

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

1000088317 ONTARIO INC.

Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and Rules 3 and 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

APPLICATION RECORD

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Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

1000088317 ONTARIO INC.

Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43,
s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the
Personal Property Security Act, R.S.O. 1990, c. P.10 and
Rules 3 and 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The Claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a judge presiding over the Commercial List at 330 University Avenue, Toronto (*choose one of the following*)

- In person
- By telephone conference
- By judicial video conference

On May 21, 2024 at 11:00 a.m.

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 at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN 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 CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____
Local Registrar
Address of
court office: 330 University Avenue, Toronto, ON, M5G
1R7

TO: See attached Service List

SERVICE LIST

1. **1000088317 Ontario Inc.**
11553 Tenth Line
Halton Hills, ON L7G 4S7
Email: harvsingh1975@gmail.com and manpreetb80@gmail.com

2. **North Shore Logistics Inc.**
34 Windmill Boulevard
Brampton, ON L6Y 3E4
Email: harvsingh1975@gmail.com and manpreetb80@gmail.com

3. **True North Freight Solutions Inc.**
66 Citadel Crescent
Brampton, ON L6P 1X8
Email: harvsingh1975@gmail.com and manpreetb80@gmail.com

4. **Manpreet Kaur Bal**
12949 Innis Lake Road
Caledon, ON L7C 2Z5
Email: manpreetb80@gmail.com

5. **Harvinder Singh Randhawa**
43 Arctic Fox Crescent
Brampton, ON L6R 0J5
Email: harvsingh1975@gmail.com

6. **Bank of Montreal**
c/o AIRD & BERLIS LLP
Barristers & Solicitors
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSO #31871V)
Email: sgraff@airdberlis.com

7. **Canada Revenue Agency, Legal Services**
1 Front Street West
Toronto, ON M5J 2X6
Attention: Pat Confalone
Email: pat.confalone@cra-arc.gc.ca

8. Canada Revenue Agency, Legal Services

1 Front Street West
Toronto, ON M5J 2X6
Email: AGC-PGC.Toronto-Tax-Fiscal@justice.ca

**9. HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY
THE MINISTER OF FINANCE**

P.O. Box 620
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9
Email: Insolvency.Unit@ontario.ca

10. MNP Ltd.

Attention: Deborah Hornbostel, Senior Vice-President
1900-1 Adelaide Street East
Toronto, ON M5C 2V9
Email: deborah.hornbostel@mnp.ca

EMAIL SERVICE LIST

harvsingh1975@gmail.com; manpreetb80@gmail.com; sgraff@airdberlis.com;
pat.confalone@cra-arc.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.ca;
Insolvency.Unit@ontario.ca; Deborah.hornbostel@mp.ca

APPLICATION

1. The Applicant, Business Development Bank of Canada (“BDC”), makes application for:
 - (a) an Order, if necessary, dispensing with service and filing of the within Application, declaring that service of this Application has been validly effected on all necessary parties and declaring that this Application is properly returnable on May 21 _____, 2024 at 11:00 a.m. in Toronto, Ontario, or as soon thereafter as this Application can be heard;
 - (b) an Order pursuant to s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 (the “CJA”) and/or s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 (the “BIA”) and/or ss. 67(1) (a) and (e) of the *Personal Property Security Act* R.S.O. 1990 c.P.10 (the “PPSA”) appointing MNP Ltd. (“MNP”) as Court-appointed receiver (in such capacity, the “Receiver”), without security, over all of the assets, undertakings and property of the Respondent, 1000088317 Ontario Inc. (the “Debtor”);
 - (c) an Order ancillary to the receivership requested above in the form of the draft order annexed hereto as schedule “A”, as a result of the circumstances described in the affidavit filed in support of this Application;
 - (d) costs of the Application on a substantial indemnity basis; and
 - (e) such further and other relief as this Honourable Court may deem just.
2. The grounds for the application are:

The Parties and Description of the Debtor

- (a) BDC is the senior secured creditor of the Debtor pursuant to the Loan Agreement and the Security, including the Mortgage (as these terms are described and defined below).
- (b) The Debtor is incorporated pursuant to the laws of Ontario. Harvinder Randhawa (“Mr. Randhawa”) and Manpreet Bal (“Ms. Bal”, and together with Mr. Randhawa, the “Directors”) are the sole registered directors of the Debtor.

- (c) The Debtor is indebted to BDC pursuant to the Loan Agreement and the Security in the amount of \$17,765,351.69 as of May 1, 2024. Further, the Debtor is the sole registered owner of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario (the “**Real Property**”), which is subject to the Mortgage. The Real Property is a commercial property, upon which a commercial trucking freight delivery and logistics business was operated.
- (d) As security for the Debtor’s indebtedness to BDC, BDC also holds corporate guarantees from each of True North Freight Solutions Inc. (“**True North**”) and North Shore Logistics Inc. (“**North Shore**”), which guarantees are supported by general security agreements.
- (e) The Debtor is the holding company that owns the Real Property and True North and North Shore are the operating companies. Pursuant to the Priority Agreement (as described and defined below) BDC holds first-ranking security with respect to the Debtor’s assets (and Bank of Montreal (“**BMO**”) has a subordinated interest therein), and BMO holds first-ranking security with respect to the assets of True North and North Shore (and BDC has a subordinated interest therein).
- (f) Following a May 1, 2024 site visit to the Real Property, it appears that the Debtor has ceased operating. BMO, which obtained the IR Order (as defined below), has also brought applications for bankruptcy orders against both operating companies returnable on May 6, 2024.

BDC’s Loan

- (g) In accordance with the terms of a letter of offer dated December 21, 2021, as same may have been amended, varied or restated from time to time (the “**Loan Agreement**”), BDC granted to the Debtor a loan in the amount of \$18,000,000.00 (the “**Loan**”). It is an event of default, entitling BDC to cancel the Loan Agreement, demand repayment in full, and to realize on its Security if, among other things:
 - a. The Debtor fails to pay to BDC any principal, interest or other amount as and when due;

- b. The Debtor, or any guarantor, fails to observe any covenant, provision, term or condition contained in the Loan Agreement or the Security;
- c. The Debtor ceases to operate or becomes the subject-matter of insolvency proceedings and/or there is a material deterioration in the financial condition of the Debtor or any guarantor; or,
- d. The Debtor fails to immediately advise BDC of any event of default.

BDC's Security

- (h) It was a condition of granting the Loan under and pursuant to the Loan Agreement by BDC to the Debtor that the Debtor, True North and North Shore grant the following security to BDC (collectively, the "**Security**"), *inter alia*:
 - (i) A first-ranking charge/mortgage (the "**Mortgage**") granted by the Debtor in favour of BDC in the principal amount of \$18,000,000.00, which was registered against title to the Real Property on January 26, 2022;
 - (ii) An assignment of rents granted by the Debtor to BDC in respect of the Real Property and registered against title to the Real Property on January 26, 2022;
 - (iii) A general security agreement granted by the Debtor in favour of BDC granting a first-ranking security interest over the Debtor's personal property (the "**GSA**");
 - (iv) The guarantee of True North for the full balance of the Loan, which guarantee is supported by a general security agreement granted by True North in favour of BDC;
 - (v) The guarantee of North Shore for the full balance of the Loan, which guarantee is supported by a general security agreement granted by North Shore in favour of BDC; and
 - (vi) The guarantee of the Directors for 50% of the balance of the Loan.

- (i) The Security expressly provides that BDC is entitled to appoint a receiver in the event of default.
- (j) BDC's security interest granted by the GSA was perfected by registration pursuant to the PPSA on January 24, 2022. The results of an April 28, 2024 search of the PPSA registry confirm that as of April 28, 2024, in addition to BDC, BMO is the only other secured creditor with a PPSA registration, being BMO with a registration dated February 13, 2023.

The BDC and BMO Priority Agreement

- (k) BDC and BMO, along with the Debtor, True North and North Shore, entered into a priority agreement dated February 23, 2023 (the "Priority Agreement").
- (l) The Priority Agreement provides for the following priorities as between the security held by each of BDC and BMO:
 - (i) BDC holds its first-ranking Mortgage registered on title to the Real Property and BMO holds a second-ranking charge on title to the Real Property in the principal amount of \$17,800,000.00;
 - (ii) BDC holds first-ranking security on the personal property of the Debtor with BMO holding a second priority ranking regarding this property; and
 - (iii) BMO holds first-ranking security on the personal property of True North and North Shore with BDC holding a second priority ranking regarding this property.

Recent Developments

BMO Obtains Interim Receivership Order and Seeks Bankruptcy Orders

- (m) On April 12, 2024, BMO brought an *ex parte* application for the appointment of BDO Canada Limited ("BDO") as an interim receiver of True North, as well as the Debtor and North Shore.
- (n) On this same date, the Honourable Justice Steele issued the interim receivership order (the "IR Order") and BDO was appointed as interim receiver.

- (o) The affidavit filed in support of BMO's application identified a significant number of defaults and concerns relating to the operations of True North, as well as the Debtor and North Shore, including the following:
- (i) Failure to maintain required insurance coverage and arrears in respect of these policies in excess of \$1,500,000;
 - (ii) Payroll arrears of between the \$600,000 and \$1,000,000 owing to truck drivers;
 - (iii) Arrears in HST remittances of approximately \$1,900,000 for the period of April 2022 to November 2023, and \$800,000 in source deduction remittances;
 - (iv) Failure to file HST returns since December 2023, and failure to pay corporate income taxes assessed at \$1,763,883 as at March 12, 2024;
 - (v) Various ongoing financial and other reporting breaches;
 - (vi) Various discrepancies and irregularities in the reporting of accounts receivable for True North and North Shore;
 - (vii) Little management and oversight of the companies' business affairs and there being no clear path forward for continued operations;
 - (viii) There being no availability under the BMO credit facilities such that BMO was of the view that the operating entities had little ability to continue operating; and
 - (ix) Possible misrepresentations being made to BMO during the origination of BMO's credit facilities.
- (p) BMO's material filed on its interim receivership application also confirms that BMO is owed in excess of \$20,000,000 by its borrower, True North, which indebtedness is guaranteed by the Debtor.
- (q) On March 25, 2024, Armour Insurance Brokers Ltd. registered a caution on title to the Real Property (the "**Caution**").

- (r) Since issuance of the IR Order, BMO has brought applications for bankruptcy orders against both operating companies, which are returnable May 6, 2024.

Defaults Under BDC's Loan Agreement and Security, and BDC's Demands for Payment

- (s) In light of the IR Order and BMO calling its loans, BDC wrote to the Directors on April 22, 2024 requesting a call to discuss these matters and to enquire about the Debtor's failure to make the required March and April BDC Loan payments resulting in Loan arrears of \$209,360.30, which remain outstanding. BDC has been unable to get into contact with the Directors either by email or by telephone and attempts in this regard have been unsuccessful.
- (t) There are various breaches and defaults under and pursuant to BDC's Loan Agreement and Security, including, *inter alia*, issuance of the IR Order as against the Debtor, BMO issuing demands for payment and notices of intention to enforce security pursuant to s. 244 of the BIA, the registration of the Caution on title to the Real Property, BDC's Loan being two months in arrears totaling \$209,360.30, and the Directors failing to respond to BDC's enquiries.
- (u) As a result, BDC demanded payment of the indebtedness owing to it pursuant to the Loan Agreement by letters dated April 23, 2024 by May 3, 2024. BDC further delivered to each of the Debtor, True North and North Shore notices of intention to enforce security ("NITES") in accordance with section 244 of the BIA.
- (v) As of May 2, 2024, the Debtor's indebtedness to BDC pursuant to the Loan Agreement and the Security totaled \$17,765,351.69 (exclusive of further accrued interest, fees, disbursements, costs and HST).

The Necessity for the Appointment of a Receiver

- (w) On April 30, 2024, BDC became aware of news reporting that the Debtor's operating company, True North, had ceased operations, and had locked up the operating premises at the Real Property. The article also reported significant

arrears in the payment of wages to drivers, and an impending insurance cancellation with the Federal Motor Carriers Safety Administration.

- (x) As a result, BDC conducted an on-site inspection at the Real Property on May 1, 2024 and there was no activity on site, and it appeared that that the Debtor and the operating companies had ceased operations.
- (y) The Debtor is insolvent and no longer appears to be operating, and is currently indebted to BDC in excess of \$17,765,000 and to BMO in excess of \$20,000,000. Further, if no further credit is available to the operating companies under the BMO credit facilities and they are no longer operating, the Debtor has no means by which to generate revenue in order to repay its significant indebtedness to BDC, as is evidenced by the current Loan arrears of \$209,360.30. It also appears that the Debtor's insurer has now filed the Caution on title to the Real Property. BDC is therefore significantly concerned by these events given that they jeopardize BDC's Security.
- (z) Despite repeated attempts by email and by telephone, BDC has been unable to have the Directors respond to address BDC's concerns. As a result, BDC has been unable to confirm whether the insurance coverage for the Real Property, which expired on January 25, 2024 was renewed, and whether there is currently any insurance coverage in place. BDC has also not heard back from the Directors as to how the Debtor intends to address BMO's proceedings and the IR Order or its current BDC Loan arrears. Further, the Debtor's 2023 year-end financials confirmed HST owing of \$124,858 and, in the circumstances, it is not unreasonable to expect that this amount has not been paid and may have increased in the interim. As a result of these financial and other reporting breaches by the Debtor and the Directors, BDC is unable to assess the Debtor's affairs or its risk.
- (aa) BDC's demands for payment and NITES expired on May 3, 2024, such that BDC has been entitled to enforce its Security since then. Moreover, BDC is contractually and statutorily entitled to the appointment of a receiver pursuant to the Security, the

BIA (s. 243), the CJA (s. 101) and the PPSA (s. 67) given the Debtor's numerous defaults.

- (bb) In the circumstances, it is just and convenient that a Court-appointed receiver be appointed. In this regard, this application is for the appointment of a Court-appointed receiver in respect of the assets of the Debtor only, and not those of True North or North Shore, the latter of which are subject to BMO's prior ranking security pursuant to the Priority Agreement. The intention is for such a receiver to sell the Real Property under a court supervised and sanctioned process.
- (cc) BDC's security with respect to the Real Property is its first-ranking Mortgage and BMO, which holds a second-ranking mortgage on the Real Property, has confirmed that it has no objection to BDC seeking the appointment of a receiver in respect of the Debtor's assets.
- (dd) For the reasons detailed above, the Security held by BDC is in jeopardy and it is necessary for a receiver to take control of the Debtor's property to ensure that it is dealt with in an orderly and proper manner and to protect the interests of BDC and the Debtor's other stakeholders. In this regard, MNP, a duly qualified receiver, has consented to act as Court-appointed receiver of the Debtor.
- (ee) Section 101 of the CJA;
- (ff) Section 243 of the BIA;
- (gg) Section 67 of the PPSA;
- (hh) Rules 1.04, 2.03, 3.02, 14.05(2), (3) (g), (h), 38 and 41 of the *Rules of Civil Procedure*; and
- (ii) Such further and other grounds as counsel may advise.

3. The following documentary evidence will be used at the hearing of the Application:

- (a) The Affidavit of Ruth Thomson, sworn May 3, 2024 and the Exhibits thereto;
- (b) The consent of MNP Ltd. to act as Court-appointed receiver; and

- (c) Such further and other evidence as the lawyers for the applicant may advise and this Honourable Court may permit.

Date: May 3, 2024

SOLOWAY WRIGHT LLP
Lawyers
700-427 Laurier Avenue West
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Lawyers for the applicant, Business
Development Bank of Canada

SCHEDULE "A"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE ____ DAY
JUSTICE) OF _____, 202__.

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

1000088317 ONTARIO INC.

Respondent

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties, including the real property described in Schedule "A" hereto (collectively, the "Property") of the Respondent, 1000088317 Ontario Inc. (hereinafter the "Debtor"), acquired for, or used in relation to a business carried out by the Debtor, was heard this day at the Courthouse, 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the affidavit of Ruth Thomson, sworn on May 3, 2024 and the exhibits thereto, the factum and authorities of the applicant, on hearing the submissions of counsel for the parties present, no one else appearing on behalf of any other parties on the service list although duly served as appears from the affidavit of service of Roxanne Chapman sworn on

May ____, 2024 and on reading the consent of MNP Ltd., dated May 2, 2024, to act as the Receiver in respect of the assets of the Debtor referred to herein,

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 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of all of the Property of the Debtor acquired for, or used in relation to a business carried out by the Debtor, including all proceeds thereof.

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, 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;

- (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 or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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, 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, 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 \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; 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 Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

7. THIS COURT ORDERS that the Receiver shall provide 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 (92) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 to carry on any business which the Debtor are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 Debtor 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's 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 Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor' 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

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, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations 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

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, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$_____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the

Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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 '<@>'.

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 or facsimile transmission to the Debtor' creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that notwithstanding the engagement of Soloway Wright LLP as counsel for the Applicant in bringing this application, the Receiver may engage Soloway Wright LLP as its legal counsel in respect of matter where there is no conflict of interest. The Receiver shall, however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

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

within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that the Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor' estate with such priority and at such time as this Court may determine.

33. 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.

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to the Property appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ___ day of _____, 2024 (the "Order") made in an action having Court file number _____, 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 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 _____, 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 ____.

[_____]

By: _____

Name:

Title:

Debtor/Firm:

Schedule "A"
Debtor's Real Property

The legal description of the Property is as follows:

PT LTS 18 & 19, CON 11 ESQ, PT 2 20R8564 ; HALTON HILLS/ESQUESING

PIN: 25058-0117

LRO: #20

BUSINESS DEVELOPMENT BANK OF CANADA
Applicant

-and- 10000088317 ONTARIO INC.
Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s.
243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e)
of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and
Rules 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPLICATION

SOLOWAY WRIGHT LLP

Lawyers
700-427 Laurier Avenue West
Ottawa, ON K1R 7Y2

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613-238-8507 facsimile

Lawyers for the applicant, Business Development Bank of
Canada

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) TUESDAY, THE 21ST DAY
JUSTICE PENNY) OF MAY, 2024.

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

1000088317 ONTARIO INC.

Respondent

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties, including the real property described in Schedule "A-1" hereto (collectively, the "Property") of the Respondent, 1000088317 Ontario Inc. (hereinafter the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at the Courthouse, 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the affidavit of Ruth Thomson, sworn on May 3, 2024 and the exhibits thereto, the factum and authorities of the applicant, on hearing the submissions of counsel for the parties present, no one else appearing on behalf of any other parties on the service list although duly served as appears from the affidavit of service of Roxanne Chapman sworn on May 9, 2024 and on reading the consent of MNP Ltd., dated May 2, 2024, to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of all of the Property of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof.

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, 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;

- (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 or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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, 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, 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 \$100,000.00 provided that the aggregate consideration for all such transactions does not exceed \$350,000.00; 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 Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or

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

7. THIS COURT ORDERS that the Receiver shall provide 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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 Debtor 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's 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 Debtor or such other

practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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

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, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations 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

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in

priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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 <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial>) 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 '<@>'.

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 or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown

on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that notwithstanding the engagement of Soloway Wright LLP as counsel for the Applicant in bringing this application, the Receiver may engage Soloway Wright LLP as its legal counsel in respect of matter where there is no conflict of interest. The Receiver shall, however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

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

32. THIS COURT ORDERS that the Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if

not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. 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.

THE HONOURABLE JUSTICE PENNY

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$_____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to the Property appointed by Order of the Ontario Superior Court of Justice, Commercial List (the "Court") dated the ____ day of _____, 2024 (the "Order") made in an application having Court file number CV-24-00719692-00CL, 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 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 _____, 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____.

[_____]

By: _____

Name:

Title:

Debtor/Firm:

SCHEDULE "A-1"
Debtor's Real Property

The legal description of the Property is as follows:

PT LTS 18 & 19, CON 11 ESQ, PT 2 20R8564 ; HALTON HILLS/ESQUESING

PIN: 25058-0117

LRO: #20

BUSINESS DEVELOPMENT BANK OF CANADA
Applicant

-and- 1000088317 ONTARIO INC.
Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and Rules 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

Court File No. CV-24-00719692-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

ORDER

SOLOWAY WRIGHT LLP

Lawyers
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Ottawa, ON K1R 7Y2

André A. Ducasse (#44739R)

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613-236-0111 telephone
613-238-8507 facsimile

Lawyers for the applicant, Business Development Bank of
Canada

TAB 3

~~C~~Revised: January 21, 2014s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario)
Receiver Court File No. ~~CV-24-00719692-00CL~~

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ~~WEEKDAY~~TUESDAY, THE #21ST DAY ~~OF~~
JUSTICE ~~_____~~PENNY) ~~MONTH, 20YR~~
) OF MAY, 2024.

