES, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND
 14 COLLATERAL IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY
 15 DESCRIPTION OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND

16 REGISTERING
 AGENT

17 ADDRESS

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

CONTINUED... 14

CERTIFIED BY/CERTIFIÉES PAR
Barbara Beckett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crjfu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 14
 (5948)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 736998237

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	007	7		20180306 1158 1793 7770		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

04 ADDRESS

ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS

ONTARIO CORPORATION NO.

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL A RIGHT TO ANY INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES
 14 COLLATERAL OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF
 15 DESCRIPTION THE COLLATERAL.

16 REGISTERING
 AGENT

17 ADDRESS

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

CONTINUED...

15

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 15
 (5949)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 727691013

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	2		20170516 1104 1219 6045	P PPSA	04

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME COMSALE COMPUTER INC.

04 ADDRESS 111B SNIDERCROFT RD CONCORD ON L4K 2J8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS

08 SECURED PARTY / CANADIAN DEALER LEASE SERVICES INC.

09 LIEN CLAIMANT ADDRESS 372 BAY STREET, SUITE 1800 TORONTO ON M5H 2W9

COLLATERAL CLASSIFICATION

CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X		X	X	21116			

11 MOTOR YEAR MAKE 2017 MAZDA MODEL MAZDA3 V.I.N. 3MZBN1U78HM144408

12 VEHICLE

13 GENERAL OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE

14 COLLATERAL AND THE PROCEEDS OF THOSE VEHICLES

15 DESCRIPTION

16 REGISTERING D+H LIMITED PARTNERSHIP (BNS)

17 ADDRESS 2 ROBERT SPECK PARKWAY, 15TH FL MISSISSAUGA ON L4Z 1H8

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

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR

Barbara Blackett

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crjfu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 16
 (5950)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 727691013

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	002	2		20170516 1104 1219 6045		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / BANK OF NOVA SCOTIA - DLAC

09 LIEN CLAIMANT ADDRESS 44 KING STREET W, SCOTIA PLAZA TORONTO ON M5H 1H1

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT

17 ADDRESS

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

CONTINUED...

17

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
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 (5951)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 727691715

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	2		20170516 1125 1219 6124	P PPSA	04

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME COMSALE COMPUTER INC.

04 ADDRESS 111B SNIDERCROFT RD CONCORD ONTARIO CORPORATION NO. ON L4K 2J8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT CANADIAN DEALER LEASE SERVICES INC.

09 ADDRESS 372 BAY STREET, SUITE 1800 TORONTO ON M5H 2W9

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNT'S OTHER	INCLUDED	MATURITY OR	MATURITY DATE
			X	X	X	22223	

	YEAR MAKE	MODEL	V.I.N.
11 MOTOR VEHICLE	2017 MAZDA	MAZDA3	JM1BN1V76H1143532

13 GENERAL OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE
 14 COLLATERAL AND THE PROCEEDS OF THOSE VEHICLES
 15 DESCRIPTION

16 REGISTERING D+H LIMITED PARTNERSHIP (BNS)
 17 AGENT ADDRESS 2 ROBERT SPECK PARKWAY, 15TH FL MISSISSAUGA ON L4Z 1H8

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

CONTINUED... 18

CERTIFIED BY/CERTIFIÉES PAR
Barbara Buckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
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TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 727691715

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	002	2		20170516 1125 1219 6124		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / BANK OF NOVA SCOTIA - DLAC
 LIEN CLAIMANT

09 ADDRESS 44 KING STREET W, SCOTIA PLAZA TORONTO ON M5H 1H1

COLLATERAL CLASSIFICATION

CONSUMER	MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER
INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
10				

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING
 AGENT

17 ADDRESS

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

CONTINUED...

19

CERTIFIED BY/CERTIFIÉES PAR

Barbara Rackitt

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
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 (5953)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME COMSALE COMPUTER INC.

04 ADDRESS 111 SNIDER CROFT RD UNIT B CONCORD ONTARIO CORPORATION NO. ON M6A0A1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME COMSALE COMPUTER INC.

07 ADDRESS 3200 DUFFERIN ST 18B SUITE 323 CONCORD ONTARIO CORPORATION NO. ON M6A0A1

08 SECURED PARTY / LIEN CLAIMANT THE TORONTO-DOMINION BANK

09 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

COLLATERAL CLASSIFICATION

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

11 MOTOR YEAR MAKE 2001 MANAC MODEL TRAILER 53 V.I.N. 2M592161111078878
 12 VEHICLE 2008 HINO HIN 2AYNC6JM183S12310

13 GENERAL ONE (1) 2016 ORION RTA FLEX PALLET WRAPPER WITH SERIAL NO. 4105662
 14 COLLATERAL WITH TWO SECTION OF PALLET CONVEYOR
 15 DESCRIPTION ONE (1) ALBA PALLET CONVEYOR

16 REGISTERING AGENT TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 17 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 20

CERTIFIED BY/CERTIFIÉES PAR

Barbara Duckitt

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 20
 (5954)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	02	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 LIEN CLAIMANT

09 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

COLLATERAL CLASSIFICATION

CONSUMER	MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY EQUIPMENT ACCOUNT'S OTHER	INCLUDED	MATURITY OR	MATURITY DATE
10				

11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE 2013 INTERNATIONAL TRUCK 3HSDJSJR4DN691643

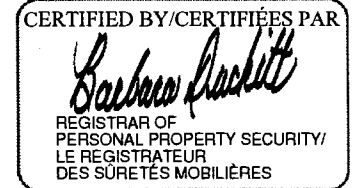
13 GENERAL ONE (1) TURN PALLET CONVEYOR SECTION
 14 COLLATERAL ONE (1) 2016 PALLET BANDER MODEL NO. WVAR 9440 AND SERIAL NO.
 15 DESCRIPTION 584986-1-0509

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 AGENT

17 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 21



(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 21
 (5955)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	03	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL ONE (1) 2001 MANAC 53" TRAILER WHITE 53" WITH VIN# 2M592161111078878

14 COLLATERAL RACKING - STRUCTURAL PUSHBACK

15 DESCRIPTION ONE (1) 2016 RUBBER FEET MACHINE SERIAL NO. 1C-XK180 INCLUDING

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 AGENT

17 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 22

CERTIFIED BY/CERTIFIÉES PAR

Barbara Pickett

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 22
 (5956)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	04	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

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

13 GENERAL KEYBOARDS, MOUSE, RUBBER MAT , HD COVER INCLUDING ALL ATTACHMENTS
 14 COLLATERAL AND ACCESSORIES.
 15 DESCRIPTION ONE (1) 2009 NOBLES SS5 32" WALK BEHIND AUTO SCRUBBER SERIAL NO.

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 17 AGENT

ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 23

CERTIFIED BY/CERTIFIÉES PAR
Barbara Buckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crjfu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 23
 (5957)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	05	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

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

13 GENERAL 469227 AND FIVE (5) 16 " RED AUTO SCRUB INCLUDING ALL ATTACHMENTS
 14 COLLATERAL AND ACCESSORIES
 15 DESCRIPTION ONE (1) 2008 HINO TRUCK MODEL HIN INCLUDING ALL ATTACHMENTS

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 17 AGENT

ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 24

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 24
 (5958)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	06	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL ACCESSORIES

14 COLLATERAL ONE (1) NEW MACHINE HAND INCLUDING ALL ATTACHMENTS AND ACCESSORIES

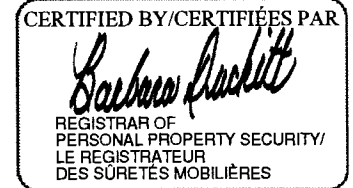
15 DESCRIPTION ONE (1) 2005 SKYJACK SJ3226 LIFT TRUCK WITH SERIAL NO. 274684

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 AGENT

17 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 25



(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 25
 (5959)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	07	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL ONE (1) 2009 COMBI 2-EZ HS AUTOMATIC CASE ERECTOR
 14 COLLATERAL ONE (1) PEARSON CASE ERECTOR BOTTOM TAPER MODEL CE35 SERIAL NO.
 15 DESCRIPTION 2010CE3512220

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 AGENT

17 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 26

CERTIFIED BY/CERTIFIÉES PAR

Barbara Duckitt

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 26
 (5960)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	08	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

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

13 GENERAL ONE (1) 2013 INTERNATIONAL TRUCK WITH SERIAL NO. 3HSDJSJR4DN691643
 14 COLLATERAL TOGETHER WITH ALL ATTACHMENTS ACCESSORIES REPLACEMENTS
 15 DESCRIPTION SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 AGENT

17 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 27

CERTIFIED BY/CERTIFIÉES PAR

Barbara Beckett

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1tu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 27
 (5961)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 726164208

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	09	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR
 14 COLLATERAL DEALINGS WITH THE COLLATERAL AND A RIGHT TO ANY INSURANCE PAYMENT OR
 15 DESCRIPTION OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 AGENT

17 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 28

CERTIFIED BY/CERTIFIÉES PAR
Barbara Beckett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crjfu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 28
 (5962)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 726164208

00

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	10	010		20170403 1013 1462 5408	P PPSA	4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
 LIEN CLAIMANT

09 ADDRESS

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK
 17 AGENT

ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

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

CONTINUED... 29

CERTIFIED BY/CERTIFIÉES PAR

Sabrina Puckett

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 29
 (5963)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	01	001		20170925 1710 1462 6413	
21	RECORD FILE NUMBER	726164208			
	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			F PART DISCH		
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	COMSALE COMPUTER INC.		
25	OTHER CHANGE				
26	REASON/				
27	DESCRIPTION				
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/				
03/	TRANSFeree	BUSINESS NAME			
06					ONTARIO CORPORATION NO.
04/07	ADDRESS				
29	ASSIGNOR				
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
09	ADDRESS				
	COLLATERAL CLASSIFICATION				
	CONSUMER		MOTOR VEHICLE	DATE OF	NO FIXED
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT MATURITY OR	MATURITY DATE
10			X		
11	MOTOR	YEAR MAKE	MODEL	V.I.N.	
12	VEHICLE	2013 INTERNATIONAL	TRUCK	3HSDJSJR4DN691643	
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	TD EQUIPMENT FINANCE CANADA INC.			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	2020 WINSTON PARK DRIVE, SUITE 301	OAKVILLE	ON L6H6X7

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

CONTINUED... 30

CERTIFIED BY/CERTIFIÉES PAR
Barbara Beckett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj2fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122512.11

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

REPORT : PSSR060
 PAGE : 30
 (5964)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 725940765

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	1		20170327 1116 1590 0327	P PPSA	10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME COMSALE COMPUTER INC.