~~PLAINTIFF1~~

~~Plaintiff~~
BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

1000088317 ONTARIO INC.

~~DEFENDANT~~

~~Defendant~~

~~ORDER~~
~~(appointing Receiver)~~

Respondent

ORDER

~~THIS MOTION~~THIS APPLICATION made by the ~~Plaintiff2~~Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA")

~~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.~~

~~2 Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

DOCSTOR: 1771742\9

and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME] MNP Ltd.~~ as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties ~~of [DEBTOR'S NAME]~~, including the real property described in Schedule "A-1" hereto (collectively, the "Property") of the Respondent, 1000088317 Ontario Inc. (hereinafter the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at the Courthouse, 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the affidavit of ~~[NAME] sworn [DATE] and the Exhibits thereto and Ruth Thomson, sworn on May 3, 2024 and the exhibits thereto, the factum and authorities of the applicant,~~ on hearing the submissions of counsel for ~~[NAMES] the parties present,~~ no one else appearing for [NAME] on behalf of any other parties on the service list although duly served as appears from the affidavit of service of ~~[NAME] Roxanne Chapman sworn [DATE] on May 9, 2024~~ and on reading the consent of ~~[RECEIVER'S NAME] MNP Ltd., dated May 2, 2024,~~ to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME] MNP Ltd.~~ is hereby appointed Receiver, without security, of all of the ~~assets, undertakings and properties~~ Property of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof ~~(the "Property")~~.

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, 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;
- (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 or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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, 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, 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 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 \$ _____, 100,000.00 provided that the aggregate consideration for all such transactions does not exceed \$ _____ 350,000.00; 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.;~~

~~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.~~

~~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~~

- (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 Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations~~z~~.

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, and without interference from any other Person.

~~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.~~

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide 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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 Debtor 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's 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 Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this

Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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

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, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively,

"Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations 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

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$~~_____~~150,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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/>) <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial> 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 '<@>'.

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 or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. THIS COURT ORDERS that notwithstanding the engagement of Soloway Wright LLP as counsel for the Applicant in bringing this application, the Receiver may engage Soloway Wright LLP as its legal counsel in respect of matter where there is no conflict of interest. The Receiver

shall, however, engage independent legal counsel in respect of any matter where a conflict of interest arises.

27-28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28-29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29-30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30-31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31-32. THIS COURT ORDERS that the Plaintiff 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 security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32-33. 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.

THE HONOURABLE JUSTICE PENNY

SCHEDULE "A"

RECEIVER-'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME] of the Debtor~~, acquired for, or used in relation to ~~a business carried on by the Debtor, including all proceeds thereof (collectively, the "the Property")~~ appointed by Order of the Ontario Superior Court of Justice (~~Commercial List~~) (the "Court") dated the ____ day of _____, ~~20~~ 2024 (the "Order") made in an ~~action application~~ having Court file number ~~CL~~ CV-24-00719692-00CL, 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____.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

By: _____
Name:
Title:
Debtor/Firm:

SCHEDULE "A-1"
Debtor's Real Property

The legal description of the Property is as follows:

PT LTS 18 & 19, CON 11 ESQ, PT 2 20R8564 ; HALTON HILLS/ESQUESING

PIN: 25058-0117

LRO: #20

BUSINESS DEVELOPMENT BANK OF CANADA

-and-

1000088317 ONTARIO INC.

Applicant

Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and Rules 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

Court File No. CV-24-00719692-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

ORDER

SOLOWAY WRIGHT LLP

Lawyers

700-427 Laurier Avenue West

Ottawa, ON K1R 7Y2

André A. Ducasse (#44739R)

aducasse@solowaywright.com

613-236-0111 telephone

613-238-8507 facsimile

Lawyers for the applicant, Business Development Bank of Canada

TAB 4

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

1000088317 ONTARIO INC.

Respondent

**AFFIDAVIT OF RUTH THOMSON
(sworn on May 3, 2024)**

I, Ruth Thomson, of Burlington, in the Province of Ontario, MAKE OATH AND SAY as follows:

1. I am a Specialist, Special Accounts with the applicant, Business Development Bank of Canada ("**BDC**"). I have primary responsibility for the administration of the loan granted by BDC to the respondent, 1000088317 Ontario Inc. (the "**Debtor**"). As such, I have personal knowledge of the matters to which I hereinafter depose, except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief, and verily believe same to be true.
2. I make this affidavit in support of BDC's application for an order appointing MNP Ltd. ("**MNP**") as receiver, without security, of the assets, undertakings and properties of the Debtor pursuant to the provisions of the *Bankruptcy and Insolvency Act* (the "**BIA**"), the *Courts of Justice Act* ("**CJA**") and the *Personal Property Security Act* (the "**PPSA**").

The Parties and Description of the Debtor

3. At all material times, BDC was constituted as the senior secured creditor of the Debtor pursuant to the Loan Agreement and the Security, including the Mortgage (as these terms are described and defined below).
4. The Debtor is incorporated pursuant to the laws of Ontario. Attached hereto as **Exhibit "A"** is a true copy of the corporate profile report for the Debtor, which confirms that Harvinder Randhawa ("**Mr. Randhawa**") and Manpreet Bal ("**Ms. Bal**", and together with Mr. Randhawa, the "**Directors**") are the sole registered directors of the Debtor. As outlined below, the Directors have also personally guaranteed 50% of the Debtor's indebtedness to BDC.
5. The Debtor is indebted to BDC pursuant to the Loan Agreement and the Security in the amount of \$17,765,351.69 as of May 1, 2024 (exclusive of further accrued interests and costs incurred by BDC). Further, the Debtor is the sole registered owner of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario (the "**Real Property**"), which is subject to the Mortgage. The Real Property is a commercial property, upon which a commercial trucking freight delivery and logistics business is operated.
6. As is detailed below, as security for the Debtor's indebtedness to BDC, BDC also holds corporate guarantees from each of True North Freight Solutions Inc. ("**True North**") and North Shore Logistics Inc. ("**North Shore**"), which guarantees are supported by general security agreements from each of True North and North Shore.
7. The Debtor is the holding company that owns the Real Property and True North and North Shore are the operating companies. As is outlined below, pursuant to the Priority Agreement (as defined below) BDC holds first-ranking security with respect to the Debtor's assets (and Bank of Montreal ("**BMO**") has a subordinated interest therein), and BMO holds first-ranking security with respect to the assets of True North and North Shore (and BDC has a subordinated interest therein).
8. As outlined below, following my May 1, 2024 site visit to the Real Property, it appears that the Debtor has ceased operating and carrying on business. Moreover, BDC understands that BMO,

which obtained the IR Order (as defined below), has also brought applications for bankruptcy orders against both operating companies, True North and North Shore, returnable on May 6, 2024.

BDC's Loan

9. In accordance with the terms of a letter of offer dated December 21, 2021, as same may have been amended, varied or restated from time to time (the "**Loan Agreement**"), BDC granted to the Debtor a loan in the amount of \$18,000,000.00 (the "**Loan**"). Attached as **Exhibit "B"** is a true copy of the Loan Agreement.
10. The Loan Agreement provides, among other things, that:
 - a. The Debtor is required to make all payments that are required to be made pursuant to the Loan Agreement as and when due;
 - b. The Debtor is required to comply with certain financial covenants and reporting requirements to BDC, including delivering to BDC such financial and other information and documentation that BDC may reasonably require;
 - c. All priority payables, including source deduction and HST remittances and municipal taxes, are to be kept current;
 - d. The Debtor is required to cooperate with BDC to obtain copies of the Debtor's records or other information and/or to collect information from any person regarding any potential priority payables;
 - e. All assets subject to BDC's Security, including the Real Property, must be fully insured;
 - f. It is an event of default, entitling BDC to cancel the Loan Agreement, demand repayment in full, and to realize on its Security if, among other things:
 - i. The Debtor fails to pay to BDC any principal, interest or other amount as and when due;
 - ii. The Debtor, or any guarantor, fails to observe any covenant, provision, term or condition contained in the Loan Agreement or the Security;

- iii. The Debtor ceases to operate or becomes the subject-matter of insolvency proceedings and/or there is a material deterioration in the financial condition of the Debtor or any guarantor; or,
- iv. The Debtor fails to immediately advise BDC of any event of default.

BDC's Security

11. It was a condition of granting the Loan under and pursuant to the Loan Agreement by BDC to the Debtor that the Debtor, True North and North Shore grant the following security to BDC (collectively, the "**Security**"), *inter alia*:

- a. A first-ranking charge/mortgage (the "**Mortgage**") granted by the Debtor in favour of BDC in the principal amount of \$18,000,000.00, which was registered against title to the Real Property on January 26, 2022 as Instrument No. HR1862378. Attached hereto as **Exhibit "C"** is a true copy of the said Instrument, the parcel register for the Real Property, along with the Mortgage's standard charge terms;
- b. An assignment of rents granted by the Debtor to BDC in respect of the Real Property and registered against title to the Real Property on January 26, 2022 as Instrument No. HR1862387. A true copy of this rents assignment and appended assignment of rents agreement dated January 25, 2022, is attached hereto as **Exhibit "D"**;
- c. A general security agreement granted by the Debtor in favour of BDC granting a first-ranking security interest over the Debtor's personal property (the "**GSA**"). Attached hereto as **Exhibit "E"** is a true copy of the GSA dated January 25, 2022;
- d. The guarantee of True North for the full balance of the Loan, which guarantee is supported by a general security agreement granted by True North in favour of BDC. A true copy of this guarantee and general security agreement dated January 25, 2022, is attached hereto as **Exhibit "F"**;
- e. The guarantee of North Shore for the full balance of the Loan, which guarantee is supported by a general security agreement granted by North Shore in favour of BDC. A true copy of

this guarantee and general security agreement dated May 2, 2023, is attached hereto as **Exhibit "G"**; and

- f. The guarantee of the Directors for 50% of the balance of the Loan. A true copy of this guarantee dated January 25, 2022, is attached hereto as **Exhibit "H"**.

12. The Security expressly provides that BDC is entitled to appoint a receiver in the event of default (see for example para. 15.1(a) of the GSA, attached as Exhibit "E" and paragraphs 11.1(h) and (i) and 11.2 of the Mortgage's standard charge terms at Exhibit "C").

13. BDC's security interest granted by the GSA was perfected by registration pursuant to the PPSA on January 24, 2022. The results of an April 28, 2024 search of the PPSA registry are attached hereto as **Exhibit "I"**. The search results confirm that as of April 28, 2024, in addition to BDC, there is one other secured creditor with a PPSA registration, being Bank of Montreal ("**BMO**"), with a registration dated February 13, 2023.

The BDC and BMO Priority Agreement

14. BDC and BMO, along with the Debtor, True North and North Shore, entered into a priority agreement dated February 23, 2023 (the "**Priority Agreement**"), a true copy of which is attached hereto as **Exhibit "J"**.

15. BDC understands that BMO's borrower is True North and that True North's obligations to BMO are secured by the guarantees of the Debtor, North Shore and the Directors.

16. The Priority Agreement provides for the following priorities as between the security held by each of BDC and BMO:

- a. BDC holds its first-ranking Mortgage registered on title to the Real Property and BMO holds a second-ranking charge on title to the Real Property in the principal amount of \$17,800,000.00;
- b. BDC holds first-ranking security on the personal property of the Debtor with BMO holding a second priority ranking regarding this property; and

- c. BMO holds first-ranking security on the personal property of True North and North Shore with BDC holding a second priority ranking regarding this property.

Recent Developments

BMO Obtains Interim Receivership Order and Seeks Bankruptcy Orders

17. BDC understands that on April 12, 2024, BMO brought an *ex parte* application for the appointment of BDO Canada Limited (“**BDO**”) as an interim receiver in respect of the assets, undertakings and properties of True North, BMO’s borrower, as well as the Debtor and North Shore, being BMO’s corporate guarantors.
18. On this same date, the Honourable Justice Steele issued the interim receivership order (the “**IR Order**”) being sought by BMO and BDO was appointed as interim receiver. A true copy of the IR Order dated April 12, 2024 is attached hereto as **Exhibit “K”**.
19. The affidavit filed in support of BMO’s application, a true copy of which is attached hereto as **Exhibit “L”** (without exhibits), identified a significant number of defaults and concerns relating to the operations of True North, as well as the Debtor and North Shore, including the following:
 - a. Failure to maintain required insurance coverage and arrears in respect of these policies in excess of \$1,500,000;
 - b. Payroll arrears of between the \$600,000 and \$1,000,000 owing to truck drivers;
 - c. Arrears in HST remittances of approximately \$1,900,000 for the period of April 2022 to November 2023, and \$800,000 in source deduction remittances;
 - d. Failure to file HST returns since December 2023, and failure to pay corporate income taxes assessed at \$1,763,883 as at March 12, 2024;
 - e. Various ongoing financial and other reporting breaches;
 - f. Various discrepancies and irregularities in the reporting of accounts receivable for True North and North Shore;

- g. Little management and oversight of the companies' business affairs and there being no clear path forward for continued operations;
 - h. There being no availability under the BMO credit facilities such that BMO was of the view that the operating entities had little ability to continue operating; and
 - i. Possible misrepresentations being made to BMO during the origination of BMO's credit facilities.
20. BDC understands that on April 16, 2024, BMO issued formal demands for payment along with notices of intention to enforce security pursuant to s. 244 of the BIA to each of True North, North Shore and the Debtor, as well as demands to each of the Directors.
21. BMO's material filed on its interim receivership application also confirms that BMO is owed in excess of \$20,000,000 by its borrower, True North, which indebtedness is guaranteed by the Debtor.
22. It also appears that on March 25, 2024, Armour Insurance Brokers Ltd. registered a caution on title to the Real Property (the "**Caution**"), a true copy of which is attached hereto as **Exhibit "M"**.
23. Since issuance of the IR Order, BDC understands that BMO has brought applications for bankruptcy orders against both operating companies, which are returnable May 6, 2024.

Defaults Under BDC's Loan Agreement and Security, and BDC's Demands for Payment

24. In light of the IR Order and BMO calling its loans, I wrote to the Directors on April 22, 2024 requesting a call to discuss these matters and to enquire about the Debtor's failure to make the required March and April BDC Loan payments resulting in Loan arrears of \$209,360.30, which remain outstanding as of the date hereof. Further, as of the date hereof, I have been unable to get into contact with the Directors either by email or by telephone and my attempts in this regard have been unsuccessful.
25. At this time, there were various breaches and defaults under and pursuant to BDC's Loan Agreement and Security, including, *inter alia*, issuance of the IR Order as against the Debtor, BMO

issuing demands for payment and notices of intention to enforce security pursuant to s. 244 of the BIA, the registration of the Caution on title to the Real Property, BDC's Loan being two months in arrears totaling \$209,360.30, and the Directors failing to respond to BDC's enquiries.

26. In particular, the foregoing are breaches of the Loan Agreement and the Security as follows:

- a. **Loan Agreement** (Exhibit "B"): events of default at page 7, and Schedule A, section IV – Events of Defaults, paragraphs 1, 2, 3, 6, 7 and 8.
- b. **Mortgage standard charge terms:** (Exhibit "C"): events of default at pages 11-12, paragraphs 10.1(a), (c), (d), (e), (g), (l), (o) and (p).
- c. **GSA** (Exhibit "D"): events of default at pages 9-10, paragraphs (a), (b), (d), (f), (k), (l) and (n).

27. As a result of the foregoing and the ongoing defaults by the Debtor, BDC demanded payment of the indebtedness owing to it pursuant to the Loan Agreement by letters dated April 23, 2024 sent to the Debtor, True North, North Shore and the Directors by May 3, 2024. BDC further delivered to each of the Debtor, True North and North Shore notices of intention to enforce security ("**NITES**") in accordance with section 244 of the BIA. Attached hereto as **Exhibit "N"** are true copies of BDC's demand letters enclosing the NITES.

28. As of May 2, 2024, the Debtor's indebtedness to BDC pursuant to the Loan Agreement and the Security totaled \$17,765,351.69 (exclusive of further accrued interest, fees, disbursements, costs and HST), as is confirmed by BDC payout balance statement attached hereto as **Exhibit "O"**.

The Necessity for the Appointment of a Receiver

29. On April 30, 2024, I became aware of a news article that appeared in Today's Trucking reporting that the Debtor's operating company, True North, had ceased operations, and had locked up the operating premises at the Real Property. The article also reported significant arrears in the payment of wages to drivers, and an impending insurance cancellation with the Federal Motor Carriers Safety Administration. Attached hereto as **Exhibit "P"** is a true copy of the said article.

30. As a result of the foregoing, I conducted an on-site inspection at the Real Property on May 1, 2024 and there was no activity on site, and it appeared that that the Debtor and the operating companies had ceased operations.

31. The Debtor is insolvent and no longer appears to be operating. In this regard, the Debtor is currently indebted to BDC in excess of \$17,765,000 and to BMO in excess of \$20,000,000. Further, if no further credit is available to the operating companies under the BMO credit facilities and their ability to continue to operate is impaired, as confirmed in the material filed by BMO on its interim receivership application and its applications for bankruptcy orders, the Debtor will have no means by which to generate revenue in order to repay its significant indebtedness to BDC, as is evidenced by the fact that the Debtor is now two (2) months in arrears on BDC's Loan totaling \$209,360.30. It also appears that the Debtor's insurer has now filed the Caution on title to the Real Property. BDC is therefore significantly concerned by these events given that they jeopardize BDC's Security.

32. Despite repeated attempts by email and by telephone, I have been unable to have the Directors contact me to address BDC's concerns. As a result, I have been unable to confirm whether the insurance coverage for the Real Property, which expired on January 25, 2024 was renewed, and whether there is currently any insurance coverage in place. I have also not heard back from the insurance broker on the status of insurance coverage. Further, I have not heard back from the Directors as to how the Debtor intends to address BMO's proceedings and the IR Order or its current BDC Loan arrears. Further, the Debtor's 2023 year-end financials confirmed HST owing of \$124,858 and, in the circumstances, it is not unreasonable to expect that this amount has not been paid and may have increased in the interim. As a result of these financial and other reporting breaches by the Debtor and the Directors, BDC is unable to assess the Debtor's affairs or its risk.

33. BDC's demands for payment and NITES expired on May 3, 2024, such that BDC has been entitled to enforce its Security since then. Moreover, BDC is contractually and statutorily entitled to the appointment of a receiver pursuant to the Security, the BIA (s. 243), the CJA (s. 101) and the PPSA (s. 67) given the Debtor's numerous defaults as outlined herein.

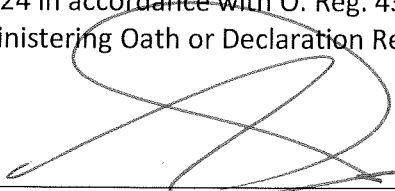
34. In the circumstances, I believe that it is just and convenient that a Court-appointed receiver be appointed. In this regard, this application is for the appointment of a Court-appointed receiver

in respect of the assets of the Debtor only, and not those of True North or North Shore, the latter of which are subject to BMO's prior ranking security pursuant to the Priority Agreement. The intention is for such a receiver to sell the Real Property under a court supervised and sanctioned process.

35. As outlined above, BDC's security with respect to the Real Property is its first-ranking Mortgage and BMO, which holds a second-ranking mortgage on the Real Property, has confirmed that it has no objection to BDC seeking the appointment of a receiver in respect of the Debtor's assets. Attached hereto in this regard as **Exhibit "Q"** is an email exchange between counsel for BDC and for BMO confirming the foregoing.

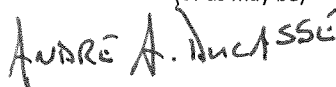
36. For the reasons detailed above, the Security held by BDC is in jeopardy and it is necessary for a receiver to take control of the Debtor's property to ensure that it is dealt with in an orderly and proper manner and to protect the interests of BDC and the Debtor's other stakeholders. In this regard, MNP, a duly qualified receiver, has consented to act as Court-appointed receiver of the Debtor. A true copy MNP's consent to act as Court-appointed receiver of the Debtor is attached hereto as **Exhibit "R"**.

SWORN by Ruth Thomson of Burlington, in the Province of Ontario, before me at the City of Ottawa, in the Province of Ontario, on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits

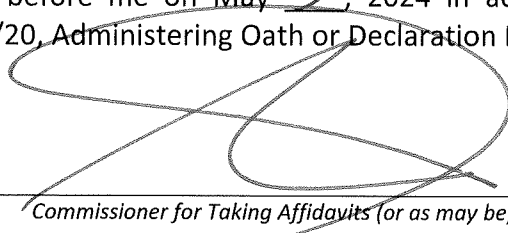
(or as may be)



E-SIGNED by Ruth THOMSON
on 2024-05-03

RUTH THOMSON

This is Exhibit "A" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



Profile Report

1000088317 ONTARIO INC. as of April 06, 2024

| | |
|-----------------------------------|----------------------------------------------------------|
| Act | Business Corporations Act |
| Type | Ontario Business Corporation |
| Name | 1000088317 ONTARIO INC. |
| Ontario Corporation Number (OCN) | 1000088317 |
| Governing Jurisdiction | Canada - Ontario |
| Status | Active |
| Date of Incorporation | January 20, 2022 |
| Registered or Head Office Address | 11553 Tenth Line, Halton Hills, Ontario, L7G 4S7, Canada |

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name MANPREET K. BAL
Address for Service 12949 Innis Lake Road, Caledon, Ontario, L7C 2Z5, Canada
Resident Canadian Yes
Date Began January 20, 2022

Name HARVINDER RANDHAWA
Address for Service 43 Arctic Fox Cres., Brampton, Ontario, L6R 0J5, Canada
Resident Canadian Yes
Date Began January 20, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

| | |
|----------------------------|----------------------------------------------------------|
| Name | MANPREET K. BAL |
| Position | Vice-President |
| Address for Service | 12949 Innis Lake Road, Caledon, Ontario, L7C 2Z5, Canada |
| Date Began | January 21, 2022 |

| | |
|----------------------------|---------------------------------------------------------|
| Name | HARVINDER RANDHAWA |
| Position | President |
| Address for Service | 43 Arctic Fox Cres., Brampton, Ontario, L6R 0J5, Canada |
| Date Began | January 21, 2022 |

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Corporate Name History

| Name | Effective Date |
|------------------------|------------------|
| 100088317 ONTARIO INC. | January 20, 2022 |

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

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Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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Document List

| Filing Name | Effective Date |
|----------------------------------------------|-------------------|
| Annual Return - 2022 PAF: MANPREET K. BAL | February 15, 2023 |
| CIA - Initial Return PAF: Manpreet K. BAL | January 21, 2022 |
| BCA - Articles of Incorporation | January 20, 2022 |

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

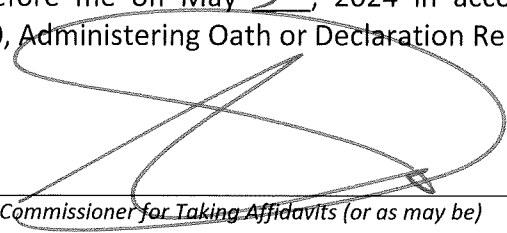
Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

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This is Exhibit "B" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



BDCID: 10026528975

Letter of Offer dated December 21, 2021

True North Freight Solutions Inc.
11553 Tenth Line
Georgetown, ON
L7G 4S7

Attention of: Mr. Harvinder Randhawa

Re: Loan(s) No. 221755-01

In accordance with this letter of offer of credit as amended from time to time (the "**Letter of Offer**"), Business Development Bank of Canada ("**BDC**") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "**Loan**"). The Letter of Offer is open for acceptance until December 31, 2021 (the "**Acceptance Date**") and must be received by BDC duly signed no later than the Acceptance Date otherwise it shall automatically be deemed withdrawn by BDC.

LOAN PURPOSE AND FUNDING

Loan Purpose

| | |
|-------------------------------|-----------------|
| Purchase of commercial realty | \$18,850,000.00 |
| Renovations & Improvements | \$200,000.00 |
| | \$19,050,000.00 |

Funding

| | |
|--------------------|-----------------|
| BDC 221755-01 | \$18,000,000.00 |
| Shareholder Equity | \$1,050,000.00 |
| | \$19,050,000.00 |

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

DEFINITIONS

In the Letter of Offer, capitalized terms have the meanings described in Schedule "A" – Section I or are defined elsewhere in the text of the Letter of Offer.

LENDER

BDC

Business Development Bank of Canada
201 City Centre Drive, Suite 301
Mississauga, ON L5B2T4
www.bdc.ca

BORROWER

True North Freight Solutions Inc. (the "**Borrower**")

GUARANTOR

Harvinder Singh Randhawa

Manpreet K Bal

(Hereinafter individually or collectively referred to as the "**Guarantor**"). The terms of each guarantee are set forth in the Security section below.

LOAN AMOUNT

Loan 221755-01: \$18,000,000.00

INTEREST RATE

The Loan and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the following rate:

Loan 221755-01

Fixed Rate

4.90% per year, being the applicable BDC's Base Rate of 5.60% per year minus a variance of 0.70% per year (the "**Variance 01**"). BDC will guarantee the interest rate until the Acceptance Date. Should the Acceptance Date be extended, this interest rate will not be guaranteed.

The Interest Adjustment Date for this fixed interest rate plan is December 1, 2026 (the "**Interest Adjustment Date 01**").

INTEREST CALCULATION

Interest shall be calculated monthly on the outstanding principal, commencing on the date of the first disbursement, both before and after maturity, Default and judgement.

Arrears of interest or principal and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the rate applicable to the Loan and shall be calculated and compounded monthly.

REPAYMENT

Principal of the Loan is repayable according to the following table. The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable in full on the Maturity Date indicated below.

Loan 221755-01

Blended Payment

All payments are to be made on the day of the month selected by the Borrower (the "**Payment Date 01**"). Interest is payable monthly commencing on the next occurring Payment Date 01 following the first advance on the Loan. Once the Loan has been fully disbursed, interest on the Loan together with the principal of the Loan shall be payable by way of monthly blended instalments of principal and interest of \$104,180.15 each (based on the fixed rate indicated above and an initial amortization period of 300 months) commencing on February 01, 2023 up to and including the Interest Adjustment Date 01. Prior to the Interest Adjustment Date 01, BDC shall advise of the new monthly blended instalment based on the available fixed rate plans.

The equivalent rate calculated semi-annually, not in advance, is 4.95% per year.

Maturity Date: January 1, 2048 (the "**Maturity Date 01**").

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after December 21, 2021. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full. If the loan is prepaid in full within 30 days following receipt of the amount paid as a prepayment privilege, BDC will calculate a prepayment indemnity, effective the day the full balance is repaid, on the amount of the last received prepayment privilege and add it to the prepayment indemnity calculated on the full remaining balance being repaid.

Prepayment Indemnity: In addition to the annual prepayment privilege, the Borrower may prepay at any time all or part of the principal provided that the Borrower pays the interest owing up to the time of the prepayment together with an indemnity equal to:

If the interest rate on the Loan is a floating rate:

- three months further interest on the principal prepaid at the floating interest rate then applicable to the Loan.

If the interest rate on the Loan is a fixed rate:

- the sum of (a) three months further interest on the principal prepaid at the fixed interest rate then applicable to the Loan; and (b) the Interest Differential Charge.

Partial prepayments shall be applied regressively on the then last maturing instalments of principal.

SECURITY

The Loan, interest on the Loan and all other amounts owing pursuant to the Loan Documents shall be secured by the following (the “**Security**”):

Loan 221755-01

1. First readvanceable mortgage in the principal amount of \$18,000,000 on land (approx. 7.32 acres) (legally described as Pt Lts 18 & 19, Con 11 Esq, Pt 2 20R8564; Halton) and buildings located at 11553 Tenth Line, Halton Hills, ON. Property to be owned by True North Freight Solutions Inc. Building location survey or title insurance required.
2. General Security Agreement from True North Freight Solutions Inc. providing:
 1. A first security interest on all present and after-acquired personal property located at, used in connection with, or deriving from, the real property located at 11553 Tenth Line, Halton Hills, Ontario L7G 4S6, and
 2. A security interest in all other present and after-acquired personal property, except consumer goods, subject to existing and futures charges in favour of:
 - 1) the lender extending the operating line of credit and,
 - 2) lenders/lessors providing financing on vehicles, trailers and other equipment used in the operation of the business.
3. Joint and Several Guarantee of Harvinder Singh Randhawa and Manpreet K Bal for 50% of the Loan amount outstanding on the date BDC demands payment under this guarantee. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.
4. First registered general assignment of rents for each Mortgage securing this Loan. Rent may be paid to lessor until notified by BDC. No prepayment without BDC's approval.
5. Postponement of a \$2,500,000 debt owed jointly by Manpreet K Bal and Harvinder Singh Randhawa. Interest may not be paid.

DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 221755-01

1. Following the Borrower's full contribution, if applicable, BDC will disburse up to 100% of the Construction/ Renovation loan upon receipt of invoices and/or progress billing from the general contractor evidencing expenditures under the Loan Purpose (excluding applicable taxes), less any applicable holdbacks required by BDC until the total amount disbursed by BDC reaches \$200,000 for Construction/ Renovation part of the Program.

A physical inspection by a BDC representative of the expenditures under the Loan Purpose is to be done when 40% to 60% of construction/renovation project is completed.

2. The Borrower's full contribution shall be made in accordance with the Loan Purpose and Sources of Financing prior to or concurrently with the first disbursement of the BDC Loan.

Once all required Security is completed and Condition Precedents have been met, the loan will be disbursed to the appointed solicitor/notary when requested to close the transaction.

Unless otherwise indicated above, funds for each Loan account number shall be disbursed to BDC's solicitor or notary mandated by BDC for security taking for the Loan.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to each Loan Party and its business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.

LAPSING DATE

Loan 221755-01

Lapsing Date: December 21, 2022 (the "Lapsing Date 01").

Any undisbursed portion of a Loan shall lapse and be cancelled on the occurrence of the earliest of the following events:

- a) on the applicable Lapsing Date indicated above; or
- b) on the date the Borrower notifies BDC of its intention to cancel the Loan; or
- c) on the date BDC issues a notice to the Borrower that an Event of Default has occurred and that BDC has terminated its obligation to make any further advances under the Loan.

Each of the above is hereby considered a "Lapsing Event" and shall be subject to Cancellation Fees as provided for in this Letter of Offer.

UNDERLYING CONDITIONS

The following conditions shall apply throughout the term of the Loan:

1. Based on the annual review engagement financial statements for True North Freight Solutions Inc. and starting as of March 31, 2022:
 - (i) Maintain at all times a Fixed Charge Coverage Ratio (FCCR) equal to or greater than 1.15 : 1.0
2. You agree not to incur unfinanced capital expenditures in excess of \$500,000 per annum without BDC's prior written consent. This condition is applicable till the end of financial year ending March 31, 2023.

3. Borrower to provide copy of Safety Ratings by January 31, 2023 on Satisfactory- unaudited Commercial Vehicle Operator's Registration (CVOR) rating from Ontario's Ministry of Transportation, satisfactory to the Bank.
4. Borrower undertakes to use the property located at 11553 Tenth Line, Halton Hills, ON as the primary operating premises for True North Freight and shall not lease to third parties without BDC's prior written consent.

REPRESENTATIONS AND WARRANTIES

The Loan Parties make the representations and warranties in Schedule "A" – Section II. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.

COVENANTS

Each Loan Party shall perform the covenants in Schedule "A" – Section III. These covenants shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Loan Parties pursuant to the Loan Documents.

REPORTING OBLIGATIONS

The Borrower shall provide to BDC the following financial statements and other documents:

| Company | Type | Frequency | Period Ending |
|-----------------------------------|-------------------|------------------|----------------------|
| True North Freight Solutions Inc. | Review Engagement | Annual | March |

The above annual financial statements and other documents indicated as required annually shall be provided to BDC within 90 days following the applicable Period Ending.

If financial statements or other documents are required more frequently than on an annual basis, same shall be provided to BDC within 30 days following each applicable Frequency.

In addition, the Borrower shall provide any other financial and operating statements and reports as and when BDC may reasonably require.

The Loan Parties also agree that the Reporting Obligations above shall apply to all other existing BDC loans to the same Borrower, if any, and the letter(s) of offer for such existing loans are deemed amended accordingly. Furthermore, such amended Reporting Obligations shall continue to be effective in respect of said existing letters of offer notwithstanding that this Letter of Offer may be reimbursed or cancelled.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "**Event of Default**"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security. Notwithstanding any other provision of this Letter of Offer or any other Loan Document, the parties hereto agree that the time limited for commencement of any action to enforce the obligations of the Borrowers and Guarantors, including the enforcement of any Security, shall not commence until BDC has issued a written demand for full payment of the Loan.

The exercise by BDC of any of its rights shall not preclude it from exercising any other rights resulting from this Letter of Offer or Loan Documents, as BDC's rights are cumulative and not alternative. No action or omission on the part of BDC shall constitute or imply a renunciation of its rights to determine that a Default or Event of Default has occurred or to avail itself of its rights resulting therefrom.

FEES

Cancellation Fee

If the Loan is not fully disbursed due to a Lapsing Event, regardless of the reason for the Lapsing Event, the Loan Parties shall pay BDC a cancellation fee in proportion to the percentage of the Loan that is cancelled, based on the amount below being the fee if 100% of the Loan is cancelled. No cancellation fee will be payable if less than 50% of the Loan is cancelled. If the Loan includes funds to refinance an existing BDC Loan, those funds shall be excluded from the calculation of the percentage of the Loan that is cancelled.

The cancellation fee is payable on demand and is liquidated damages, not a penalty, and represents a reasonable estimate of BDC's damages should the Loan be cancelled or allowed to lapse in whole or in part.

Loan 221755-01

Cancellation Fee: \$100,000.00 (the "**Cancellation Fee 01**").

Standby Fee

The Loan Parties shall pay BDC a non-refundable standby fee calculated at a rate as indicated below on the portion of the Loan which has not been advanced or cancelled. This fee shall be calculated daily and be payable in arrears commencing on the date indicated below and on each Payment Date thereafter.

Loan 221755-01

Rate: 1.50% per annum

Date: February 21, 2022

Legal Fees and Other Expenses

The Loan Parties shall pay, on demand, all legal fees and expenses and other out-of-pocket costs of BDC, incurred in connection with the Loan and the Loan Documents, whether or not any documentation is entered into or any advance is made to the Borrower. All legal and other out-of-pocket expenses of BDC in connection with any amendment or waiver related to the Loan and the Loan documents shall also be for the account of the Loan Parties.

All costs, fees, expenses and protective disbursements incurred for the enforcement of the Loan and the Loan Documents are payable by the Loan Parties, including the full amount of all legal and professional fees and expenses paid by BDC at the rate at which those amounts are billed to BDC.

Loan Management Fee

The Loan Parties shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change at BDC's sole discretion, acting reasonably, effective upon the Borrower's receipt of written notification from BDC, to cover additional costs or fees incurred in the management of the Loan, including, but not limited to, resulting from the Borrower's failure to remit financial statements or other documents as required under the Letter of Offer.

Loan 221755-01

\$1,000.00 per year (the "Management Fee 01").

Transaction Fees

The Borrower shall pay BDC loan amendment and Security processing fees charged for the administrative handling of the Loan.

CONFLICTS

The Loan Documents constitute the entire agreement between BDC and the Loan Parties. To the extent that any provision of the Letter of Offer is inconsistent with or in conflict with the provisions of the other Loan Documents, such provision of the Letter of Offer shall govern.

INDEMNITY

The Borrower shall indemnify and hold BDC harmless against any and all claims, damages, losses, liabilities and expenses incurred, suffered or sustained by BDC by reason of or relating directly or indirectly to the Loan Documents save and except any such claim, damage, loss, liability and expense resulting from the gross negligence or wilful misconduct of BDC.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall extend to and be binding on each Loan Party and BDC and their respective permitted successors and assigns. BDC, in its sole discretion, may assign, sell or grant participation in (a "transfer") all or any part of its rights and obligations under the Loan or the Loan Documents to any third party, and the Loan Parties agree to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under the Loan Documents as if it were a party to them, with respect to all rights and obligations included in the transfer and BDC will be released to the extent of any interest under the Loan or Loan Documents it assigns. BDC may disclose information it has in connection with the Borrower or any Loan Party to any actual or prospective transferee. No Loan Party shall have the right to assign any of its rights or obligations under or pursuant to the Loan Documents without BDC's prior written consent.

ACCEPTANCE

The Letter of Offer and any modification of it may be signed and accepted by an original ink signature or by electronic signature as permitted by BDC, and may be delivered on paper, fax, or in an electronic format (PDF) through BDC's electronic client portal, or any other electronic means of communication acceptable to BDC. It may also be signed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

SCHEDULE

The Letter of Offer includes Schedule "A" which contains Definitions, Representations and Warranties, Covenants, Events of Default and General Terms and Conditions. Schedule "A" has been inserted after the signature page and forms an integral part of the Letter of Offer.

LANGUAGE CLAUSE

The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.

Gaurav Agarwal

Gaurav Agarwal
Senior Account Manager
Phone: (905) 277-6369
Gaurav.AGARWAL@bdc.ca

Bob Baric

Bob Baric
Manager, Business Centre
Phone: (905) 566-6130
Fax: (905) 566-6425
Bob.BARIC@bdc.ca

ACCEPTANCE

Each Loan Party hereby accepts the terms and conditions set forth above and in the attached Schedule "A".

This _____ day of _____ 20____.

True North Freight Solutions Inc.

E-SIGNED by Harvinder Randhawa
on 2021-12-21

_____, Authorized Signing Officer

Name: _____

[Please print name of signing party]

GUARANTOR(S)

E-SIGNED by Harvinder Randhawa
on 2021-12-21

Harvinder Singh Randhawa

E-SIGNED by Manpreet Bal
on 2021-12-22

Manpreet K Bal

December 21, 2021

SECTION I - DEFINITIONS

A. General Definitions:

"BDC's Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its base rate and, as the case may be, subject to a discount for the duration, applicable to each of BDC's fixed interest rate plans then in effect for determining the fixed interest rates on Canadian dollar loans.

"BDC's Floating Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's Floating Base Rate.

"BDC's US Dollar Floating Base Rate" – means the 1-month US Dollar floating base rate set the last business day of each month for the following month for determining the floating interest rates on US Dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's US Dollar Floating Base Rate. BDC's US Dollar Floating Base Rate for the period from the date of the first advance on the Loan to the first business day of the following month will be the 1-month US Dollar floating base rate as established by BDC on the first business day of the month in which the funds are disbursed. Thereafter, the 1-month US Dollar Floating Base Rate may vary on the first business day of each month.

"Change of Control" – means any operation or series of transactions pursuant to which the Control of a Person is transferred from one Person to another or required by a Person, or any binding undertaking to proceed with any such operations.

"Control" – means the power to, directly or indirectly, acting alone or together with other Persons, direct or cause the direction of the management, business, affairs or policies of a Loan Party, whether through ownership of partnership interests, trust interests, or voting securities, by contract or otherwise, including, but without limiting the generality of the foregoing, in the case of a corporation, a Person is deemed to control a corporation if such Person (or such Person and its affiliates) holds, directly or indirectly, more than fifty per cent (50%) of the voting rights of the corporation. For the purposes of this definition, indirect control will include, without limitation, control that is exercised by one Person over another, through an intermediary that is controlled by the first.

"Corresponding Fixed Interest Rate Plan" – means, at any time in respect of a prepayment, the fixed interest rate plan then being offered by BDC to its clients equal to the number of years, rounded to the nearest year (minimum of one year), from the date such prepayment is received to the next scheduled Interest Adjustment Date (or the Maturity Date if earlier).

"Default" – means an Event of Default or any condition that, with the giving of notice, the passage of time or otherwise, is susceptible of being an Event of Default.

"Equity Interests" – means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

"Interest Adjustment Date" – means, in respect of any fixed interest rate plan, the day after the Interest Expiration Date of such fixed interest rate plan.

"Interest Differential Charge" – means, in respect of the prepayment of the Loan or any portion of the Loan on a fixed interest rate plan, if, on the date of the prepayment, the BDC's Base Rate for the Corresponding Fixed Interest Rate Plan is lower than the BDC's Base Rate in effect when the Borrower entered or renewed the fixed interest rate plan, whichever is most recent, the amount calculated as follows:

- (i) the difference between the two rates;
- (ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);
- (iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment, the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the

principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the *Interest Act*.

"Interest Expiration Date" – means the date on which a fixed interest rate plan expires.

"Loan" – shall have the meaning indicated in the Letter of Offer, or, as the context may require, at any time the unpaid principal balance of the Loan.

"Loan Documents" – means, collectively, the application for financing, the Letter of Offer, the security contemplated by the Letter of Offer and all other documents, instruments and agreements delivered in connection with the foregoing.

"Loan Party" – means either the Borrower or the Guarantor and "Loan Parties" means collectively each of the Borrower and the Guarantor.