04 ADDRESS 111 SNIDER CROFT ROAD, UNIT B CONCORD ON L4K 2J8
 ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / BDC CAPITAL INC.
 LIEN CLAIMANT

09 ADDRESS 121 KING STREET WEST, SUITE 1200 TORONTO ON M5H 3T9

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 VEHICLE

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING CHAITONS LLP (AK/MMC/52220)
 AGENT

17 ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

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

CONTINUED... 31

CERTIFIED BY/CERTIFIÉES PAR

Barbara Duckitt

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
RUN DATE : 2019/10/23
ID : 20191023122512.11

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

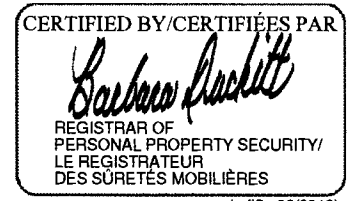
REPORT : PSSR060
PAGE : 31
(5965)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : COMSALE COMPUTER INC.
FILE CURRENCY : 22OCT 2019

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
749206629	20190319 1118 6005 9365			
741552831	20180712 1718 1532 1619			
740998863	20180627 1546 1590 3500			
738236646	20180413 1033 8077 1365			
736998237	20180306 1158 1793 7770			
727691013	20170516 1104 1219 6045			
727691715	20170516 1125 1219 6124			
726164208	20170403 1013 1462 5408	20170925 1710 1462 6413		
725940765	20170327 1116 1590 0327			

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



RUN NUMBER : 296
RUN DATE : 2019/10/23
ID : 20191023122620.63

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

REPORT : PSSR060
PAGE : 1
(5966)

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : COMSALE GROUP INC.

FILE CURRENCY : 22OCT 2019

ENQUIRY NUMBER 20191023122620.63 CONTAINS 4 PAGE(S), 2 FAMILY(IES).

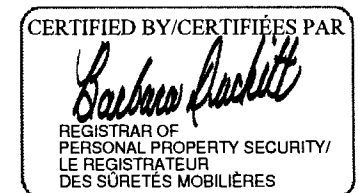
THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THORNTON GROUT FINNIGAN LLP - ROXANA MANEA

3200-100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7

CONTINUED...

2



(crfj5 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122620.63

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

REPORT : PSSR060
 PAGE : 2
 (5967)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE GROUP INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 740998899

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
001	1			20180627 1546 1590 3501	P PPSA	6

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME COMSALE GROUP INC.

ONTARIO CORPORATION NO.
 ON M6A 0A1

ADDRESS 18B- 3200 DUFFERIN ST, SUITE 323 TORONTO

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT HSBC BANK CANADA

ADDRESS 3601 HIGHWAY 7, SUITE 108 MARKHAM ON L3R 0M3

COLLATERAL CLASSIFICATION

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

YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE

GENERAL COLLATERAL DESCRIPTION

REGISTERING AGENT CASSELS BROCK & BLACKWELL LLP (33332-292/JP)

ADDRESS SUITE 2100, 40 KING STREET WEST TORONTO ON M5H 3C2

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Blackett
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 296
 RUN DATE : 2019/10/23
 ID : 20191023122620.63

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

REPORT : PSSR060
 PAGE : 3
 (5968)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : COMSALE GROUP INC.
 FILE CURRENCY : 22OCT 2019

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 725940774

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	1		20170327 1116 1590 0328	P PPSA	10

DEBTOR NAME	DATE OF BIRTH	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
02						
03		COMSALE GROUP INC.				
04		ADDRESS	111 SNIDERCROFT ROAD, UNIT B	CONCORD		ON L4K 2J8

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

SECURED PARTY / LIEN CLAIMANT	DATE OF BIRTH	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
08		BDC CAPITAL INC.				
09		ADDRESS	121 KING STREET WEST, SUITE 1200	TORONTO		ON M5H 3T9

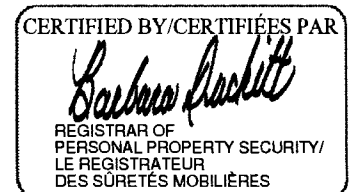
COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X	X				

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

GENERAL COLLATERAL DESCRIPTION	REGISTERING AGENT	ADDRESS	CITY	PROV	POSTAL CODE
13					
14					
15					
16	CHAITONS LLP (AK/MMC/52220)				
17		5000 YONGE STREET, 10TH FLOOR	TORONTO	ON	M2N 7E9

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

CONTINUED... 4



(crj1fu 06/2019)

RUN NUMBER : 296
RUN DATE : 2019/10/23
ID : 20191023122620.63

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

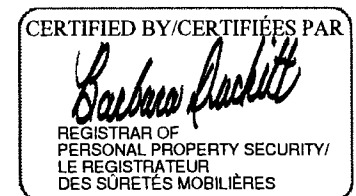
REPORT : PSSR060
PAGE : 4
(5969)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : COMSALE GROUP INC.
FILE CURRENCY : 22OCT 2019

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
740998899	20180627 1546 1590 3501			
725940774	20170327 1116 1590 0328			

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



(crfj5 06/2019)

This is Exhibit "S" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits





STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

ROSSANA ROSADO
SECRETARY OF STATE

INFORMATION REQUEST RESPONSE

October 31, 2019

Customer Reference Number: 029131001A

CORPORATION SERVICE COMPANY
80 STATE STREET, 6TH FLOOR
ALBANY NY 12207-0000

Name of Organization Searched:
COMSALE INC.

<u>File No.</u>	<u>File Date</u>
201702230089942	02/23/2017
201702278078060	02/27/2017
201703218113713	03/21/2017
201807058307316	07/05/2018
201812286608208	12/28/2018

The undersigned hereby certifies that the above listing is a record of all Financing Statements or any Federal Tax Liens, which have not lapsed, which name the above debtor and which are on file as of 10/18/2019, 11:59 PM. However, search results may reflect documents filed after this date.

The attached pages are true and exact copies of the first page of the financing statements as mentioned above and true and exact copies of the first page of assignments and secondary filings hereto.

Please note that the Uniform Commercial Code Filing Database, including images of filings may be searched for variations of the Debtor's name and copies of records may be downloaded at the Department's website www.dos.ny.gov.

Our Customer Service Representatives may be reached at (518) 473-2492.

Sincerely,

Brendan C. Hughes
Executive Deputy Secretary of State

Ref #: 329195 5

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Corporation
Jennifer Kimbrough
4400 Easton Commons Wty, Suite 125
Columbus, OH 43219

Order #57745882 Drawdown Acct#18

203854

2017 FEB 23 PM 2:00

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

COMSALE INC.

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS c/o Comsale Computer Inc.
18B-3200 Dufferin Street, Suite #323

CITY
Toronto

STATE
ON

POSTAL CODE
M6A 0A1

COUNTRY
CAN

1d. SEE INSTRUCTIONS
Not Applicable

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION
corporation

1f. JURISDICTION OF ORGANIZATION
New York

1g. ORGANIZATIONAL ID #, if any

☒ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS
Not Applicable

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR(S)) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

THE TORONTO-DOMINION BANK

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS Vaughan Commercial Banking Centre,
2300 Steeles Ave. W., 2nd Floor, Suite 200

CITY
Vaughan

STATE
ON

POSTAL CODE
L4K 5X6

COUNTRY
CAN

4. This FINANCING STATEMENT covers the following collateral:

All assets of the Debtor.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING
6. THE FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) All Debtors Debtor 1 Debtor 2 (optional) (ADDITIONAL FEE)
8. OPTIONAL FILER REFERENCE DATA

NY SOS

JK-57745882-1

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

FILING NUMBER: 201702230089942

407510

2017 Feb 27 PM03:17

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Betsy J. Mills, Paralegal	
B. SEND ACKNOWLEDGMENT TO: (Name and Address) Hodgson Russ LLP 140 Pearl Street, Suite 100 Buffalo, NY 14202, USA	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> debtor name (1a or 1b) - do not abbreviate or combine names				
1a. ORGANIZATION'S NAME COMSALE INC.				
OR				
1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS c/o Comsale Computer Inc., 18B-3200 Dufferin Street, Suite #323	CITY Toronto	STATE ON	POSTAL CODE M6A 0A1	COUNTRY CAN
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION corporation	1f. JURISDICTION OF ORGANIZATION New York	1g. ORGANIZATIONAL ID #, if any NONE ☒ NONE
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> debtor name (2a or 2b) - do not abbreviate or combine names				
2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any NONE ☐ NONE
3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only <u>one</u> secured party name (3a or 3b)				
3a. ORGANIZATION'S NAME THE TORONTO-DOMINION BANK				
OR				
3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS 2300 Steeles Ave. W., 2nd Floor, Suite 200	CITY Vaughan	STATE ON	POSTAL CODE L4K 5X6	COUNTRY CAN
4. This FINANCING STATEMENT covers the following collateral: All assets of the Debtor.				

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)		All Debtors Debtor 1 Debtor 2			
8. OPTIONAL FILER REFERENCE DATA NYS						

410966

2017 Mar 21 PM05:45

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] jlee	
B. SEND ACKNOWLEDGMENT TO: (Name and Address) United Corporate Services, Inc. 100 State Street, Suite 800 Albany, 12207,	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME COMSALE INC.				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS c/o Comsale Computer Inc. 111 Snidercroft Rd, Unit B		CITY CONCORD	STATE ON	POSTAL CODE L4K 2J8 COUNTRY USA
1d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Corporation	1f. JURISDICTION OF ORGANIZATION New York	1g. ORGANIZATIONAL ID #, if any 3780354 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
2d. <u>SEE INSTRUCTIONS</u>	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME BDC CAPITAL INC.				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 121 King Street West, Suite 1200		CITY Toronto	STATE ON	POSTAL CODE M5H 3T9 COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:
All assets of the Debtor

5. ALTERNATIVE DESIGNATION [if applicable]:		LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAIOLR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]		All Debtors		Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA NY SOS							

429528

2018 Jul 05 PM12:52

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Aidan Campbell, 716-847-8302

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Phillips Lytle LLP
One Canalside/125 Main Street
Buffalo, NY 14203, USA

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME **Cornsale Inc.**

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS **1021 E. Glendale Avenue**

CITY **Sparks**

STATE **NV**

POSTAL CODE
89431

COUNTRY
USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION
corporation

1f. JURISDICTION OF ORGANIZATION
New York

1g. ORGANIZATIONAL ID #, if any
NONE

☒ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME **HSBC Bank Canada**

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS **4550 Hurontario Street**

CITY **Mississauga**

STATE **ON**

POSTAL CODE
L5R 4E4

COUNTRY
CAN

4. This FINANCING STATEMENT covers the following collateral:

All Assets of the Debtor, including without limitation, all Equipment, Inventory, Documents, Accounts, Chattel Paper, Investment Property, Instruments, General Intangibles, Commercial Tort Claims and Letter-of-Credit Rights, now owned or hereafter acquired, wherever located, and any and all such items which are or become Fixture, and all Proceeds and Products of all of the foregoing.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING
6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2
8. OPTIONAL FILER REFERENCE DATA **NY SOS; DOC #01-3128756.1**