"Material Adverse Change" – means:

- (i) a material adverse change in, or a material adverse effect upon, the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise), or prospects, of any Loan Party, or any Person who Controls a Loan Party;
- (ii) a material impairment of the ability of any Loan Party to perform any of their obligations under any Loan Document; or
- (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, limited liability company, trust, joint venture, association, partnership, limited partnership, governmental authority or other entity, and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative and any other form of organization or entity whatsoever.

"Public Issuer" – means any Loan Party whose Equity Interests are listed or posted for trading on the Toronto Stock Exchange or the TSX Venture Exchange or any other stock exchange or over-the-counter market acceptable to BDC.

"Public Issuer Notice" – means a written notice delivered by a Public Issuer to BDC as described in the Covenants section of this Schedule "A".

B. Financial Definitions – the following definitions apply if used in this Letter of Offer:

"Adjusted EBITDA" – means EBITDA adjusted by gains/losses on disposal of assets, other non-cash adjustments presented in the statement of cash flow and all extraordinary items presented as per GAAP financial measures.

"ASPE" – means accounting standards for private enterprises. ASPE are the Canadian generally accepted accounting principles (GAAP) approved by the Accounting Standards Board for private enterprises in Canada who have not elected to adopt IFRS.

"Available Funds" – means in respect of any Loan Party for any period of 12 months, the sum of the net profits before non-recurring or non-operating items that are not related to normal operations (as designated by the external accountant) plus depreciation and amortization; plus deferred income taxes; and minus dividends.

"Available Funds Coverage Ratio" – means the ratio of Available Funds over the Current Portion of Term Debt.

"Capital Expenditures" – means, with respect to any period of 12 consecutive months, all payments or accruals for any (i) property, plant and equipment, (ii) intangible assets and (iii) development costs that are required to be capitalized under GAAP.

"Current Portion of Term Debt or CPTD" – means the scheduled principal payments on Term Debt and lease payments on capital leases over the next 12-month period.

"Debt-to-capital ratio" – means the ratio of (A) the sum of (i) outstanding operating line of credit and (ii) Term Debt; by (B) the sum of (i) outstanding operating line of credit, (ii) Term Debt, and (iii) Tangible Equity.

"Distributions" – means, for any period of 12 consecutive months, the total of the following:

- (i) the payment or declaration of any dividend (or distribution in case of a partnership or trust);
 - (ii) the purchase, redemption or other acquisition or retirement of any capital stock (including the premium paid);
 - (iii) the change in subordinated loans or advances from the shareholders, partners, directors, or other related entities; and
 - (iv) the change in loans or advances to the shareholders, partners, directors, or other related entities.
- The sum of items (i), (ii), (iii) and (iv) cannot be negative.

"EBITDA" – means earnings before Interest Expenses, taxes, depreciation, and amortization.

"Fixed Charge Coverage Ratio or FCCR" – means the ratio of (A) Adjusted EBITDA for such period less (i) current income taxes during such period taken from the annual financial statements, (ii) Unfunded Capital Expenditures incurred during the applicable period, (iii) Distributions paid during such period; by (B) the sum of (i) CPTD and (ii) the Interest Expenses for such period.

"GAAP" – means Generally Accepted Accounting Principles, with respect to broad principles and conventions of general application as well as rules and procedures that determine accepted accounting practices at a particular time (including, without limitation, IFRS, ASPE, US GAAP, etc., as the case may be). Unless otherwise specifically provided herein, any accounting term used in this Letter of Offer shall have the meaning customarily given such term in accordance with GAAP and all financial computations hereunder shall be computed in accordance with GAAP consistently applied.

"IFRS" – means International Financial Reporting Standards. IFRS are the Canadian generally accepted accounting principles (GAAP) approved by the Accounting Standards Board for publicly accountable enterprises and other categories of reporting entities who are permitted, but not required, to apply this set of standards.

"Interest Expenses" – means financial expenses (i.e., bank charges as well as interest on short-term and long-term debt, on Subordinated Debt, and on capital leases) as reflected in the statement of earnings.

"Subordinated Debt" – means debt with or without a convertible feature and with or without a variable return that normally ranks behind that of the senior secured lenders. Depending on the structure, the instrument of return may include interest, fixed/variable bonuses, royalties, bonus equity, warrants, or dividends.

"Tangible Equity" – means the sum of the share capital (owners' capital for non-incorporated businesses); plus retained earnings (accumulated net income); plus contributed surplus; plus postponed loans or advances from the shareholders (owners) and related businesses; minus loans or advances to the shareholders (owners), directors, related or non-related entities; minus the book value of shares redeemable at the holder's option, or shares subject to a formal redemption agreement.

"Term Debt" – means the sum of the long-term debt, the Subordinated Debt, and the capital leases including the current portion to be paid over the next 12 months; plus the redemption amount of shares redeemable at the holder's option, or shares subject to a formal redemption agreement.

"Term Debt to Tangible Equity Ratio" – means the ratio of the Term Debt over the Tangible Equity.

"Total Debt/Adjusted EBITDA Ratio" – means the ratio of (A) the sum of (i) outstanding operating line of credit and (ii) Term Debt; by (B) Adjusted EBITDA.

"Unfunded Capital Expenditures" – means, with respect to any period of 12 consecutive months, the aggregate of all Capital Expenditures incurred less the sum of (i) net cash proceeds generated from the sales of tangible and intangible assets, (ii) issuance of net new Term Debt, and (iii) issuance of new equity.

"Working Capital" – means the total of current assets minus the total of current liabilities. Current assets includes, but is not limited to, the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities includes, but is not limited to, the following: bank advances, cheques in transit, accounts payable (trade and other) and the Current Portion of Term Debt.

"Working Capital Ratio" – means the ratio of the total current assets over the total current liabilities. Current assets includes, but is not limited to, the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities includes, but is not limited to, the following: bank advances, cheques in transit, accounts payable (trade and other) and the Current Portion of Term Debt.

SECTION II - REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby represents and warrants to BDC that:

1. It is a sole-proprietorship, partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
2. The execution, delivery, and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
5. No Default or Event of Default exists.
6. All information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
7. There is no ongoing, pending or threatened claim, action, prosecution or proceeding of any kind before any court, tribunal, government board or agency including but not limited to non-compliance with environmental law or arising from the presence or release of any contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.
8. Neither the Loan Party, nor any Person who Controls the Loan Party, nor any officer, director or shareholder of a Loan Party, has been charged with, pled guilty to, or has been convicted of, a criminal offence (other than a conviction for which a Pardon has been granted or other than a criminal offence which has been disclosed in writing to BDC prior to issuing this Letter of Offer).
9. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

The foregoing representations and warranties shall remain in force and true until the Loan is repaid in full.

SECTION III - COVENANTS

Each Loan Party shall:

1. Perform their obligations and covenants under the Loan Documents.
2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
4. Comply with all applicable laws and regulations.
5. Observe BDC's insurance requirements:
 - a. Keep all secured assets insured for physical damages and losses on an "All-Risks" basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security;
 - b. Maintain adequate Marine and/or Aviation insurance for all secured Aircraft or Marine vessels;
 - c. If required as further Security, assign or hypothecate all insurance proceeds to BDC;
 - d. If requested by BDC, maintain adequate Commercial General Liability insurance, and/or Environmental Liability and Clean-Up insurance, including BDC as additional insured to protect it against any losses or claims arising from pollution or contamination incidents, or other risks associated with the Borrower's business, or any other type of insurance BDC may reasonably require;
 - e. Ensure that all insurance policies include a 30-days prior notice of cancellation clause in favour of BDC;
 - f. Provide certificates of insurance for all such policies; and
 - g. Maintain all insurance policies in effect to BDC's standards for the duration of the Loan.

6. Notify BDC immediately of any material loss or damage to their property.
7. Without limiting the generality of paragraph 4 above, in relation to their business operations, projects and all assets of any nature, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
8. Promptly pay all government remittances, assessments and taxes and provide BDC with proof of payments as BDC may request from time to time. Specifically regarding real estate property or other taxes on lands mortgaged to BDC, if a Loan Party fails to pay any instalment of such taxes when due, BDC may, in its sole discretion, provide written notice to the Borrower requiring the Loan Parties to pay BDC monthly payments as calculated by BDC to establish a tax reserve account, and in such event, the Loan Parties hereby authorize BDC to collect monthly pre-authorized payments and to pay the relevant taxing authority as required. No further consent from the Loan Parties shall be required. Should there be insufficient funds to satisfy the taxes owing, the Loan Parties will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. The Loan Parties shall either instruct the taxing authority to forward a copy of the tax notice to BDC or shall deliver a copy to BDC upon receipt. Funds in this reserve account will earn interest in accordance with BDC's policy then in effect and will be held by BDC as Security for the Loan. After Default, BDC will not have any ongoing responsibility to pay the taxes and any funds in the reserve account may be applied towards any amounts owing to BDC.
9. Promptly furnish to BDC such information, reports, certificates, and other documents concerning any Loan Party as BDC may reasonably request from time to time, including, but not limited to, information regarding the ownership and control of any Loan Party.
10. Not, without the prior written consent of BDC:
 - a. Change the nature of their business;
 - b. Change their jurisdiction of incorporation, formation or continuance, or the jurisdiction in which their chief place of business, chief executive office or registered office is located;
 - c. Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any operating license; or
 - d. Permit or allow any transaction, including but not limited to the sale, transfer, or issuance of an Equity Interest, that would result in a Person who is not a Loan Party acquiring:
 - (i) a direct Equity Interest in a Loan Party; or
 - (ii) an indirect Equity Interest in a Loan Party of 25% or more. For the purposes of this subparagraph (ii), an indirect Equity Interest means an Equity Interest held by a Person through one or more intermediaries.

This paragraph (d) shall not apply to the sale, transfer, or issuance of any Equity Interests in a Public Issuer.
11. When a Loan Party is Public Issuer:
 - a. deliver a notice to BDC for its review and approval, within 5 business days after any Person or group of Persons, acting jointly or in concert, directly or indirectly, acquire Equity Interests resulting in the ownership of 20% or more of the Equity Interests of such Public Issuer. This Public Issuer Notice shall contain the names and addresses of any Person or group of Persons that acquired such Equity Interests together with the details of the Equity Interests so acquired; and
 - b. repay the Loan in full, including accrued interest, costs and any other outstanding amounts, within 60 days from the date on which BDC notifies the Borrower in writing that BDC, in its sole discretion, is not satisfied with the issuance or transfer of Equity Interests identified in the notice required by paragraph (a) above.

Additional Covenants: Ineligible Activities

In addition to the above list of Covenants, no Loan Party shall engage in, or permit their respective shareholders, directors or officers to engage in, or permit their premises to be used by a tenant or other Person for, any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:

- a. businesses that: 1) are engaged in or associated with illegal activities or fail to comply with applicable Canadian legislation that restricts dealings, including trade, between Canadians and governments or

- residents of countries that are proscribed by the Canadian government or illegally trade in proscribed goods; 2) violate applicable laws with respect to human rights, labour, the environment and anti-corruption; or 3) violate standards with respect to public health and safety or professional conduct, in each case as prescribed by applicable law or by a professional governing body;
- b. businesses that promote violence, incite hatred, or discriminate on any basis protected under the Canadian Human Rights Act; or
 - c. businesses that operate any form of sexually exploitive business or disseminate media content that is sexually explicit.

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this section shall also apply to any entity that directly or indirectly controls, is controlled by, or that is under the common control with, any Loan Party.

SECTION IV - EVENTS OF DEFAULT

1. Any Loan Party fails to pay any amount owing under or pursuant to the Loan Documents.
2. Any Loan Party fails to satisfy, comply with, or perform any covenant or other obligation under the Loan Documents.
3. Any Loan Party is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied or unwaived after any cure period provided in such other agreement.
4. Any representation or warranty made by any Loan Party herein or in any other Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
5. Any schedule, certificate, financial statement, report, notice or other writing furnished by or on behalf of any Loan Party to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
6. The occurrence of a Material Adverse Change.
7. Any Loan Party becomes insolvent or generally fails to pay, or admits in writing its inability or refusal to pay its debts as they become due; or any Loan Party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Loan Party or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for any Loan Party or for a substantial part of the property of such Loan party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of any Loan Party; or any Loan Party takes any action to authorize, or in furtherance of, any of the foregoing.
8. Any Loan Party ceases or threatens to cease to carry on all or a substantial part of its business.
9. The death of any individual Loan Party or any person that Controls any Loan Party.
10. The occurrence of a Change of Control of a Loan Party without BDC's written consent.
11. Any Loan Party, who is a Public Issuer, fails to deliver a Public Issuer Notice when required to do so, or fails to repay the Loan in full, including accrued interest, costs and any other outstanding amounts, within 60 days after receiving written notice that BDC is not satisfied with the Public Issuer Notice.
12. Any Loan Party, any Person who Controls a Loan Party, or any officer, director, or shareholder of a Loan Party, is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
13. Any Loan Party, any Person who Controls a Loan Party, or any officer, director, or shareholder of a Loan Party, is in violation of trade and economic sanctions imposed by the Parliament of Canada.

SECTION V - GENERAL TERMS AND CONDITIONS

Each Loan Party agrees to the following additional provisions:

Other Available Interest Rate Plans

Upon acceptance of the Letter of Offer, the Borrower can select one of BDC's other available fixed or floating interest rate plans. If the selection is made before the Acceptance Date, there is no fee and the selected plan shall be based on BDC's Base Rate in effect on the Loan Authorization Date. If the selection is made after the initial Acceptance Date, there is a fee and an Interest Differential Charge may apply. The new rate shall become effective on the date on which the written request is received by BDC. However, in the event of a period of increased interest rate volatility, which will be determined by a fluctuation of greater than 0.5% during the same transaction day of the yield to maturity of the five-year Canada bond benchmark, BDC reserves the right to suspend the borrower's right to switch from a floating interest rate plan to a fixed interest rate plan.

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans – Not applicable to Equipment Line Loans

If the Borrower selects a floating rate interest plan at the time the Letter of Offer is accepted and subsequently switches to a fixed interest rate plan, the Standby Fee applicable to the Loan shall become payable as follows:

- a. if the change is made within 2 months after the Loan Authorization Date, the Standby Fee shall become payable 2 months after the Loan Authorization Date; or
- b. if the change is made more than 2 months after the Loan Authorization Date, the Standby Fee shall become payable on the date the new fixed interest plan takes effect.

There will be no change to the Standby Fee payment schedule if the Borrower elects to switch from a fixed rate interest plan to a floating rate interest plan.

Interest Adjustment Date

Provided no Default has occurred and is continuing, prior to each Interest Adjustment Date, BDC shall advise the Borrower of BDC's Base Rates then in effect for the fixed interest rate plans available. Not later than on the current Interest Expiration Date, the Borrower shall select a new interest rate plan. If the Borrower selects a new fixed interest rate plan, effective on the Interest Adjustment Date, the interest rate for the Loan shall be BDC's Base Rate applicable to the fixed interest rate plan selected by the Borrower adjusted by the Variance which new rate shall be applicable until the next Interest Expiration Date. If the Loan is on a fixed interest rate plan with blended payments of principal and interest, the repayment schedule shall be adjusted on each Interest Adjustment Date. If the Borrower has not advised BDC in writing of its choice before an Interest Adjustment Date, the Loan shall automatically switch to BDC's floating interest rate plan on the Interest Adjustment Date with an interest rate being BDC's Floating Base Rate as adjusted by the Variance. Outstanding principal for blended payment loans shall then be divided in equal monthly instalments to be paid until Maturity Date.

In the event BDC should demand repayment of the Loan by reason of an Event of Default, any fixed interest rate applicable at the time of demand shall continue to apply to the Loan until full repayment and shall not be adjusted at the next Interest Adjustment Date.

Pre-Authorized Payment

All payments provided for in the Letter of Offer must be made by pre-authorized payments from the Borrower's bank account. The Borrower shall sign all documentation required to that effect and provide a sample cheque marked void.

Application of Payments

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
2. protective disbursements;
3. standby fees (arrears and current);
4. arrears, in the following order: transaction fees, administration fees, management fees, interest and principal;
5. current balances, in the following order: transaction fees, management fees, interest and principal;
6. cancellation fees;
7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
8. other amounts due and payable.

Other than regular payments of principal and interest, BDC may apply any other monies received by it, before or after Default, to any debt the Borrower may owe BDC under or pursuant to the Letter of Offer or any other agreement and BDC may change those applications from time to time.

Consent to Obtaining Information

The Loan Parties hereby consent to BDC:

- a. collecting personal and business information and using such information for business, analytics and marketing purposes as described in the *Policy on confidentiality and use of personal and business information* (the "Policy") available at bdc.ca/en/confidentiality;
- b. sharing the personal and business information with BDC service providers only for them to provide the services BDC asks from them, such as processing credit verification, background checks and other matters explained in the Policy; and
- c. sharing the personal and business information with authorities in case of fraud or suspected fraud, and with other financial institutions to prevent or control fraud or when there is a breach of a financing agreement with BDC.

Notices

Notices must be in writing and may be given in person, or by letter sent by fax, mail, courier or electronically; if to the Borrower, at the Borrower's address above or such other addresses as the Borrower may advise BDC in writing, or if to BDC, at BDC's address above.

Joint and Several Liability

Where in the Loan Documents, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more Persons or a party comprised of more than one Person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several (solidary in Quebec) covenant, agreement, warranty, representation or obligation of each such Person or party, as the case may be. Without limiting the generality of the foregoing, each Loan Party shall be jointly and severally (solidarily) liable with each other to BDC for the full performance of all obligations under the Loan Documents in accordance with the provisions thereof.

Anti-Money Laundering/Know Your Client

Each Loan Party acknowledges that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Loan Parties, their directors, authorized signing officers, shareholders and other Persons in Control of each Loan Party. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC or any prospective assignee or other financial institution participating in the Loan with BDC, in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

Confidentiality

The Loan Parties shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Loan Party adopts any changes in its accounting standards which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.



BDCID: 10027002020

January 17, 2022

Mr. Harvinder Randhawa
True North Freight Solutions Inc.
11553 Tenth Line
Georgetown, ON
L7G 4S7

Re: BDC Loan 221755-01

Dear Mr. Randhawa:

We write in reference to our Letter of Offer for Loan No. 221755-01, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan(s).

The amendments shall take effect upon receipt by BDC of the Acceptance Form duly signed by all signatories no later than April 17, 2022.

Amendments – Loan No. 221755-01:

SECURITY

The following existing Security relating to this Loan:

General Security Agreement from True North Freight Solutions Inc. providing:

1. A first security interest on all present and after-acquired personal property located at, used in connection with, or deriving from, the real property located at 11553 Tenth Line, Halton Hills, Ontario L7G 4S6, and
2. A security interest in all other present and after-acquired personal property, except consumer goods, subject to existing and futures charges in favour of:
 - 1) the lender extending the operating line of credit and,
 - 2) lenders/lessors providing financing on vehicles, trailers and other equipment used in the operation of the business.

is modified and is now replaced with:

- General Security Agreement from True North Freight Solutions Inc. providing a security interest in all present and after-acquired personal property, except consumer goods, subject only to:
- All existing registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of those persons have an interest;
 - Future charges on equipment to the party financing the acquisition or lease of the equipment;
- and
- Future charges to lender extending line of credit.



Except for the modifications expressly mentioned above, nothing in the above amendments with respect to the Security shall in any way alter the rights which BDC now or hereafter has or may have and resulting from the Security nor shall it alter in any way the liability of the remaining obligant(s) and/or guarantor(s), as the case may be.

All other terms and conditions of your financing with BDC remain unchanged.

Yours truly,

Andy Mittra

Andy Mittra
Assistant Vice President, Business Development
Phone: (416) 954-2619
Andy.MITTRA@bdc.ca

Bob Baric

Bob Baric
Manager, Business Centre
Phone: (905) 566-6130
Bob.BARIC@bdc.ca

Encl.

Business Development Bank of Canada
201 City Centre Drive
Suite 301
Mississauga, ON
L5B2T4

Attention: Andy Mitra

Re: BDC Loan 221755-01

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated January 17, 2022.

Signed this _____ day of _____, _____
(date) (month) (year)

BORROWER

True North Freight Solutions Inc.

E-SIGNED by Harvinder Randhawa
on 2022-01-18

_____, Authorized Signing Officer

Name: _____
[Please print name of signing party]

GUARANTORS

E-SIGNED by Harvinder Randhawa
on 2022-01-18

Harvinder Singh Randhawa

E-SIGNED by Manpreet Bal
on 2022-01-18

Manpreet Kaur Bal



BDCID: 10027053353

24 January 2022

Mr. Harvinder Randhawa
1000088317 Ontario Inc.
11553 Tenth Line
Georgetown, ON., L7G 4S7

Re: BDC Loan 221755-01

Dear Mr. Randhawa:

We write in reference to our Letter of Offer for Loan No. 221755-01, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan(s).

The amendments shall take effect upon receipt by BDC of the Acceptance Form duly signed by all signatories no later than 27 January 2022.

Amendments – Loan No. 221755-01:

SECURITY

The following no longer forms part of BDC's Security on this Loan:

- General Security Agreement from True North Freight Solutions Inc. providing a security interest in all present and after-acquired personal property, except consumer goods, subject only to:
 - All existing registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of those persons have an interest;
 - Future charges on equipment to the party financing the acquisition or lease of the equipment; and
 - Future charges to lender extending line of credit.

The following Security is added to this Loan:

- General Security Agreement from 1000088317 Ontario Inc. providing a first security interest in all present and after-acquired personal property, except consumer goods.
- Guarantee of True North Freight Solutions Inc. for the full amount of the Loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of those persons have an interest. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.



The following existing Security relating to this Loan:

First readvanceable mortgage in the principal amount of \$18,000,000 on land (approx. 7.32 acres) (legally described as Pt Lts 18 &19, Con 11 Esq, Pt 2 20R8564; Halton) and buildings located at 11553 Tenth Line, Halton Hills, ON. Property to be owned by True North Freight Solutions Inc. Building location survey or title insurance required.

is modified and is now replaced with:

First readvanceable mortgage in the principal amount of \$18,000,000 on land (approx. 7.32 acres) (legally described as Pt Lts 18 &19, Con 11 Esq, Pt 2 20R8564; Halton) and buildings located at 11553 Tenth Line, Halton Hills, ON. Property to be owned by 1000088317 Ontario Inc. Building location survey or title insurance required.

The following existing Security relating to this Loan:

Postponement of a \$2,500,000 debt owed jointly by Manpreet K Bal and Harvinder Singh Randhawa. Interest may not be paid.

is modified and is now replaced with:

Postponement of a \$2,500,000 debt owed by True North Freight Solutions Inc. jointly to Manpreet K Bal and Harvinder Singh Randhawa. Interest may not be paid.

Except for the modifications expressly mentioned above, nothing in the above amendments with respect to the Security shall in any way alter the rights which BDC now or hereafter has or may have and resulting from the Security nor shall it alter in any way the liability of the remaining obligant(s) and/or guarantor(s), as the case may be.

UNDERLYING CONDITIONS

The following existing underlying condition relating to this Loan:

Borrower to provide copy of Safety Ratings by January 31, 2023 on Satisfactory- unaudited Commercial Vehicle Operator's Registration (CVOR) rating from Ontario's Ministry of Transportation, satisfactory to the Bank.

is modified and is now replaced with:

Borrower to provide copy of Safety Ratings of True North Freight Solutions Inc. by January 31, 2023 on Satisfactory- unaudited Commercial Vehicle Operator's Registration (CVOR) rating from Ontario's Ministry of Transportation, satisfactory to the Bank.



CONDITIONS Precedent

The following conditions precedent have been added to this Loan:

- Submit a signed 5 year lease, on a triple net lease basis, between the landlord 1000088317 Ontario Inc. and the Tenant True North Freight Solutions Inc. for the property located at 11553 Tenth Line, Halton Hills, Ontario generating net operating income (after all the operating expenses, the realty and school taxes) of not less than \$1,400,000 per annum. Included in the lease are to be 2 x 5 year options to renew. All leases are to be reviewed by and must be acceptable to BDC's legal advisors.

REPORTING OBLIGATIONS

Without limitation as to such other financial and operating statements and reports that BDC may reasonably require from time to time, the requirements for financial statements for the Financing have been updated to:

| Company | Type | Frequency | Period Ending |
|----------------------------------|------------------------------------------|-----------|---------------|
| 1000088317 Ontario Inc. | Compilation Engagement prepared by a CPA | Annual | March |
| True North Freight Solutions Inc | Review Engagement | Annual | March |

OTHER AMENDMENTS

The following condition will apply to loan(s) 221755-01:

BORROWER:

Delete: True North Freight Solutions Inc.

Insert: 1000088317 Ontario Inc.

All other terms and conditions of your financing with BDC remain unchanged.

Yours truly,

Lucy Hendrican

Lucy Hendrican
Senior Client Relationship Officer

Phone: (519) 419-0169
Lucy.HENDRICAN@bdc.ca

Andy Mittra

Andy Mittra
Assistant Vice President, Business Development

Phone: (416) 954-2619
Andy.MITTRA@bdc.ca

Encl.

Business Development Bank of Canada
201 City Centre Drive, Suite 301
Mississauga, ON., L5B2T4
Attention: Lucy Hendrican

Re: BDC Loan 221755-01

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated January 24, 2022.

Signed this _____ day of _____, _____.
(date) (month) (year)

BORROWER(S)

1000088317 Ontario Inc.

E-SIGNED by Harvinder Randhawa
on 2022-01-24

_____, Authorized Signing Officer

Name: _____
[Please print name of signing party]

GUARANTOR(S)

True North Freight Solutions Inc

E-SIGNED by Harvinder Randhawa
on 2022-01-24

_____, Authorized Signing Officer

Name: _____
[Please print name of signing party]

E-SIGNED by Harvinder Randhawa
on 2022-01-24

Harvinder Singh Randhawa

E-SIGNED by Manpreet Bal
on 2022-01-24

Manpreet Kaur Bal



BDCID: 10031622912

February 23, 2023

Mr. Harvinder Randhawa
1000088317 Ontario Inc.
11553 Tenth Line
Georgetown, ON
L7G 4S7

Re: BDC Loan 221755-01

Dear Mr. Randhawa:

We write in reference to our Letter of Offer for Loan No. 221755-01, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan(s).

BDC's consent to the amendments is subject to the following conditions being fulfilled to BDC's satisfaction and provided that no Material Adverse Change shall have occurred:

Corporate Guarantee from North Shore Logistics Inc supported by General Security Agreement of North Shore Logistics Inc

The amendments will take effect on the date when 1) BDC is in receipt of the attached Acceptance Form duly signed by all signatories and 2) all conditions contained in this letter, have been met to the satisfaction of BDC, in any case no later than May 21, 2023.

Amendments – Loan No. 221755-01:

SECURITY

The following Security is added to this Loan:

- Guarantee of North Shore Logistics Inc. for the full amount of the Loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of those persons have an interest, subject to an intercreditor agreement granting Bank of Montreal a 90-day standstill period. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.



The following existing Security relating to this Loan:

First readvanceable mortgage in the principal amount of \$18,000,000 on land (approx. 7.32 acres) (legally described as Pt Lts 18 &19, Con 11 Esq, Pt 2 20R8564; Halton) and buildings located at 11553 Tenth Line, Halton Hills, ON. Property to be owned by 1000088317 Ontario Inc. Building location survey or title insurance required.

is modified and is now replaced with:

First readvanceable mortgage in the principal amount of \$18,000,000 on land (approx. 7.32 acres) (legally described as Pt Lts 18 &19, Con 11 Esq, Pt 2 20R8564; Halton) and buildings located at 11553 Tenth Line, Halton Hills, ON, subject to an intercreditor agreement granting Bank of Montreal access rights for 90 days. Property to be owned by 1000088317 Ontario Inc. Building location survey or title insurance required.

The following existing Security relating to this Loan:

General Security Agreement from 1000088317 Ontario Inc. providing a first security interest in all present and after-acquired personal property, except consumer goods.

is modified and is now replaced with:

General Security Agreement from 1000088317 Ontario Inc. providing a first security interest in all present and after-acquired personal property, except consumer goods, subject to an intercreditor agreement with Bank of Montreal.

The following existing Security relating to this Loan:

Guarantee of True North Freight Solutions Inc. for the full amount of the Loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of those persons have an interest. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.

is modified and is now replaced with:

Guarantee of True North Freight Solutions Inc. for the full amount of the Loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of those persons have an interest, subject to an intercreditor agreement granting Bank of Montreal a 90-day standstill period. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.



Except for the modifications expressly mentioned above, nothing in the above amendments with respect to the Security shall in any way alter the rights which BDC now or hereafter has or may have and resulting from the Security nor shall it alter in any way the liability of the remaining obligant(s) and/or guarantor(s), as the case may be.

REPORTING OBLIGATIONS

Without limitation as to such other financial and operating statements and reports that BDC may reasonably require from time to time, the requirements for financial statements for the Financing have been updated to:

| Company | Type | Frequency | Period Ending |
|----------------------------------|------------------------------------------|-----------|---------------|
| 1000088317 Ontario Inc. | Compilation Engagement prepared by a CPA | Annual | March |
| True North Freight Solutions Inc | Review Engagement | Annual | March |
| North Shore Logistics Inc | Review Engagement | Annual | December |

OTHER AMENDMENTS

The following condition will apply to loan(s) 221755-01:
BDC consents to the granting of a second mortgage in favour of Bank of Montreal conditional upon the granting of the additional security set out in this amending letter.

All other terms and conditions of your financing with BDC remain unchanged.

We confirm that we have informed you and you have agreed that a transaction fee in the amount of \$1,000.00 will be automatically withdrawn from your account on your next payment date.

Yours truly,

Lucy Hendrican

Lucy Hendrican
Client Support Coordinator
Phone: (519) 419-0169
Lucy.HENDRICAN@bdc.ca

Gaurav Agarwal

Gaurav Agarwal
Manager, Major Accounts
Phone: (905) 277-6369
Gaurav.AGARWAL@bdc.ca

Encl.

Business Development Bank of Canada
201 City Centre Drive
Suite 301
Mississauga, ON
L5B2T4

Attention: Lucy Hendrican

Re: BDC Loan 221755-01

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated February 23, 2023.

Signed this _____ day of _____, _____.
(date) (month) (year)

BORROWER(S)

1000088317 Ontario Inc.

E-SIGNED by Harvinder Randhawa
on 2023-02-23

_____, Authorized Signing Officer

Name: _____
[Please print name of signing party]

GUARANTOR(S)

True North Freight Solutions Inc

E-SIGNED by Harvinder Randhawa
on 2023-02-23

_____, Authorized Signing Officer

Name: _____
[Please print name of signing party]

North Shore Logistics Inc

E-SIGNED by Harvinder Randhawa
on 2023-02-23

_____, Authorized Signing Officer

Name: _____

[Please print name of signing party]

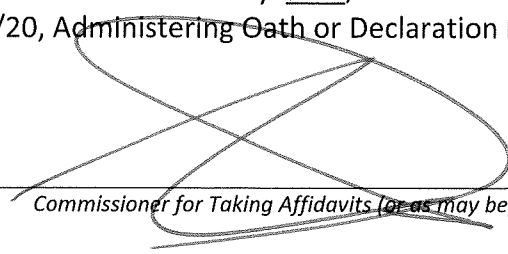
E-SIGNED by Harvinder Randhawa
on 2023-02-23

Harvinder Singh Randhawa

E-SIGNED by Manpreet Bal
on 2023-02-23

Manpreet Kaur Bal

This is Exhibit "C" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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

PROPERTY DESCRIPTION: PT LTS 18 & 19, CON 11 ESQ , PT 2 20R8564 ; HALTON HILLS/ESQUESING

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1996/10/28

OWNERS' NAMES
1000088317 ONTARIO INC.

CAPACITY SHARE
ROWN

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/CHKD |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------|--------|--------------------------------------------------|-------------------------------------------------|-----------|
| <p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/10/28 ON THIS PIN**</p> <p>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/10/28**</p> <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1996/10/25 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 1996/10/28 **</p> | | | | | | |
| 251421 | 1968/07/17 | BYLAW | | | | C |
| 20R8564 | 1988/03/02 | PLAN REFERENCE | | | | C |
| 689107 | 1988/04/08 | AGR PURCHAS & SALE | | *** COMPLETELY DELETED *** | | |
| 691570 | 1988/05/12 | TRANSFER | | *** COMPLETELY DELETED *** | H. OVERSBY LIMITED | |
| HR12330 | 2000/09/14 | CHARGE | | *** COMPLETELY DELETED *** H. OVERSBY LIMITED | OVERSBY, HOWARD STEPHEN OVERSBY, LUCY STELLA | |
| HR261545 | 2004/02/05 | APL CH NAME OWNER | | *** COMPLETELY DELETED *** H. OVERSBY LIMITED | 371472 ONTARIO LIMITED | |

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

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

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|-----------|------------|-----------------------|--------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------|
| HR262381 | 2004/02/09 | CHARGE | | *** COMPLETELY DELETED *** 371472 ONTARIO LIMITED | PATCH INVESTMENTS LIMITED R. GLAZIER INVESTMENTS LIMITED BAIN FAMILY HOLDINGS LIMITED | |
| HR262382 | 2004/02/09 | NO ASSGN RENT GEN | | *** COMPLETELY DELETED *** 371472 ONTARIO LIMITED | PATCH INVESTMENTS LIMITED R. GLAZIER INVESTMENTS LIMITED BAIN FAMILY HOLDINGS LIMITED | |
| | | REMARKS: HR262381 | | | | |
| HR262713 | 2004/02/10 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** OVERSBY, HOWARD STEPHEN OVERSBY, LUCY STELLA | | |
| | | REMARKS: RE: HR12330 | | | | |
| HR317492 | 2004/09/01 | TRANSFER | | *** COMPLETELY DELETED *** 371472 ONTARIO LIMITED | 1442997 ONTARIO LIMITED | |
| HR317494 | 2004/09/01 | CHARGE | | *** COMPLETELY DELETED *** 1442997 ONTARIO LIMITED | 371472 ONTARIO LIMITED | |
| HR317530 | 2004/09/01 | TRANSFER OF CHARGE | | *** COMPLETELY DELETED *** 371472 ONTARIO LIMITED | PATCH INVESTMENTS LIMITED R. GLAZIER INVESTMENTS LIMITED BAIN FAMILY HOLDINGS LIMITED | |
| | | REMARKS: HR317494 | | | | |
| HR317554 | 2004/09/01 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** PATCH INVESTMENTS LIMITED R. GLAZIER INVESTMENTS LIMITED BAIN FAMILY HOLDINGS LIMITED | | |
| | | REMARKS: RE: HR262381 | | | | |
| HR341372 | 2004/12/03 | TRANSFER OF CHARGE | | *** COMPLETELY DELETED *** PATCH INVESTMENTS LIMITED R. GLAZIER INVESTMENTS LIMITED BAIN FAMILY HOLDINGS LIMITED | 371472 ONTARIO LIMITED | |
| | | REMARKS: HR317494 | | | | |
| HR341373 | 2004/12/03 | TRANSFER OF CHARGE | | *** COMPLETELY DELETED *** 371472 ONTARIO LIMITED | PATCH INVESTMENTS LIMITED | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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NOTE: RESULTS WERE GENERATED VIA WWW.PURVIEW.CA



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

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|-----------|------------|-----------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------|
| HR753747 | 2009/05/25 | CHARGE | | *** COMPLETELY DELETED *** 1442997 ONTARIO LIMITED | R. GLAZIER INVESTMENTS LIMITED BAIN FAMILY HOLDINGS LIMITED MAPLE TRUST COMPANY | |
| HR753883 | 2009/05/26 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** PATCH INVESTMENS LIMITED R. GLAZIER INVESTMENTS LIMITED BAIN FAMILY HOLDINGS LIMITED MAPLE TRUST COMPANY | BUSINESS DEVELOPMENT BANK OF CANADA | |
| | | REMARKS: HR317494. | | | | |
| HR1857877 | 2022/01/10 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** BUSINESS DEVELOPMENT BANK OF CANADA | | |
| | | REMARKS: HR753747. | | | | |
| HR1862377 | 2022/01/26 | TRANSFER | \$18,850,000 | 1442997 ONTARIO LIMITED | 1000088317 ONTARIO INC. | C |
| | | REMARKS: PLANNING ACT STATEMENTS. | | | | |
| HR1862378 | 2022/01/26 | CHARGE | \$18,000,000 | 1000088317 ONTARIO INC. | BUSINESS DEVELOPMENT BANK OF CANADA | C |
| HR1862387 | 2022/01/26 | NO ASSGN RENT GEN | | 1000088317 ONTARIO INC. | BUSINESS DEVELOPMENT BANK OF CANADA | C |
| | | REMARKS: HR1862378 | | | | |
| HR1950652 | 2023/02/23 | CHARGE | \$17,800,000 | 1000088317 ONTARIO INC. | BANK OF MONTREAL | C |
| HR2022888 | 2024/03/25 | CAUTION-NOTICE | \$2 | ARMOUR INSURANCE BROKERS LTD. | | |

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

Properties

PIN 25058 - 0117 LT *Interest/Estate* Fee Simple
Description PT LTS 18 & 19, CON 11 ESQ , PT 2 20R8564 ; HALTON HILLS/ESQUESING
Address 11553 TENTH LINE
 HALTON HILLS

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 1000088317 ONTARIO INC.
Address for Service 11553 Tenth Line
 Georgetown, ON
 L7G 4S7

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name BUSINESS DEVELOPMENT BANK OF CANADA
Address for Service 201 City Centre Drive, Suite 301,
 Mississauga, ON,
 L5B 2T4

Statements

Schedule: See Schedules

Provisions

Principal \$18,000,000.00 *Currency* CDN
Calculation Period
Balance Due Date ON DEMAND
Interest Rate SEE SCHEDULE A
Payments
Interest Adjustment Date
Payment Date ON DEMAND
First Payment Date
Last Payment Date
Standard Charge Terms 20011
Insurance Amount See standard charge terms
Guarantor

Signed By

Shellisa Bhagwandin 800-150 York St. acting for Signed 2022 01 25
 Toronto
 M5H 3S5
 Chargor(s)

Tel 416-364-1553

Fax 416-364-1453

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

Submitted By

MACDONALD SAGER MANIS LLP 800-150 York St. 2022 01 26
 Toronto
 M5H 3S5

Tel 416-364-1553

Fax 416-364-1453

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Fees/Taxes/Payment

Total Paid \$66.30

File Number

Chargee Client File Number : 213248

SCHEDULE A

LAND REGISTRATION REFORM ACT

Payment Provisions

You charge the property covered by the Charge as security for payment to the Chargee, Business Development Bank of Canada, of all Secured Obligations, as defined in the Standard Charge Terms described in the electronic form of charge to which this document forms a schedule, including the following:

- (i) all present and future debts, liabilities and obligations now or hereafter owing by the Chargor to the Chargee including any and all principal advances and re-advances made by the Chargee to the Chargor after the repayment of any or all principal amounts, provided that the total principal amount secured shall not at any time exceed the principal amount referred to in the electronic form of charge to which this document forms a schedule; and,
- (ii) interest on the amounts payable under paragraph (i) above at the rate equal to the floating base rate of Business Development Bank of Canada for commercial and industrial loans denominated in Canadian dollars announced from time to time, plus 10.00% per year, calculated monthly and payable monthly, both after as well as before maturity, default and/or judgment. If the Chargor and the Chargee have agreed in writing in any agreement referred to in the "Secured Obligations" described in paragraph (i) above, or in any other agreement, that a different interest rate will apply to all or part of the debts and liabilities described in paragraph (i) above, then that different rate will apply.