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

Filing Number-201807058307316

861215

2018 Dec 28 AM06:05

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Lien Solutions 800-331-3282	
B. SEND ACKNOWLEDGMENT TO: (Name and Address) Lien Solutions P.O. Box 29071 Glendale, CA 91209-0071, USA uccfilingreturn@wolterskluwer.com (Fax) 818-662-4141	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names					
1a. ORGANIZATION'S NAME COMSALE INC					
OR					
1b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 4800 Van Epps Rd #105		CITY Brooklyn Heights		STATE OH	POSTAL CODE 44131
1d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Corporation	1f. JURISDICTION OF ORGANIZATION NY	1g. ORGANIZATIONAL ID #, if any None
					☒ NONE
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names					
2a. ORGANIZATION'S NAME					
OR					
2b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY		STATE	POSTAL CODE
2d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
					☐ NONE
3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)					
3a. ORGANIZATION'S NAME AMAZON CAPITAL SERVICES, INC.					
OR					
3b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 410 Terry Ave. N.		CITY Seattle		STATE WA	POSTAL CODE 98109
				COUNTRY	USA

4. This FINANCING STATEMENT covers the following collateral:

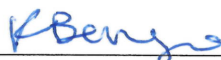
The Collateral is all of the following property the debtor now owns or may acquire in the future: (i) all inventory at any time stored for the debtor or the debtor's affiliate accounts in Amazon fulfillment centers, wherever found, (ii) any right, title or interest in the debtor's Seller Account, as well as any other Amazon seller accounts affiliated with the debtor, (iii) all Accounts, Chattel Paper, Deposit Accounts, Documents, Instruments, Investment Property, or Payment Intangibles, (iv) all Equipment, Goods, Inventory and other tangible personal property located in the United States, (v) any books and records pertaining to the Collateral, and (vi) any insurance, proceeds or products of the foregoing.

5. ALTERNATIVE DESIGNATION (if applicable):		LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)		All Debtors		Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA NY-0-67934146-56344846							

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

Filing Number-201812286608208

This is Exhibit "T" referred to in the
Affidavit of John Borch sworn before me
this 5th day of November, 2019.



A Commissioner for taking affidavits


T

BAILEE AGREEMENT

THIS BAILEE AGREEMENT (this "**Agreement**") is made as of this 25 day of July, 2018, by and between **COMSALE COMPUTER INC.**, a company incorporated in Canada and having its registered address at 111 Snidercroft Road, Unit B, Concord, Ontario, L3R 0M3 ("**Bailor**") and **COMSALE MALAYSIA SDN. BHD (Company No. 1250114-K)**, a company incorporated in Malaysia and having its registered address at Level 10, Menara LGB, 1 Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur., ("**Bailee**").



WITNESSETH:

WHEREAS, Bailee is presently located at B24-B27 and B30-B31, Jalan FZ4-P3, Port Klang Free Zone/KS12, Pulau Indah, Selangor, Malaysia ("**Location**"); and

WHEREAS, Bailor is the legal and beneficial owner of the Materials (as hereinafter defined) and the Materials are, save for the charge created or to be created, in favour of **HSBC BANK CANADA**, a bank existing under the laws of Canada, with its principal office at 300-885 West Georgia Street, Vancouver, BC, V6C 3E9 ("**Lender**") free from all Security Interest, encumbrances and claims whatsoever; and

WHEREAS, Bailee has agreed to execute this Bailee Agreement and temporarily store the Materials for the Bailor at the Location on the terms and conditions set out herein;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the parties hereto agree as follows:

1. **DEFINITION**

When used herein, the following term shall have the following meaning:

- (a) "**Materials**" shall mean inventory and equipment; and
- (b) "Security Interest" shall mean any mortgage, charge, pledge, debenture, lien, caveat, right of set-off or any other security interest whatsoever, however created or arising.

2. **BAILMENT RELATIONSHIP; TITLE TO MATERIALS**

2.1 Bailee acknowledges and agrees that (i) Bailee holds the Materials as a bailment (and not as a consignment) for the sole and express purpose of storing or warehousing the Materials pursuant to Bailor's specifications, (ii) title to the Materials shall at all times remain in and with Bailor, and (iii) neither Bailee nor any creditor of Bailee shall have any right, Security Interest or property interest whatsoever in the Materials, including, but not limited to, any statutory lien for services, consensual security agreement or a lien of any kind, and Bailee hereby waives and releases any liens, claims, or other rights that Bailee may have, whether by contract, statute, or otherwise, in and to the Materials.

2.2 Bailee represents that it has not, and covenants that it shall not, at any time (i) use the Materials or any part thereof for any purpose other than the purpose described in Section 2.1 above, (ii) represent itself to any third party or parties as the owner of the Materials, or (iii) grant a Security Interest in, pledge, assign, mortgage, create or permit a lien or encumbrance upon any of the Materials or any item produced therefrom, or permit any levy, attachment or restraint to be made affecting the Materials.

2.3 Bailee agrees that it will not assert against any of the Materials any lien, including, without limitation, any statutory or possessory liens, all of which Bailee hereby waives. Bailee further acknowledges that, at all times, it holds possession of the Materials for Bailor's benefit.

2.4 In addition to the provisions of Section 3.1 hereof, Bailee will do all acts and take all steps necessary or expedient to safeguard and preserve the Materials and each part thereof or the title or ownership of the Bailor to the Materials thereto.

3. SEGREGATION OF MATERIALS; INSPECTION

3.1 Bailee agrees that the Materials will be stored in one stockpile at the Location, and that it shall segregate the Material from, and shall not commingle the Material with, any other property or assets of the Bailee or of any third parties. Bailee hereby agrees to allow Bailor to (i) post signs or other reasonable means of notification, identifying the Materials as the property of Bailor and (ii) authorizes Bailor, as the case may be, to file such financing statements as Bailor may reasonably require and to provide written notice to any and all of Bailee's prior lien holders, to give notice to third parties of the bailment relationship between the parties hereto, and to protect Bailor's title to the Materials.

3.2 Bailee shall maintain complete and accurate records of all Materials stored, warehoused or delivered to Bailee. Bailee shall permit Bailor or any of its respective representatives or agents or the Lender or any of the Lender's representatives or agents to inspect and examine such records and the stockpile area during regular business hours by mutually agreed upon scheduled appointment within a reasonable period of time following request.

3.3 Bailee shall maintain the Materials at the Location and shall not remove any of the Materials therefrom without the express prior written approval of Bailor.

4. PROMPT DELIVERY OF MATERIALS

4.1 Bailee agrees that Bailor or its designee or its agent shall have the right to enter the premises of the Bailee and remove the Materials at any time with or without advance notice. Bailor may, without prior written notice to Bailee, exercise any or all other rights available to it pursuant to this Agreement and other applicable laws or the laws governing this Agreement, which actions are hereby authorized by Bailee. The Bailor shall inform the Bailee and the Lender in writing immediately after such removal.

4.2 Bailee shall release the Materials pursuant to the written direction of Bailor regardless of any actual or purported claim by the Bailee for set-off, payment or performance by Bailor, and the Bailee irrevocably waives any statutory or common possessory lien or retention rights that it might from time to time otherwise possess in or against any of the Materials. The Bailor shall inform the Lender in writing immediately after the issuance of such written direction to the Bailee.

4.3

5. PROTECTION OF MATERIALS; RELEASE OF BAILOR

5.1 The Bailee shall use reasonable care to protect and preserve the Materials from loss or damage and shall be liable for any such loss or damage which may occur while the Materials are in the Bailee's possession.

5.2 The Bailee agrees to keep the Materials fully insured at its own expense so long as it shall have possession of the Materials in an amount not less than the full insurable value thereof with loss, if any, payable to the Bailor. The Bailee will forthwith, on demand obtain and deliver evidence of such insurance to the Bailor and/or the Lender.

5.3 The Bailee agrees to indemnify and save Bailor harmless of and from any loss, costs or damages (including legal expenses) arising out of or connected with the said bailment only if such loss, costs or damages result from the gross negligence or wilfull misconduct of the Bailee. The indemnity shall continue in full force and effect notwithstanding delivery of the Materials to the Bailor.

6. MISCELLANEOUS

6.1 Whenever in this Agreement there is a reference to any of the parties hereto, such reference shall be deemed to include a reference to the successors and permitted assigns of said party. The provisions of this Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Bailor and the Bailee.

6.2 Bailee shall not and cannot, unless otherwise consented to in writing by Bailor, assign this Agreement or any part of Bailee's performance hereunder, and any such attempted assignment shall be void.

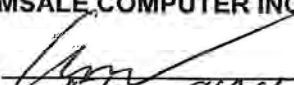
6.3 This Agreement shall be construed in all respects in accordance with and governed by the laws of Malaysia. Wherever possible, each provision to this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions of this Agreement.

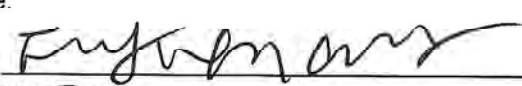
6.4 This Agreement may not be altered or amended except by an agreement in writing signed by the parties hereto. The Bailee represents and warrants that the person signing below has the necessary corporate authority to bind the Bailee to this Agreement and that its correct name and jurisdiction of organization are as listed in the preamble to this Agreement. This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior oral or written agreements. This Agreement may be signed in any number of counterparts, and the parties are entitled to rely on scanned images of signatures as if they were originals.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

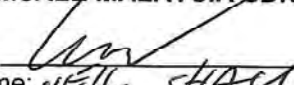


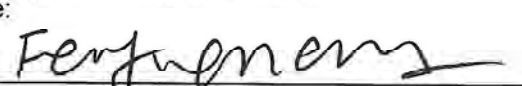
COMSALE COMPUTER INC.

By: 
Name: NEIL SHAU
Title:

By: 
Name: Fengwen Qiang
Title:

COMSALE MALAYSIA SDN. BHD.

By: 
Name: NEIL SHAU
Title:

By: 
Name: Fengwen Qiang
Title:

25 JUL 2018

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

HSBC BANK CANADA

- and -

COMSALE COMPUTER INC. *et al.*

Applicant

Respondents

Court File No. CV-19-630501-00CL

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

Proceedings commenced at Toronto

**AFFIDAVIT OF JOHN BORCH
(Sworn November 5th, 2019)**

Thornton Grout Finnigan LLP

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100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
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Lawyers for the Applicant, HSBC Bank Canada

TAB 3

Court File No. CV-19-630501-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY THE 5TH
	)	
JUSTICE	)	DAY OF NOVEMBER, 2019

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by HSBC Bank Canada (the “**Applicant**” or the “**Bank**”) for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) and section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, appointing Grant Thornton Limited as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and

Comsale Malaysia Sdn. Bhd. (collectively, the "**Comsale Entities**") acquired for, or used in relation to a business carried on by the Comsale Entities, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Borch sworn November 5, 2019 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Receiver, no one else appearing or served, and on reading the consent of Grant Thornton Limited to act as the Receiver and upon being advised that the Respondents consent to the immediate appointment of a Receiver by this Court,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA and section 243(1) of the BIA, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc. and Comsale Inc. acquired for, or used in relation to a business carried on by such entities, including all proceeds thereof (the "**Debtor Property**").