STANDARD CHARGE TERMS

FILED BY: BUSINESS DEVELOPMENT BANK OF CANADA

AS

MORTGAGEE

FILING DATE - January 30th, 2001

FILING NUMBER - 20011

The following set of standard charge terms is considered to be included in and form a part of every Charge/Mortgage of Land in which this set is referred to by its filing number as provided in Section 9 of the *Land Registration Reform Act* (Ontario)

CONTENTS

| | |
|-----------------------------|-------------------------------------------------|
| 1. Interpretation | 8. Assignment of Rights of Indemnity |
| 2. Grant of Security | 9. Mortgages of Special Interest |
| 3. Discharge of Mortgage | 10. Events of Default |
| 4. General Representations | 11. Enforcement |
| 5. General Covenants | 12. Other Rights |
| 6. Environmental Matters | 13. Preservation of Mortgage and Other Security |
| 7. Assignment of Rents etc. | 14. Miscellaneous |

For good and valuable consideration, the receipt and sufficiency of which you hereby acknowledge, you warrant, represent, covenant and agree with us as follows:

1. INTERPRETATION

1.1 **Definitions.** In this Mortgage (as hereinafter defined):

- (a) **"Assigned Leases"** means every existing and future Lease and any guarantee of any such Lease;
- (b) **"Assigned Rents"** means all rents, benefits and other monies payable from time to time under the Assigned Leases;
- (c) **"Charge"** means any mortgage, charge (fixed or floating), pledge, lien (statutory or otherwise), assignment, lease, security interest, title retention agreement, trust, easement, restrictive covenant, lease, registered instrument or other encumbrance of any nature however arising;
- (d) **"Environmental/Hazardous Materials Claims"** means enforcement or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental/Hazardous Materials Laws, together with claims made or threatened by any third party against you or in respect of the Mortgaged Property relating to the environment, health, safety, any Wastes/Hazardous Materials or any Environmental/Hazardous Materials Laws;
- (e) **"Environmental/Hazardous Materials Laws"** means laws, by-laws, rules, ordinances, regulations, notices, approvals, orders, licenses, permits, standards, guidelines and policies from time to time of any level of government or other authorized agency relating to the environment, health, safety or any Wastes/Hazardous Materials;
- (f) **"Event of Default"** means any event referred to in paragraph 10.1 hereof, or otherwise herein, as constituting an Event of Default;
- (g) **"Improvements"** means each and every building, structure, erection, improvement, fixture or replacement thereof affixed or attached in, on, or under the Mortgaged Property or any part thereof which now or hereafter constitutes part of Your Interest;
- (h) **"Lease"** means a lease, sub-lease, agreement to lease or sub-lease, right of use or occupation, licence or sub-license, or other agreement as to the use or

occupation affecting the Mortgaged Property, or any part thereof, as the case may be, and includes any renewal, replacement or extension of any of the foregoing;

- (l) **"Mortgage"** means the Mortgage Form and these charge terms read together, as amended and extended from time to time;
- (j) **"Mortgage Form"** means the Form 2 Charge/Mortgage of Land under the *Land Registration Reform Act* (Ontario), as amended or replaced from time to time, which refers to these charge terms and is executed by you and all schedules and addenda attached to such Form 2 and "Mortgage Form" includes a Mortgage Form prepared and registered in electronic format and all schedules thereto under Part III of the said Act;
- (k) **"Mortgaged Property"** means the land(s) described or referred to in box 5 of the Mortgage Form (or in the appropriate field as set out in any Mortgage Form prepared in electronic format) together with the Improvements, appurtenances and every other thing referred to in the definition of "land" in Section 1 of the *Land Registration Reform Act* (Ontario), as amended or replaced from time to time, and whether now or hereafter existing or acquired, in connection with such land(s);
- (l) **"Mortgagee"** means the Chargee shown in box 14 of the Mortgage or in the appropriate field as set out in any Mortgage Form prepared in electronic format;
- (m) **"Mortgagor"** means the Chargor shown in box 11 of the Mortgage or in the appropriate field as set out in any Mortgage Form prepared in electronic format;
- (n) **"Permitted Charges"** means any:
 - (i) Charges that are expressly subordinate in priority to the Mortgage and any present or future advances under it;
 - (ii) Charges in our favour; and
 - (iii) Charges approved in writing by us prior to the execution of the Mortgage or the creation of the Charge;
- (o) **"Receiver"** includes a receiver, manager, receiver and manager or receiver-manager however appointed;
- (p) **"Secured Obligations"** means the aggregate of:
 - (a) the principal amount set out in the Mortgage Form;
 - (b) all interest thereon at the Interest Rate set out in the Mortgage Form;
 - (c) any amount, cost, charge and expense which has been added to the Secured Obligations pursuant to the Mortgage;
 - (d) any other amount, cost, charge and expense otherwise due and payable to the Mortgagee hereunder or secured by the Mortgage;
 - (e) interest at the Interest Rate set out in the Mortgage Form on all amounts, costs, charges and expenses payable in accordance with paragraphs (c) and (d) above, which amounts, costs, charges, expenses and interest shall be treated, as to the payment of interest thereon, as principal;
 - (f) compound interest on all overdue interest, calculated at the Interest Rate set out in the Mortgage Form, both before and after default, demand, maturity and judgment until paid; and
 - (g) all other present or future debts, liabilities or obligations of the Mortgagor hereunder, or under any letter of offer, commitment letter, guarantee, or any other agreement with the Mortgagee, (including all future advances and re-advances, interest, and interest on overdue interest), whether direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wherever and however incurred, of whatsoever nature or kind, whether or not provided for herein, and whether owed by the Mortgagor to the Mortgagee, as principal, guarantor, indemnitor or otherwise.

- (q) "Taxes" means all taxes, assessments, rates, duties, levies, government fees, utility charges, claims and dues levied, assessed or imposed on Your Interest or on you in respect of Your Interest;
- (r) "Wastes/Hazardous Materials" means wastes, materials and substances the storage, manufacture, disposal, treatment, generation, use or transport of which is prohibited, controlled or licensed under any Environmental/ Hazardous Materials Laws, or the remediation or release of which into the environment is likely, immediately or in the future, to cause harm or degradation to any of the Mortgaged Property or the environment, including contaminants, pollutants, corrosive substances, toxic substances, special wastes, substances deleterious to fish or wildlife, explosives, radioactive materials, asbestos, urea formaldehyde, and compounds known as chlorobiphenyls;
- (s) "Your Interest" means:
 - (i) the estate, right, title and interest in and to the Mortgaged Property as set out in box 7 of the Mortgage Form (or, in the case of a Mortgage Form which is prepared in electronic format, the estate, right, title and interest described in the appropriate field therein) which, unless the Mortgage Form otherwise expressly provides, includes both the legal and beneficial estate, right, title and interest in and to the Mortgaged Property; and
 - (ii) any other estate, right, title or interest in and to the Mortgaged Property hereafter acquired by you, or in your name.

- 1.2 **Our Certificate Conclusive.** Every certificate signed by one of our representatives purporting to show the amount of monies at any particular time due and payable under this Mortgage shall, in the absence of manifest error, be conclusive evidence as against you of the amount due and payable at such time under this Mortgage.
- 1.3 **Invalidity.** The invalidity or unenforceability of the whole or any part of any paragraph of this Mortgage shall not affect the validity or enforceability of any other paragraph or the remainder of such paragraph.
- 1.4 **Headings.** The headings used in this Mortgage have been inserted for convenience of reference only and do not define, limit, alter or enlarge the meaning of any provision of this Mortgage.
- 1.5 **Jurisdiction.** This Mortgage will be governed by and construed in accordance with the laws of Ontario.
- 1.6 **Time of the Essence.** Time shall be of the essence of this Mortgage.
- 1.7 **Consolidation.** The doctrine of consolidation shall apply to this Mortgage.
- 1.8 **Interpretation.** Whenever in this Mortgage the singular or neuter pronoun is used the same shall be respectively construed as the plural, masculine, feminine or body corporate as the context may require.
- 1.9 **Joint and Several Liability.** If you are comprised of more than one person, the liability of such persons is joint and several and every reference in this Mortgage to you shall be construed as meaning each person who executed this Mortgage as a mortgagor as well as all of them.
- 1.10 **Conflict with Mortgage Form.** If there is any conflict between these charge terms and any express terms in the Mortgage Form, the provisions of the express terms in the Mortgage Form shall prevail.
- 1.11 **Conflict with Agreement.** If you have entered into a letter of offer, commitment letter, loan agreement or guarantee (the "Agreement") with us dealing with, or relating to, the Secured Obligations, or any of them, then, in the event of any conflict between any term of this Mortgage and any term of the Agreement, the term of the Agreement shall prevail.
- 1.12 **Enurement.** This Mortgage shall enure to the benefit of and be binding upon you and us and our respective heirs, personal representatives, successors and permitted assigns.

2. GRANT OF SECURITY

- 2.1 **Mortgage.** As security for payment and performance of the Secured Obligations, you hereby charge and mortgage Your Interest to us, subject to Permitted Charges and the

provisions hereof, and, subject to paragraph 3.1, you release all claims to Your Interest to us.

- 2.2 **Title.** If you are not the beneficial owner of Your Interest or any part of Your Interest, you have the right and authority to grant this Mortgage as a charge against both the legal and beneficial title to all of the Mortgaged Property.

3. DISCHARGE OF MORTGAGE

- 3.1 This Mortgage will be redeemed and you will be entitled to a discharge of this Mortgage only upon the latest of:

- (a) full payment and satisfaction of the Secured Obligations;
- (b) our receipt of your written request for a discharge of this Mortgage; and
- (c) our receipt of payment of an administrative fee, to be fixed by us, for the preparation, execution and/or registration of a discharge of this Mortgage.

No discharge will be effective unless it is executed by us.

We shall have no obligation to provide any partial release of this Mortgage from any of the Mortgaged Property except as provided by statute, the Mortgage Form or the Agreement.

You will pay an administrative fee, to be fixed by us, for the preparation or execution of any partial release of this Mortgage. No partial release of any of Your Interest will affect our rights under this Mortgage with respect to the remainder of Your Interest.

We shall have a reasonable time after payment of the Mortgage in full within which to execute a discharge of this Mortgage and deliver it to you. If electronic registration is available, we will either execute a discharge of this Mortgage and deliver it to your solicitor or we will register the discharge on your behalf and will provide either you or your solicitor with confirmation of registration.

4. GENERAL REPRESENTATIONS AND WARRANTIES

- 4.1 **Title.** You own and possess and have good title in fee simple to all of Your Interest and you will defend Your Interest for our benefit against the claims and demands of all other persons.
- 4.2 **Authority to Charge.** You have good right, full power and lawful authority to enter into this Mortgage, to create the Mortgage and Charge provided for herein and to charge all of Your Interest to us subject only to Permitted Charges.
- 4.3 **Quiet Possession.** On default we shall be entitled to enter into and take possession of, and thereafter shall have quiet enjoyment of, Your Interest free from all Charges, except Permitted Charges.
- 4.4 **Permitted Charges.** You have done no act to encumber Your Interest, save for Permitted Charges.
- 4.5 **No Litigation.** There is no litigation, governmental proceeding, complaint, prosecution or investigation, with respect to environmental matters or otherwise, commenced or pending against you or otherwise affecting Your Interest and you agree to promptly notify us of any such future litigation, proceeding, complaint, prosecution or investigation.
- 4.6 **Construction Liens.** You have fully and completely complied and will comply with all requirements of the *Construction Lien Act* (Ontario) as amended or re-enacted from time to time so as to preserve the priority of the Mortgage and all advances thereunder to any claim for Construction Lien.
- 4.7 **General.** Each statement made by you in this Mortgage is true, complete and accurate and no investigation by us will diminish our right to rely on such statements, all of which will survive until we have discharged this Mortgage.

5. COVENANTS

- 5.1 **Secured Obligations.** You will pay, observe, perform and satisfy all of the Secured Obligations as and when the same are required to be paid, observed, performed and satisfied.

- 5.2 **Taxes.** You will promptly pay all Taxes when due and deliver to us a receipt therefor forthwith upon each payment.
- 5.3 **Other Charges.** If this Mortgage is now or at any time hereafter subject to any Permitted Charge(s):
- (a) you will duly observe, perform and comply with the covenants, provisos and agreements contained in each Permitted Charge (including the punctual payment of any money payable under the same) and you agree to indemnify and save us harmless from and against any and all loss and liability thereunder; and
 - (b) any default under any Permitted Charge shall be deemed to be an Event of Default hereunder.
- 5.4 **No Charges.** You will not create, assume or permit the existence of any Charge affecting any of Your Interest except for Permitted Charges, but nothing herein shall be constituted as our granting any priority to any such Permitted Charges.
- 5.5 **Miscellaneous Fees.** You shall pay to us on demand the following, all of which shall constitute a Secured Obligation and be payable immediately with interest at the highest rate of interest then in effect with respect to any part of the Secured Obligations, until paid:
- (a) a reasonable servicing fee to process each application for approval as herein contemplated; and
 - (b) all fees, costs, charges and expenses (including legal fees and expenses on a solicitor and his own client basis, Receiver's, bailiff's or other fees, commissions and expenses, and any fine, cost or penalty we may be obliged to incur by reason of any statute, order or direction by competent authority) incurred by us, or on our behalf, whether before or after court proceedings are commenced, in connection with:
 - (i) the preparation, issue, registration, modification and extension of this Mortgage, investigating title of the Mortgaged Property, recovering, collecting, procuring or enforcing payment or performance of the Secured Obligations, in any way enforcing or protecting the security of this Mortgage, or enforcing any of the terms of this Mortgage or otherwise exercising our rights and powers hereunder (including all of our travelling expenses and those of our employees and agents);
 - (ii) any inspection, appraisal, investigation or environmental audit of the Mortgaged Property or Your Interest;
 - (iii) any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the Mortgaged Property or Your Interest; and
 - (c) all other amounts paid or incurred by us generally in any other measure or proceeding taken by us or on our behalf to realize or collect the Secured Obligations or to defend or perfect the title of Your Interest, or to protect and preserve the Mortgaged Property.
- 5.6 **Maintain Insurance.** While this Mortgage is in effect you will:
- (a) maintain or cause to be maintained insurance on Your Interest with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as we may require including, without restricting the generality of the foregoing,
 - (i) insurance against loss or damage by fire to the Improvements in an amount of not less than full insurable value on a replacement cost basis; and
 - (ii) insurance against loss or damage to the Improvements on an all-risks basis.
 - (b) cause the insurance policy or policies required by this Mortgage to name us as a loss payee as our Interest may appear in respect of Your Interest, and include a standard mortgage clause or a mortgage endorsement;
 - (c) pay all premiums respecting such insurance, and deliver all policies to us if required;

- (d) upon request, immediately assign, transfer and deliver over to us each and every policy or policies of insurance and all receipts pertaining to same;
- (e) on the happening of any loss or damage to the Mortgaged Property or any of Your Interest, immediately notify and furnish to us, at your expense, all necessary proofs and do all necessary acts to enable us to obtain payment of any insurance monies otherwise payable to you, but nothing shall limit our right to submit to the insurer a proof of loss on our own behalf; and
- (f) authorize and direct the insurer under any required policy of insurance to include our name as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by us to any insurer of a certified copy of this Mortgage shall be its complete authority for so doing.

If you fail to maintain insurance as required, we may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as we consider necessary for our protection. If proceeds of any required insurance become payable, we may, in our absolute discretion, apply these proceeds to the Secured Obligations as we see fit or release any insurance proceeds to you to repair, replace or rebuild, but any release of insurance proceeds to you shall not operate as a payment on account of the Secured Obligations or in any way affect this Mortgage or the Charges created hereby. To ensure that we may apply such insurance monies in the manner herein contemplated, you also assign and release to us all of your rights to receive the insurance monies.

5.7 Use, Maintenance and Alteration of Improvements. You will:

- (a) promptly observe, perform, execute and comply with all laws, by-laws, rules, requirements, orders, directions, ordinances and regulations of every governmental, municipal and civil authority or agency concerning any part of the Mortgaged Property that constitutes part of Your Interest;
- (b) not permit or commit any act of waste on any part of the Mortgaged Property that constitutes part of Your Interest;
- (c) not change, or agree to any change of, the present use of Your Interest without our prior express written consent;
- (d) keep all improvements in good condition and repair;
- (e) not permit any Improvements to be unoccupied or unused without our prior express written consent;
- (f) carry on your business in a proper, business-like manner and maintain proper books of account;
- (g) not permit any of the following activities to occur in, on or under the Improvements:
 - (i) businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services;
 - (ii) businesses trading with countries that are proscribed by the Federal Government;
 - (iii) businesses which operate as a separate and sole entity nightclubs, bars, lounges, cabarets, casinos, discotheques and similar operations; or
 - (iv) businesses that are engaged in or associated with illegal activities.

You also agree that if following the grant of this Mortgage your business or the business of a tenant of yours fails to comply with this paragraph, the same may, at our discretion, constitute an Event of Default.

5.8 Right to Inspect and Repair. We and any of our agents, may at such time and from time to time, as we deem necessary and without the concurrence of any person, enter upon any part of the Mortgaged Property and make arrangements for completing the construction, repairing or putting in of Improvements, or for inspecting, appraising, taking care of, leasing, collecting the rents of, and generally managing any or all of Your Interest, as we may deem expedient, including the inspection and copying of your books and

records, whether located at the Mortgaged Property or elsewhere. Further, you consent to our contacting and making enquiries of your lessors/lessees, as well as environmental officials, assessors, municipal authorities and any taxing body.

- 5.9 **No Dividends, etc.** If you are a corporation, you will not, without our prior written consent, issue, purchase or redeem any of your shares, permit any of your shareholders to sell, transfer or dispose of their shares, declare or pay any dividends on any of your issued shares, or amalgamate, merge, consolidate or enter into any business combination with any other person.
- 5.10 **Spousal Consent.** If you are a spouse, your spouse if so named in the Mortgage Form, consents to the transaction evidenced by this Mortgage and releases all his or her interest in the Mortgaged Property to the extent necessary to give effect to our rights hereunder.
- 5.11 **Change in Status.** Immediately after any change or event affecting any of the following, namely:
- (a) Your spousal status;
 - (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act* (Ontario); and
 - (c) the legal title or beneficial ownership of the land,

you will advise us accordingly and furnish us with full particulars thereof, the intention being that we shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, you covenant and agree to furnish us with such evidence in connection with any of (a), (b) and (c) above as we may from time to time request.

- 5.12 **Perfection of Security.** You will do all things required in order that our security under this Mortgage is constantly perfected.
- 5.13 Every part, lot or unit into which the Mortgaged Property is or may hereafter be divided does and shall stand charged with the Secured Obligations and no person shall have any right to require the moneys hereby secured to be apportioned upon or in respect of any such part, lot or unit.

6. ENVIRONMENTAL MATTERS

- 6.1 **No Environmental Risks.** You represent and agree that:
- (a) you are not aware of any environmental risks or liabilities in connection with the Mortgaged Property which have not been disclosed to us and approved by us in writing;
 - (b) the operations on the Mortgaged Property are and will be kept in compliance with all Environmental/Hazardous Materials Laws and you will ensure your staff is trained as required for such purpose;
 - (c) you have an environmental emergency response plan and all your officers and employees are familiar with that plan and their duties under it;
 - (d) you possess and will maintain all environmental licences, permits and other governmental approvals as may be necessary for the conduct of your business;
 - (e) the Mortgaged Property is and will remain free of environmental damage or contamination;
 - (f) you will provide us with copies of all communications from or to any person relating to Environmental/Hazardous Materials Laws and any Environmental/Hazardous Materials Claims in connection with the Mortgaged Property that become known to you, and all environmental studies or assessments prepared for you, and you consent to us contacting and making enquiries of environmental officials or assessors;
 - (g) you will advise us immediately upon becoming aware of any environmental problem relating to the Mortgaged Property or your business;

- (h) without limiting the above, you will not install in, on or under the Mortgaged Property storage tanks for any Wastes/Hazardous Materials without our prior written consent and only upon full compliance with our requirements and the standards and requirements of all boards and governmental authorities having jurisdiction over the Mortgaged Property, and your activities and assets.

6.2 **Indemnity.** You agree to assume and be responsible for any and all environmental liabilities relating to the Mortgaged Property, including any liability for the clean-up of any Wastes/Hazardous Materials in, on or under the Mortgaged Property, and you agree to protect, save harmless and indemnify us, and any Receiver, and our respective directors, officers, employees and agents, direct and indirect successors and assigns, and our interest in the Mortgaged Property, from and against any and all claims, demands, liabilities, losses, damages and expenses, including legal fees and expenses, suffered by any of such persons arising out of or in connection with any and all environmental liabilities relating to the Mortgaged Property. Your liability will arise upon the earlier of the discovery of any Wastes/Hazardous Materials, and the institution of any Environmental/Hazardous Materials Claims, and will not be dependent upon the realization of any loss or damage or the determination of any liability. This indemnity and your liability hereunder will survive after this Mortgage and the Charges created hereby have been discharged.