3. THIS COURT ORDERS that pursuant to section 101 of the CJA, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Comsale Malaysia Sdn. Bhd. and Comsale Hong Kong Limited, acquired for, or used in relation to a business carried on by such entities, including all proceeds thereof (together with the Debtor Property, the "**Property**").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, arranging for provision of utilities, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Comsale Entities, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Comsale Entities;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Comsale Entities or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Comsale Entities and to exercise all remedies of the Comsale Entities in collecting such monies, including, without limitation, to enforce any security held by the Comsale Entities;

- (g) to settle, extend or compromise any indebtedness owing to the Comsale Entities;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Comsale Entities, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Comsale Entities, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Comsale Entities;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Comsale Entities, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Comsale Entities;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Comsale Entities may have;
- (r) to make an assignment in bankruptcy on behalf of any or all of the Comsale Entities; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE COMSALE ENTITIES OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Comsale Entities, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Comsale Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Comsale Entities are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Comsale Entities' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Comsale Entities or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Comsale Entities shall remain the employees of the Comsale Entities until such time as the Receiver, on the Comsale Entities' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

material respects identical to the prior use of such information by the Comsale Entities, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

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

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

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

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Bank by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

INTERIM COMEBACK PERIOD

23. THIS COURT ORDERS that, pending further Order of the Court, for a period of fifteen (15) calendar days following the date of this Order (the “**Interim Comeback Period**”), the Receiver’s Charge and the Receiver’s Borrowing Charge shall not extend to collateral that is subject to a properly perfected security interest that is in priority to the Bank’s security, including purchase money security interests. Any secured creditor that wishes to take the position that the priority charges granted pursuant to this Order should not extend to collateral subject to their security interest shall serve a motion on notice to the Receiver and the Bank within fifteen (15) calendar days of the date of this Order, seeking such relief. In the absence of an Order being granted in respect of such motion that is served within the Interim Comeback Period, all priority charges under this Order including the Receiver’s Charge set forth in paragraph 19 above and the Receiver’s Borrowings Charge set forth in paragraph 22 above, will apply to all assets, including those subject to purchase money security interests, equipment leases or other interests that may be in priority to the Bank’s security, immediately upon the conclusion of the Interim Comeback Period without any further steps being taken.

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

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

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

SERVICE AND NOTICE

27. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of

documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.GrantThornton.ca/Comsale.

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

RETENTION OF LAWYERS

29. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Thornton Grout Finnigan LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may arise.

GENERAL

30. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Comsale Entities.

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

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

34. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Application security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Comsale Entities' estates with such priority and at such time as this Court may determine.

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "**Comsale Entities**") acquired for, or used in relation to a business carried on by the Comsale Entities, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 5th day of November, 2019 (the "**Order**") made in an action having Court file number CV-19-630501-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

Grant Thornton Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

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

HSBC BANK CANADA

- and -

COMSALE COMPUTER INC. et al.

Applicant

Respondents

Court File No. CV-19-630501-00CL

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

Proceedings commenced at Toronto

**ORDER
(appointing Receiver)**

Thornton Grout Finnigan LLP

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Lawyers for the Applicant, HSBC Bank Canada

TAB 4

~~Revised: January 21, 2014~~
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. ~~CV-19-~~

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ~~WEEKDAY~~TUESDAY THE ~~#~~5TH
JUSTICE ~~_____~~) DAY OF ~~MONTH~~NOVEMBER, 20~~YR~~19

~~PLAINTIFF~~¹

~~Plaintiff~~

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.

¹~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

[Respondents](#)

ORDER
(appointing Receiver)

THIS ~~MOTION~~APPLICATION made by HSBC Bank Canada (the ~~Plaintiff~~² "Applicant" or the "Bank") for an Order pursuant to section ~~243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA")~~101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA") and section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended, appointing ~~[RECEIVER'S NAME]~~Grant Thornton Limited as receiver ~~{~~and manager~~}~~ (in such capacities, the **"Receiver"**) without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME] (Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "Debtor Comsale Entities")~~Comsale Entities) acquired for, or used in relation to a business carried on by the ~~Debtor Comsale Entities~~Comsale Entities, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~John Borch sworn ~~[DATE]~~November 5, 2019 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant and the Receiver, no one else appearing ~~for [NAME] although duly~~or served as appears from the affidavit of service of [NAME] sworn [DATE], and on reading the consent of ~~[RECEIVER'S NAME]~~Grant Thornton Limited to act as the Receiver and upon being advised that the Respondents consent to the immediate appointment of a Receiver by this Court,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated³ so that this ~~motion~~Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

2. THIS COURT ORDERS that pursuant to section 101 of the CJA and section 243(1) of the BIA ~~and~~ Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Comsale Computer Inc., Comsale Group Inc. and Comsale Inc. acquired for, or used in relation to a business carried on by such entities, including all proceeds thereof (the "Debtor Property").

3. THIS COURT ORDERS that pursuant to section 101 of the CJA, ~~[RECEIVER'S NAME]~~ Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of ~~the Debtor~~ Comsale Malaysia Sdn. Bhd. and Comsale Hong Kong Limited, acquired for, or used in relation to a business carried on by ~~the Debtor~~ such entities, including all proceeds thereof (together with the Debtor Property, the "Property").