7. ASSIGNMENT OF RENTS

7.1 As additional security for the payment and performance of the Secured Obligations, you hereby assign the Assigned Rents to us, together with the benefit of all covenants, rights and agreements contained in the Assigned Leases and you agree as follows:

- (a) to execute and deliver such further assignments, notices or other documents as may be required to render this assignment effective;
- (b) we are not obliged to collect any Assigned Rents, nor to comply with any covenant, agreement or term of any Assigned Lease;
- (c) the tenants shall pay the Assigned Rents as we may from time to time direct, and in the absence of direction, may pay them to you;
- (d) none of the Assigned Leases or your rights thereunder including the right to receive the Assigned Rents, has been or will be amended, assigned, encumbered, terminated, discounted or anticipated without our prior written consent;
- (e) no tenant, sub-tenant, licensee or sub-licensee, as the case may be, may make, and you may not accept, a prepayment of Assigned Rents without our prior written consent and where any such person under any Assigned Lease entered into prior to this Mortgage has a contractual right to prepay Assigned Rents, such prepayment will, if made, be paid to us and applied as prepayment on the Secured Obligations or any of them, or held as security for the Secured Obligations, as we may determine, unless we have, in writing, waived our right to receive such prepayment;
- (f) there is no existing default in payment of Assigned Rents or otherwise under any of the Assigned Leases by any of the parties thereto and no outstanding dispute under any of the Assigned Leases;
- (g) you will observe and perform all of your obligations under each of the Assigned Leases and deliver to us a true copy of each of the Assigned Leases upon demand;
- (h) all Assigned Leases made hereafter will contain terms and conditions and be with tenants, sub-tenants, licensees or sub-licensees (as the case may be), which are not less favourable or desirable to you than those which a prudent landlord would expect to receive for the premises to be leased or subleased. Without limiting the foregoing, each such lease shall contain a covenant by the tenant, in form satisfactory to us, to attorn to us as tenant on demand made after occurrence of an Event of Default, for the balance of the term of the tenant's lease and on the same terms and conditions as are contained in the lease. The benefit of such covenant is and is hereby deemed to be assigned by you to us as additional and separate security to the other security created by the Mortgage including the Assignment of Rents and Assignment of Leases, for payment and performance of the Secured Obligations, and may be enforced by us by demand as aforesaid. We shall have no obligation, however, to enforce the covenant, nor shall our rights and remedies otherwise existing under the Mortgage or at law, including

the Assignment of Rents and Assignment of Leases, be prejudiced by the taking, assignment or enforcement or non-enforcement of the covenant, except insofar as enforcement, if any, would be inconsistent with such other rights and remedies including our right to immediate vacant possession or to demand that the tenant attorn to us as a yearly tenant.

- (i) nothing we do pursuant to this paragraph will deem us to be a mortgagee in possession of the Mortgaged Property and we need account only for such monies as we actually receive and we are entitled to charge a reasonable collection fee against such receipts for the collection thereof; and
- (j) we may recover and apply Assigned Rents to such part of the Secured Obligations as may be then due and unpaid without accelerating due dates of the Secured Obligations or any part thereof, or otherwise realizing on our security.

Provided that a discharge of this Mortgage under paragraph 3.1 will constitute a re-assignment to you of all rights and benefits assigned to us by this paragraph.

8. ASSIGNMENT OF RIGHTS OF INDEMNITY

- 8.1 You hereby assign to us all and any rights of indemnification you now have, or which you may hereafter have, arising or existing by reason of or with respect to Your Interest and the Improvements to have and to hold, take and receive the same to our use absolutely, provided that a discharge of this Mortgage under paragraph 3.1 will constitute a re-assignment of such rights to you.

9. MORTGAGES OF SPECIAL INTERESTS

- 9.1 **Leasehold.** If Your Interest is as a lessee, sub-lessee, licensee or sub-licensee (collectively a "lessee") of the whole or any portion of the Mortgaged Property pursuant to a Lease the representation set out in paragraph 4.1 above shall be deemed not to include the words "in fee simple", and:

- (a) you hereby demise, sub-lease and mortgage Your Interest and the Lease to us, by way of a sub-lease, except for the last day of the term of the Lease (the "reversion") which is excepted out of the Charge created by this Mortgage but which shall be deemed to be held by you in Trust for us to be assigned or disposed of as we or anyone claiming through us may direct, and we shall have power on any realization to appoint a new person as Trustee of the reversion;
- (b) if the Lease cannot be effectively charged without consent, any Charge intended to be created by this Mortgage upon Your Interest in the Lease shall not become effective until, but shall become effective immediately when, all consents necessary for the validity and effectiveness of such Charge have been obtained or waived by all appropriate persons;
- (c) you represent to us that the Lease is valid and in good standing, in full force and effect and unsurrendered, you have the right to mortgage Your Interest and the Lease to us, all rents or other monies payable under the Lease have been paid and all other obligations under the Lease, whether of you or your landlord, have been performed or complied with;
- (d) you will promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by you under the Lease, including payment of rent;
- (e) you shall take no action or be guilty of any default which shall or may cause the Lease to be terminated or forfeited, or, without our prior written consent, surrender or give any notice which would have the effect of terminating, or permitting the termination of, the Lease;
- (f) you will promptly notify us in writing of any default or of any condition that with or without the passage of time or the giving of any notice might result in a default under, or the termination of, the Lease, and you will promptly cause a copy of each notice you receive under the Lease to be delivered to us;
- (g) in the event of any renewal, extension, replacement or substitution of the Lease being created, you will immediately so advise us, and provide us with particulars of the same and a true copy of the subject instrument, and when we request, you will execute such further instrument as we may require;

- (h) you will not during the continuance of this Mortgage, without our prior written consent, modify, alter or suffer or permit any modification or alteration of the Lease and any such altered or modified Lease shall be charged by this Mortgage;
- (i) you will promptly obtain from the lessor under the Lease and deliver to us, a certificate stating that the Lease is in full force and effect, is unmodified or modified as the case may be, that no notice of termination thereon has been served on you thereunder, stating the date to which the rent has been paid and stating whether or not there are any defaults thereunder and specifying the nature of such defaults, if any;
- (j) you shall not consent to the subordination of the Lease to any mortgage of the interest of the lessor (or leasehold interest of the sub-lessor) thereof in the Mortgaged Property;
- (k) you will at the proper time and times take such proceedings, and make, do and execute such acts, deeds, matters and things as may be requisite for obtaining a renewal of the Lease; and
- (l) you will hold the reversion and any renewals, extensions, replacements or substitutions thereof in trust for us and you will assign and dispose of the same in such manner as we may direct by notice in writing.

9.2 **Condominium.** If Your Interest is comprised of one or more condominium units and their appurtenant common interests in a condominium corporation registered pursuant to the *Condominium Act* (Ontario):

- (a) you shall comply with, observe and perform all provisions of the *Condominium Act* and its regulations and the Declaration, the by-laws, the rules and the regulations of the condominium corporation (the "Condominium Corporation");
- (b) you shall pay, on or before the due date thereof, each and every common expense charge, assessment, contribution, expense, fine or levy made by or on behalf of the Condominium Corporation in respect of Your Interest;
- (c) you will forward to us within 10 days of our demand a certificate in any form required by the *Condominium Act* certifying that no monies are owing by you to the Condominium Corporation;
- (d) you will not, without our prior written consent:
 - (i) assign any right, power, duty or obligation under the *Condominium Act* or the regulations created under it; or
 - (ii) give possession of the condominium units hereby charged to any person on the basis of an agreement for the purchase of the condominium units by the occupier or on the basis of a lease, sub-lease or assignment of lease for a term of three years or more;
- (e) you hereby grant to us your power and right to vote and to consent conferred on you by or under the *Condominium Act* in respect of all matters in relation to which the *Condominium Act* allows or provides that we may vote and consent, such power and rights being hereby assigned, transferred and set over unto us, and in respect of all other matters, you hereby irrevocably appoint us as your proxy to attend, speak and vote and consent for and on your behalf but in our discretion at all meetings of the Condominium Corporation; provided we shall not be obliged to vote or consent or to protect Your Interest and shall not be liable to you in connection with any consequences of our exercise or failure to exercise such right to vote or consent and that if we, by our authorized representative, agent or proxy have not given due notice of our intent to vote or consent, are not present at any duly called meeting of the Condominium Corporation of which we have received written notice, you may exercise the right to vote or consent. Our right to vote and consent includes the right to vote for or against any matter, and the right to dissent. You agree that neither this clause nor anything done by virtue of it shall render us a mortgagee in possession;
- (f) at least five days prior to each general meeting of the Condominium Corporation, you shall deliver to us written notice of the meeting specifying the place, date, hour and purpose of the meeting;
- (g) you hereby authorize any of our officers to apply at any time and from time to time during the term of this Mortgage to the Condominium Corporation:

- (i) to have any bylaw for the time being in force governing the condominium units and their appurtenant common interests hereby mortgaged made available for inspection by such officer;
 - (ii) for certification to us of the amount of any contribution determined as your contribution, the manner in which any contribution is payable, the extent to which you have paid any contribution and the amount of money expended by the Condominium Corporation on your behalf under the *Condominium Act* and not recovered by it; and
 - (h) at our request, you will deliver to us copies of all notices, financial statements and other documents given by the Condominium Corporation to you.
- 9.3 **Vendor's Interest in Right to Purchase.** If Your Interest is the full fee simple subject to a right to purchase (in this clause called the "Right to Purchase"):
- (a) you transfer and assign to us absolutely all of your right, title and interest in and to the Right to Purchase and the monies now and hereafter owing thereunder, together with the full benefit of all powers and all covenants and provisions in the Right to Purchase, and full power and authority to use your name for enforcing the performance of the covenants and other matters and things contained in the Right to Purchase; and
 - (b) you shall not accept any prepayment of the Right to Purchase other than in accordance with the terms thereof; provided that, if you are obliged to accept a prepayment, the amount thereof shall be paid to us as a prepayment on account of the Secured Obligations unless we waive such prepayment; and
 - (c) we shall be under no obligation to commence action or take any proceeding or step to enforce the Right to Purchase and shall not be liable for any loss arising from any omission by us to take any such action, proceeding or step.
- 9.4 **Purchaser's Interest in Right to Purchase.** If Your Interest is as a purchaser's interest in an agreement for sale, then the Charge created hereby to secure the Secured Obligations is to attach to your increasing equity in the Mortgaged Property to the intent that when you obtain the fee simple to the Mortgaged Property, this Mortgage shall become a Mortgage of the full fee simple.

10. EVENTS OF DEFAULT

- 10.1 The occurrence of any of the following events will constitute an Event of Default:
- (a) if you fail, or threaten to fail, to observe or perform any covenant, agreement, condition or obligation in our favour, whether or not herein contained, including your failure to pay or perform any of the Secured Obligations when due;
 - (b) if any representation, warranty or statement made to us either by you or on your behalf and whether or not combined herein or elsewhere, is not or ceases to be true;
 - (c) if you, or any other obligant to us, or any other person liable, in respect of any of the Secured Obligations, ceases or threatens to cease to carry on your or its business, as the case may be, or any material part thereof or to sell all or substantially all of your or its assets, or becomes insolvent or files a proposal, a notice of intention to file a proposal, or an assignment for the benefit of creditors under applicable bankruptcy or similar legislation, or if a petition is filed, an order is made, a resolution is passed, or any other step is taken for your, or such other person's, bankruptcy, liquidation, dissolution, winding-up or reorganization or for any arrangement or composition of your or its debts or any protection from your or its creditors;
 - (d) if you are in default under any other Charge of Your Interest or under any indebtedness other than Secured Obligations, or you permit to accelerate any indebtedness (other than Secured Obligations) owed by you to any creditor other than us;
 - (e) if a Receiver, trustee or similar official of any of Your Interest is appointed;
 - (f) if you are a corporation and any member or shareholder commences an action against you or gives notice of dissent to you in accordance with the provisions of any applicable legislation;

- (g) the holder of any other Charge on, or claim against, any of Your Interest does anything to enforce or realize on such Charge or claim, or any execution, sequestration, or other process becomes enforceable against you, or if a distress, seizure or similar process is levied upon or exercised against any of Your Interest;
- (h) if the lessor under any lease to you of any of the Mortgaged Property takes any step to or threatens to terminate such or otherwise exercise any of its remedies under such lease as a result of any default or alleged default by you under such lease;
- (i) if any of the Mortgaged Property is destroyed, substantially damaged, expropriated, or designated or considered for designation as a contaminated site;
- (j) if any permit, licence, certification, quota or order granted to or held by you is cancelled, reduced or revoked, or any order against you is enforced, with the effect of preventing your business from being carried on for more than five days or materially adversely changing the condition (financial or otherwise) of your business;
- (k) if you sell, transfer, convey, lease, assign, release, surrender or otherwise dispose of or part with possession of any of the Mortgaged Property or agree to do so; or
- (l) if you are in arrears of payment to any taxing authority;
- (m) if you cause or allow hazardous materials to be brought upon the Mortgaged Property or incorporated into any of your assets without our prior consent, or if you cause, permit or fail to remedy any environmental contamination upon, in or under the Mortgaged Property or fail to comply with any abatement or remediation order given by a responsible authority;
- (n) if you use any of the monies advanced hereunder for any purpose other than as declared to and agreed upon by us;
- (o) if we deem ourselves insecure or believe that the assets secured hereby are in danger of loss, damage or misuse; or
- (p) if there is a deemed Event of Default pursuant to this Mortgage.

11. ENFORCEMENT

11.1 **Enforcement.** Upon the occurrence of an Event of Default, at our option, our security will immediately become enforceable. To enforce and realize on the security created hereby we may take (or refrain from taking) any action permitted by law or in equity as we may deem expedient, including any of the following:

- (a) declare any or all of the Secured Obligations immediately due and payable;
- (b) enter upon, take possession of, occupy, use, preserve and protect Your Interest, with power to exclude you, your agents and employees therefrom;
- (c) maintain, repair, replace and complete Improvements in accordance with existing plans or otherwise as we, in our absolute discretion, may determine;
- (d) collect the Assigned Rents and other assets we hold as security for the Secured Obligations;
- (e) distraint for arrears of interest and for arrears of any other of the Secured Obligations in the same manner as if same were arrears of interest;
- (f) provided that the Event of Default has continued for at least 15 days, on at least 35 days notice in writing, enter on and sell or lease the Mortgaged Property or any part thereof. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act* (Ontario). In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the Mortgaged Property, if occupied, or by placing it on the Mortgaged Property if unoccupied, or at our option, by mailing it in a registered letter addressed to you at your last known address, or by publishing it once in a newspaper published in the county or district

in which the Mortgaged Property is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any other Secured Obligation or any part thereof and such default continues for two months after any payment falls due then we may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by us shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the Mortgaged Property may be sold by public auction or private contract, or partly one or partly the other, and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Mortgaged Property or by reason of non-payment or procuring payment of monies, secured by the Mortgage or otherwise, and secondly in payment of all amounts of principal and interest and other Secured Obligations owing under the Mortgage; and if any surplus shall remain after fully satisfying our claims as aforesaid same shall be paid as required by law. We may sell any of the Mortgaged Property on such terms as to credit and otherwise as shall appear to us most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which we shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the Mortgaged Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, we shall be bound to pay you only such monies as have been actually received from purchasers after the satisfaction of our claims and for any of said purposes may make and execute all agreements and assurances as we shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

- (g) exercise any or all of your rights and remedies in respect of Your Interest;
- (h) as your agent, appoint by Instrument a Receiver of the Mortgaged Property and of all your properties, assets, effects and undertakings (collectively called the "Undertakings") related to or arising out of Your Interest (all of which are hereby charged and form part of the Mortgaged Property) with or without bond as we may determine, and in our absolute discretion and from time to time, remove any Receiver so appointed and appoint another in its stead, but we shall be under no liability for the remuneration, acts or omissions of the Receiver, its employees and agents;
- (i) commence proceedings in a court of competent jurisdiction for the appointment of a Receiver with such powers and duties (including the powers set out in paragraph 11.2) as the Court may see fit to confer by Order;
- (j) exercise any other rights and remedies under this Mortgage; or
- (k) exercise any other right and power a Receiver could exercise.

We shall not be liable for any debts we contract during enforcement of this Mortgage, for damages to persons or property, salaries or non-fulfillment of contracts during any period when we take any action referred to above, for any misconduct, negligence or misfeasance by us, or any employee or agent of ours, and neither the provisions of this Mortgage nor the exercise of any of the powers provided in this Mortgage shall render us a mortgagee in possession, and we shall not be accountable except for the monies we actually receive. You waive any provision of law which may be waived which imposes any greater obligations on us than described above.

All reasonable costs, charges and expenses, including allowance for the time and services of any officer of the Mortgagee or other person appointed by it for the purposes of protecting, preserving, remediating, taking care of, leasing, collecting the rents of, or managing generally the Mortgaged Property, including any fine or penalty the Mortgagee is obliged to incur by reason of any statute, order or direction of competent authority, shall be forthwith payable to the Mortgagee, and shall be a charge upon the Mortgaged Property and shall bear interest at the Interest Rate set out in the Mortgage Form.

- 11.2 **Receiver.** A Receiver appointed pursuant to this Mortgage shall be your agent and not ours, and, to the extent permitted by law or its appointment, shall, in our discretion, have all of our rights and powers (including those under this Mortgage), including the power to:
- (a) take possession of and enter upon the Mortgaged Property which constitutes part of Your Interest and the Undertakings or any part thereof;
 - (b) sell or lease or concur in selling or leasing the Mortgaged Property and the Undertakings or any part thereof;
 - (c) make any arrangement or compromise which it shall think expedient;
 - (d) carry on, or concur in the carrying on of, any development then in progress or otherwise contemplated by you with respect to the Mortgaged Property or your business relating to the Mortgaged Property and for such purposes from time to time to borrow money either secured or unsecured, and if secured by security on the whole or any part of the Mortgaged Property and the Undertakings, such security may rank before or pari passu with or behind this Mortgage; and
 - (e) commence, continue or defend proceedings in the name of the Receiver or in your name, which the Receiver considers necessary or advisable for the proper protection of the whole or any portion of Your Interest or the enforcement of this Mortgage.

We may from time to time fix the remuneration of every such Receiver and direct the payment thereof out of the proceeds of the receivership. The rights and powers conferred by this paragraph are in addition to and not in substitution for any right we may from time to time possess.

- 11.3 **Application of Proceeds.** Any money from time to time received by the Receiver shall, subject to the claims of creditors, if any, which are secured by any Charges ranking in priority to this Mortgage, be paid, subject to our direction otherwise, by it **Firstly**, in payment of all costs, charges, expenses of and incidental to the appointment of the Receiver and the exercise by it of all of any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by it, **Secondly**, in or towards payment to us of the amounts comprised in the Secured Obligation in such manner and order as we shall, in our absolute discretion, deem advisable, and **Thirdly**, any surplus shall be paid to you provided that in the event any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or any portion of the surplus as the Receiver deems appropriate in the circumstances.
- 11.4 **Appointment of Attorney.** You irrevocably appoint us or the Receiver, as the case may be, with full power of substitution, as your attorney for and in your name to do everything necessary or incidental to the exercise of any or all of the powers conferred on us or the Receiver, as the case may be, pursuant to this Mortgage.

12. OTHER RIGHTS

- 12.1 **No Liability to Advance.** None of the preparation, execution or registration of this Mortgage, nor any advance or re-advance of money under it, nor any course of conduct by us, obligates us to advance or re-advance any money, or extend time for payment of a Secured Obligation, all of which remain in our absolute discretion.
- 12.2 **Continuing Security.** This Mortgage shall be general and continuing security for the Secured Obligations and any ultimate unpaid balance thereof, including a current or running account. The Secured Obligations may be reduced to zero from time to time without affecting the continuing nature of this Mortgage as security for any Secured Obligations thereafter incurred. Without limiting the foregoing, no payment, observance, performance or satisfaction of the Secured Obligations, nor any ceasing by you to be indebted or liable to us, will be deemed a redemption or discharge of this Mortgage.
- 12.3 **Security in Addition.** The provisions of this Mortgage and the security of this Mortgage are in addition to, but not in substitution for, any other security now or hereafter held by us for the Secured Obligations or any part thereof. This Mortgage shall not in any way affect or prejudice any security now or hereafter held by us for the whole or any part of the Secured Obligations. Any act done or omitted to be done by us:
- (a) regarding any other securities held by us for the Secured Obligations or any part thereof shall not in any way affect or prejudice this Mortgage; or

(b) regarding this Mortgage shall not in any way affect or prejudice any other securities held by us for the Secured Obligations or any part thereof.