RECEIVER'S POWERS

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

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

part of the business, or cease to perform any contracts of the ~~Debtor~~Comsale Entities;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Comsale Entities or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Comsale Entities and to exercise all remedies of the ~~Debtor~~Comsale Entities in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Comsale Entities;
- (g) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Comsale Entities;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Comsale Entities, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Comsale Entities, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for

⁴~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the

⁵~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Comsale Entities;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Comsale Entities, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Comsale Entities;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Comsale Entities may have;
- (r) to make an assignment in bankruptcy on behalf of any or all of the Comsale Entities; and
- (s) ~~(+)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. ~~4.~~ THIS COURT ORDERS that (i) the ~~Debtor~~Comsale Entities, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on ~~its~~their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all

of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~ COMSALE ENTITIES OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. ~~10.~~ THIS COURT ORDERS that all rights and remedies against the ~~Debtor~~ Comsale Entities, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the ~~Debtor~~ Comsale Entities to carry on any business which the ~~Debtor is~~ Comsale Entities are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~ Comsale Entities from compliance with statutory or regulatory provisions relating to health, safety or the environment,

(iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

13. ~~12.~~ THIS COURT ORDERS that all Persons having oral or written agreements with the DebtorComsale Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the DebtorComsale Entities are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor'sComsale Entities' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the DebtorComsale Entities or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. ~~14.~~ THIS COURT ORDERS that all employees of the ~~Debtor~~ Comsale Entities shall remain the employees of the ~~Debtor~~ Comsale Entities until such time as the Receiver, on the ~~Debtor's~~ Comsale Entities' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. ~~16.~~ THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of

a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. ~~17.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. ~~18.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

⁶ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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

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

FUNDING OF THE RECEIVERSHIP

22. ~~21.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Bank by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ ~~_____~~ 750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

INTERIM COMEBACK PERIOD

23. THIS COURT ORDERS that, pending further Order of the Court, for a period of fifteen (15) calendar days following the date of this Order (the "**Interim Comeback Period**"), the Receiver's Charge and the Receiver's Borrowing Charge shall not extend to collateral that is subject to a properly perfected security interest that is in priority to the Bank's security, including

purchase money security interests. Any secured creditor that wishes to take the position that the priority charges granted pursuant to this Order should not extend to collateral subject to their security interest shall serve a motion on notice to the Receiver and the Bank within fifteen (15) calendar days of the date of this Order, seeking such relief. In the absence of an Order being granted in respect of such motion that is served within the Interim Comeback Period, all priority charges under this Order including the Receiver's Charge set forth in paragraph 19 above and the Receiver's Borrowings Charge set forth in paragraph 22 above, will apply to all assets, including those subject to purchase money security interests, equipment leases or other interests that may be in priority to the Bank's security, immediately upon the conclusion of the Interim Comeback Period without any further steps being taken.

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

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

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

SERVICE AND NOTICE

27. ~~25.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule

3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL-
~~@~~: www.GrantThornton.ca/Comsale.

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

RETENTION OF LAWYERS

29. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Thornton Grout Finnigan LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists, or may arise.

GENERAL

30. ~~27.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. ~~28.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the ~~Debtor~~Comsale Entities.

32. ~~29.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, Malaysia and Hong Kong to give effect to this Order and to assist the Receiver and its agents in carrying

out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

34. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Application security or, if not so provided by the ~~Plaintiff~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's estate~~Comsale Entities' estates with such priority and at such time as this Court may determine.

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

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SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~Grant Thornton Limited, the receiver (the "**Receiver**") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~of Comsale Computer Inc., Comsale Group Inc., Comsale Inc., Comsale Hong Kong Limited and Comsale Malaysia Sdn. Bhd. (collectively, the "Comsale Entities") acquired for, or used in relation to a business carried on by the ~~Debtor~~Comsale Entities, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 5th day of November, ~~20~~2019 (the "**Order**") made in an action having Court file number CV-19-~~CL-~~_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

~~[RECEIVER'S NAME]~~ Grant Thornton Limited,
solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

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

<u>HSBC BANK CANADA</u>	<u>- and -</u>	<u>COMSALE COMPUTER INC. et al.</u>
<u>Applicant</u>		<u>Respondents</u>
<u>Court File No. CV-19-</u>		
	<u>ONTARIO</u> <u>SUPERIOR COURT OF JUSTICE</u> <u>(COMMERCIAL LIST)</u> <u>Proceedings commenced at Toronto</u>	
	<u>ORDER</u> <u>(appointing Receiver)</u>	
	<u>Thornton Grout Finnigan LLP</u> <u>TD West Tower, Toronto-Dominion Centre</u> <u>100 Wellington Street West, Suite 3200</u> <u>Toronto, ON M5K 1K7</u> <u>Fax: (416) 304-1313</u> <u>D.J. Miller (LSO# 34393P)</u> <u>Email: djmiller@tgf.ca / Tel: (416) 304-0559</u> <u>Rachel Bengino (LSO# 68348V)</u> <u>Email: rbengino@tgf.ca / Tel: (416) 304-1153</u> <u>Lawyers for the Applicant, HSBC Bank Canada</u>	

TAB 5

Court File No. CV-19-630501-00CL

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

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

**COMSALE COMPUTER INC., COMSALE INC., COMSALE GROUP INC., COMSALE
HONG KONG LIMITED AND COMSALE MALAYSIA SDN. BHD.**

Respondents

CONSENT

GRANT THORNTON LIMITED hereby consents to act as Court-appointed Receiver in
this proceeding should such an Order be granted by the Court.

Dated at Toronto, Ontario, this 5th day of November, 2019.

GRANT THORNTON LIMITED

Per: 

Name: Michael Creber, CPA, CA, CIRP, LIT

Title: Senior Vice President

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

HSBC BANK CANADA

- and -

COMSALE COMPUTER INC. et al.

Applicant

Respondents

Court File No. CV-19-630501-00CL

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

Proceedings commenced at Toronto, Ontario

CONSENT

Thornton Grout Finnigan LLP

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Rachel Bengino (LSO# 68348V)

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Lawyers for the Applicant, HSBC Bank Canada

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

HSBC BANK CANADA

- and -

COMSALE COMPUTER INC. et al.

Applicant

Respondents

Court File No. CV-19-630501-00CL

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

Proceedings commenced at Toronto

APPLICATION RECORD

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