- 12.4 **Multiple Securities.** The occurrence of an Event of Default under this Mortgage constitutes default under all other agreements and security held by us in relation to the Secured Obligations and default under such other agreements or security constitutes an Event of Default hereunder.
- 12.5 **Performance of Obligations.** If you fail to perform any of your obligations hereunder or fail, upon request, to give us proof of performance thereof, we may (but will not be obligated to) perform any or all of such obligations or cause them to be performed, without prejudice to our other rights and remedies.
- 12.6 **Indulgences.** We may grant extensions of time and other indulgences, take and give up security, accept compositions, compromise, make settlements, grant releases and discharges, refrain from registering or maintaining registration of Charges, and otherwise deal with you, other obligants to us, your other creditors, sureties and other persons and with Your Interest and other security, all as we see fit in our absolute discretion and without prejudice to your liability or our rights or remedies. You agree that you will not be released nor your liability in any way reduced because we have done, not done, or concurred in doing or not doing, anything whereby a surety would or might be released in whole or in part.
- 12.7 **Waiver.** We may waive any default hereunder provided that no such waiver, nor any failure to enforce at any time or from time to time any of our rights hereunder, shall be effective unless in writing or prejudice our rights in the event of any future default or breach.
- 12.8 **Remedies Cumulative.** We may in our sole discretion realize on various securities (including this Mortgage) and any parts thereof in any order that we consider advisable and no realization or exercise by us of any power or right under this Mortgage or other security shall in any way prejudice any further realization or exercise until all Secured Obligations are satisfied. All rights and remedies available to us are cumulative and not restrictive of remedies at law and in equity and by statute.
- 12.9 **Application of Payments.** We may, both before and after default, apply all payments made in respect of the Secured Obligations from time to time, and any monies realized from any security held therefor, to such parts of the Secured Obligations (whether or not then due) as we see fit.

13. PRESERVATION OF MORTGAGE AND OTHER SECURITY

- 13.1 **No Dealing With Equity of Redemption.** No extension of time given by us to you, or anyone claiming under you, or any other dealing by us with the owner(s) of the equity of redemption of Your Interest, shall in any way affect or prejudice our rights or remedies against you or any other person liable either in whole or in part for the payment of or performance of the Secured Obligations.
- 13.2 **No Merger.** Neither this Mortgage nor anything contained herein shall operate so as to create any merger, rebate or discharge of any of your representations, obligations (including debts owing to us) or covenants to us under any Agreement, any amendment to it, or other document or security now or hereafter held by us from you or any other person, all of which survive the execution and delivery of this Mortgage and our advance of money. The taking of a judgement on any covenant herein shall not operate as a merger of this said covenant, or affect our right to receive any interest when due.

14. MISCELLANEOUS

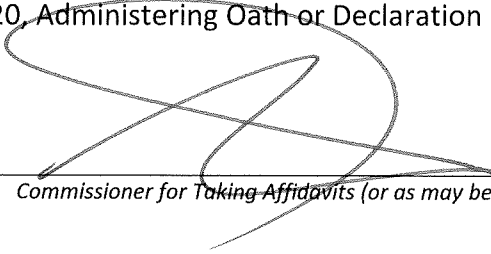
- 14.1 **Payment.** We may require payment of the Secured Obligations at any place in Canada as we may direct.
- 14.2 **Strict Observance.** You will strictly observe and perform each your agreements set out herein.
- 14.3 **Further Assurances.** You will execute such documents and further assurances of Your Interest and take such action as we may require.
- 14.4 **No Representations.** We have not made and you do not rely on any representations, warranties, covenants, agreements, conditions or provisos, oral or otherwise, whether made by us or any person acting actually or ostensibly on our behalf, other than those contained in this Mortgage unless those representations, warranties, covenants,

agreements, conditions and provisos are contained in a supplementary contact in writing duly executed by both you and us and expressed to be collateral to this Mortgage.

- 14.5 **Assignment.** You will not assign any of your rights or obligations under this Mortgage, and no such purported assignment shall be effective, without our prior written consent, which may be arbitrarily withheld.
- 14.6 **Notice.** Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the address of such party provided on the Mortgage Form or at such other address as may be given in writing by one party to the others, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery. Delivery by fax transmission is deemed to be received on the day of transmission.
- 14.7 **Modification.** No amendment of this Mortgage will be effective unless signed by all parties to this Mortgage.
- 14.8 **Exclusion of Statutory Covenants.** The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* (Ontario) as amended or re-enacted are excluded from this Mortgage.

END OF DOCUMENT

This is Exhibit "D" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Properties

PIN 25058 - 0117 LT
Description PT LTS 18 & 19, CON 11 ESQ , PT 2 20R8564 ; HALTON HILLS/ESQUESING
Address 11553 TENTH LINE
 HALTON HILLS

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 1000088317 ONTARIO INC.
Address for Service 11553 Tenth Line
 Georgetown, ON
 L7G 4S7

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
 This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name BUSINESS DEVELOPMENT BANK OF CANADA
Address for Service 201 City Centre Drive, Suite 301,
 Mississauga, ON,
 L5B 2T4

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, HR1862378 registered on 2022/01/26 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Shellisa Bhagwandin 800-150 York St. acting for Signed 2022 01 26
 Toronto Applicant(s)
 M5H 3S5

Tel 416-364-1553

Fax 416-364-1453

I have the authority to sign and register the document on behalf of all parties to the document.

Shellisa Bhagwandin 800-150 York St. acting for Signed 2022 01 26
 Toronto Party To(s)
 M5H 3S5

Tel 416-364-1553

Fax 416-364-1453

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

MACDONALD SAGER MANIS LLP 800-150 York St. 2022 01 26
 Toronto
 M5H 3S5

Tel 416-364-1553

Fax 416-364-1453

Fees/Taxes/Payment

Statutory Registration Fee \$66.30
Total Paid \$66.30

File Number

Party To Client File Number : 213248



ASSIGNMENT OF RENTS

THIS ASSIGNMENT dated the 25 day of January, 2022.

BETWEEN:

1000088317 ONTARIO INC.

(the "Assignor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA

(the "Bank")

WHEREAS:

- A. By a Mortgage made between the Assignor and the Bank, which Mortgage is dated January 25 , 2022, and was registered in the Land Title Division of Halton (LRO# 20) on the 26 day of January, 2022, as No. HR1862378, (hereinafter called the "Mortgage") the Assignor did grant and mortgage unto the Bank the lands and premises in the Town of Halton Hills, in the Province of Ontario, and legally described as follows:

PIN: 25058-0117 (LT)

PT LTS 18 & 19, CON 11 ESQ , PT 2 20R8564 ; HALTON HILLS/ESQUESING

and municipally known as 11553 Tenth Line, Halton Hills, ON

(the "Lands and Premises")

to secure payment of \$18,000,000.00 and interest thereon as therein set forth;

- B. The Assignor has agreed to assign to the Bank all rents and other monies now due and payable or hereafter to become due and payable under every existing and future lease of and Agreement to Lease the whole or any portion of the Lands and Premises as a further security for the payment of the principal sum and interest secured by the Mortgage and for the performance of the covenants in the Mortgage contained;

NOW THEREFORE in consideration of the premises, the sum of One Dollar (\$1.00) now paid by the Bank to the Assignor, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Assignor), the parties hereto covenant and agree as follows

1. The Assignor does hereby assign and set over unto the Bank as security for the said principal and interest secured by the Mortgage and for the performance of the covenants in the Mortgage contained all rents and other monies now due and payable or hereafter to become due and payable under every existing and future Lease of and Agreement to Lease the whole or any portion of the Lands and Premises (hereinafter called the "Leases"), together with the benefit of all covenants, agreements and provisoes contained in the Leases with full power and authority to demand, collect, sue for, recover, receive and give receipts for the rents and to enforce payment thereof in the name of the Assignor, its successors and assigns.
2. Nothing herein contained shall be deemed to have the effect of making the Bank responsible for the collection of any rents and other monies now due and payable or to become due and payable, or for the performance of any covenants, terms and conditions either by the lessor or by the lessee contained or to be contained in the Leases and the Bank shall not, by virtue of this Assignment, be deemed a Mortgagee in possession of the Lands and Premises or any part thereof.
3. The Bank shall be liable to account for only such monies as shall actually come into its hands by virtue of this Assignment, less collection charges, exigible taxes and costs (including solicitor and client costs). Such monies when so received by the Bank shall be applied on account of the monies from time to time due under the Mortgage and any renewal or extension thereof, or under any agreement collateral thereto.
4. The said rents and other monies now due and payable or hereafter to become due and payable hereunder and other benefits hereby assigned or to be assigned to the Bank are being taken as collateral security only for the due payment of any sum due under the Mortgage or any renewal or extension thereof or of any Mortgage taken in substitution therefor, either wholly or in part, and none of the rights or remedies of the Bank under the Mortgage shall be delayed or in any way prejudiced by these presents.
5. Notwithstanding any variation of the terms of the Mortgage or any agreement or arrangement with the Assignor or any extension of time for payment or any release of part or parts of the Lands and Premises, or of any collateral security, the said rents and monies now due and payable or hereafter to become due and payable hereunder and other benefits hereby assigned or to be assigned shall continue as collateral security until the whole of the monies secured by the Mortgage shall be fully paid and satisfied.
6. The Assignor covenants and agrees from time to time and at all times hereafter, at the request of the Bank, to execute and deliver at the expense of the Assignor such further assurances for the better and more perfectly assigning to the Bank all rents and monies now due and payable or hereafter to become payable hereunder, as the Bank shall reasonably advise.
7. Until default shall have been made in the payment of any installment of principal or of interest as provided in the Mortgage or any renewal or extension thereof or until the breach of any covenants contained in the Mortgage, the Assignor shall be entitled to receive all rents or monies payable

under the Leases and shall not be liable to account therefor to the Bank, but immediately upon default in payment of either the principal or interest under the Mortgage, or upon a breach on the part of the Assignor of any of the covenants contained in the Mortgage, and so often as either may occur, the Bank upon notice to the lessee or to any person or persons liable for payment of any rents or monies under the Leases, shall be entitled to all such rents or monies falling due subsequent to the date of service of such notice.

8. Notwithstanding this Assignment, the Assignor shall be solely responsible for performing and complying with all the lessor's covenants and other obligations under the terms of the Leases and shall perform, according to the true intent and meaning thereof, all such the covenants and obligations contained in the Leases so that the rights and remedies of the Bank shall not be in any way delayed or prejudiced.
9. The Bank may, but shall not be bound to, institute proceedings for the purpose of enforcing any Leases or collecting the rents or for the purpose of preserving any rights of the Bank, the Assignor or any other person, firm or corporation in respect of the same.
10. The Bank may waive any default or breach of covenant and shall not be bound to serve any notice as hereinbefore set forth upon the happening of any default or beach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.
11. This Agreement shall enure to and be binding upon the Parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Assignor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.

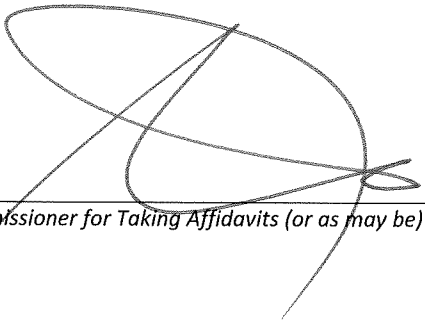
Signature page follows

1000088317 ONTARIO INC.

DocuSigned by:
Harvinder Singh Randhawa
Per: 9B2CCZ7DBEA2FB...
Name: Harvinder Singh Randhawa
Title: President

DocuSigned by:
Manpreet Kaur Bal
Per: 2ADDEEDACA444AD
Name: Manpreet Kaur Bal
Title: Vice-President
We have authority to bind the corporation

This is Exhibit "E" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated the 25 day of January, 2022

BETWEEN:

1000088317 ONTARIO INC., in the Province of Ontario

(the "Debtor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at

201 City Centre Drive, Suite 301, Mississauga, ON, L5B 2T4

("BDC")

1. SECURITY INTEREST

(You, as the Debtor, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Debtor hereby:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Debtor that is not Equipment, Inventory or Accounts;

- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is collectively called the "Intellectual Property");
 - (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property is subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Debtor's consumer goods are excepted out of the Security Interests.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Debtor agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Debtor has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Debtor confirms that there has been no agreement between the Debtor and BDC to postpone the time for attachment of the Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Debtor acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that moneys advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Debtor or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Debtor to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Debtor to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Debtor's obligation and liability under any contract or guarantee now or in the future in existence whereby the Debtor guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Debtor to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Debtor represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Debtor has provided a written memorandum to BDC accurately setting forth all prior names under which the Debtor has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Debtor is an individual, that individual's full name and address provided to BDC are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office have been correctly provided to BDC

7. COVENANTS OF THE DEBTOR

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Debtor covenants with BDC that while this Security Agreement remains in effect the Debtor will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the

Collateral and all covenants, terms and conditions upon or under which the Collateral is held;

- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter between BDC and the Debtor including, without limitation, inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under Bankruptcy and Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to Bankruptcy and Insolvency Act (Canada);
 - (ix) any sums BDC pays as fines, or as clean up costs because of contamination of or from your assets. Further, you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Debtor, its

- business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
- (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
 - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
 - (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
 - (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Debtor's premises or otherwise, and the Debtor will render all assistance necessary;
 - (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
 - (n) deliver to BDC from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
 - (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;

- (p) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (q) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral;
- (r) consent to BDC contacting and making enquiries of the Debtor's lessors, as well as municipal or other government officials or assessors; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if it so requires.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Debtor hereby authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Debtor will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2; or
- (c) where the Debtor is a corporation
 - (i) repay or reduce any shareholders loans or other debts due to its shareholders; or
 - (ii) change its name, merge with or amalgamate with any other entity;

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 Provided that the Debtor is not in default under this Security Agreement, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement. BDC may perform those obligations but you will be required to pay for them.)

If the Debtor fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Debtor to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Debtor in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Debtor in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Debtor and BDC in any of the following events:

- (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under Bankruptcy and Insolvency Act (Canada), the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the Debtor; or
- (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (i) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or

- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 Upon any default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser

extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

- (a) carry on the Debtor's business and for such purpose from time to time to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under Bankruptcy *and Insolvency Act* (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:
 - (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.

16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.

16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to BDC and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral.

16.4 BDC in its sole discretion may realize upon any other security provided by the Debtor in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.

16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.

16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Debtor hereby irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Debtor for and in the name of the Debtor to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall continue and survive any mental infirmity or legal incapacity of the Debtor subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Debtor to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Debtor to remedy any default without waiving the default so remedied. BDC may from time to time and at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if mailed shall be deemed to have been given at the expiration of three business days after mailing and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

BDC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, the Debtor's account debtors, sureties and others and with the Collateral and other security interests as BDC may see fit without prejudice to the Debtor's liability or BDC's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Debtor or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Debtor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Debtor, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Debtor agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Debtor will not assert as a defence, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Debtors and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the province in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Debtor acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. PARENTHETICAL COMMENTS

The Debtor acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

34. THE COMMITMENT LETTER

BDC has extended an offer of financing or a commitment letter to the Debtor relating to the loan facilities secured by this Security Agreement. The Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the commitment letter, the terms of the commitment letter shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Debtor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.

1000088317 ONTARIO INC.

DocuSigned by:
 Per Harvinder Singh Randhawa
 Name: Harvinder Singh Randhawa
 Title: President

DocuSigned by:
 Per Manpreet Kaur Bal
 Name: Manpreet Kaur Bal
 Title: Vice-President
 We have authority to bind the corporation

SCHEDULE "A"

Subclause 1.1(a):

1. the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

2. the following serial numbered goods:

Serial No. (re motor vehicles & trailers, etc.)


Year

Make and Model

3. Location(s) of the Collateral:

11553 Tenth Line, Halton Hills, Ontario, Canada

This is Exhibit "F" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



GUARANTEE

GUARANTOR: TRUE NORTH FREIGHT SOLUTIONS INC. the "Guarantor"

CREDITOR: Business Development Bank of Canada "BDC"

DEBTOR: 1000088317 ONTARIO INC. the "Borrower"

DEBT: \$18,000,000.00 the "Principal Sum"

LIMIT OF LIABILITY: 100% of the Outstanding Balance on the date BDC demands payment under this guarantee the "Limited Amount"

DATED: January 25 , 2022

BDC BUSINESS

CENTRE: 201 City Centre Drive, Suite 301, Mississauga, ON, the "Governing Jurisdiction"
L5B 2T4
(Province/Territory)

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

Guarantee

(f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;

(g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

(h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;

(i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and

(j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in

Guarantee

respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

Signature page follows

TRUE NORTH FREIGHT SOLUTIONS INC.

DocuSigned by:
Per: Harvinder Singh Randhawa
Name: Harvinder Singh Randhawa
Title: President

DocuSigned by:
Per: Manpreet Kaur Bal
Name: Manpreet Kaur Bal
Title: Vice-President
We have authority to bind the corporation

SOLICITOR'S CERTIFICATE

I certify that I facilitated the execution, sealing (where applicable) and delivery of this instrument, and satisfied myself that the person executing this instrument read and understood its contents and received independent legal advice where necessary.

Nanda & Associate Lawyers Professional Corporation

DocuSigned by:
Jagmohan Singh Nanda

Jagmohan Singh Nanda

228-2980 Drew Rd

Mississauga, ON L4T 0A7



GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated the 25 day of January, 2022

BETWEEN:

TRUE NORTH FREIGHT SOLUTIONS INC., in the Province of Ontario

(the "Debtor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at

201 City Centre Drive, Suite 301, Mississauga, ON, L5B 2T4

("BDC")

1. SECURITY INTEREST

(You, as the Debtor, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Debtor hereby:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Debtor that is not Equipment, Inventory or Accounts;

- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is collectively called the "Intellectual Property");
 - (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property is subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Debtor's consumer goods are excepted out of the Security Interests.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Debtor agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Debtor has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Debtor confirms that there has been no agreement between the Debtor and BDC to postpone the time for attachment of the Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Debtor acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that moneys advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Debtor or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Debtor to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Debtor to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Debtor's obligation and liability under any contract or guarantee now or in the future in existence whereby the Debtor guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Debtor to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Debtor represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Debtor has provided a written memorandum to BDC accurately setting forth all prior names under which the Debtor has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Debtor is an individual, that individual's full name and address provided to BDC are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office have been correctly provided to BDC

7. COVENANTS OF THE DEBTOR

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Debtor covenants with BDC that while this Security Agreement remains in effect the Debtor will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the

Collateral and all covenants, terms and conditions upon or under which the Collateral is held;

- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter between BDC and the Debtor including, without limitation, inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under Bankruptcy and Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to Bankruptcy and Insolvency Act (Canada);
 - (ix) any sums BDC pays as fines, or as clean up costs because of contamination of or from your assets. Further, you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Debtor, its

- business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
- (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
 - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
 - (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
 - (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Debtor's premises or otherwise, and the Debtor will render all assistance necessary;
 - (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
 - (n) deliver to BDC from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
 - (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;

- (p) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (q) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral;
- (r) consent to BDC contacting and making enquiries of the Debtor's lessors, as well as municipal or other government officials or assessors; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.

8. **INSURANCE**

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if it so requires.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Debtor hereby authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. **OTHER PROHIBITIONS**

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Debtor will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2; or
- (c) where the Debtor is a corporation
 - (i) repay or reduce any shareholders loans or other debts due to its shareholders; or
 - (ii) change its name, merge with or amalgamate with any other entity;

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 Provided that the Debtor is not in default under this Security Agreement, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

If the Debtor fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Debtor to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Debtor in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Debtor in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Debtor and BDC in any of the following events:

- (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under Bankruptcy and Insolvency Act (Canada), the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the Debtor; or
- (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (i) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or

- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 Upon any default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser

extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

- (a) carry on the Debtor's business and for such purpose from time to time to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under Bankruptcy and Insolvency Act (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:
 - (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.

16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.

16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to BDC and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral.

16.4 BDC in its sole discretion may realize upon any other security provided by the Debtor in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.

16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.

16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Debtor hereby irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Debtor for and in the name of the Debtor to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall continue and survive any mental infirmity or legal incapacity of the Debtor subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Debtor to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Debtor to remedy any default without waiving the default so remedied. BDC may from time to time and at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if mailed shall be deemed to have been given at the expiration of three business days after mailing and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

BDC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, the Debtor's account debtors, sureties and others and with the Collateral and other security interests as BDC may see fit without prejudice to the Debtor's liability or BDC's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Debtor or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Debtor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Debtor, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Debtor agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Debtor will not assert as a defence, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Debtors and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the province in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Debtor acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. PARENTHETICAL COMMENTS

The Debtor acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

34. THE COMMITMENT LETTER

BDC has extended an offer of financing or a commitment letter to the Debtor relating to the loan facilities secured by this Security Agreement. The Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the commitment letter, the terms of the commitment letter shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Debtor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.

TRUE NORTH FREIGHT SOLUTIONS INC.

DocuSigned by:
Per Harvinder Singh Randhawa
Name: Harvinder Singh Randhawa
Title: President

DocuSigned by:
Per Manpreet Kaur Bal
Name: Manpreet Kaur Bal
Title: Vice-President
We have authority to bind the corporation

SCHEDULE "A"

Subclause 1.1(a):

1. the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

2. the following serial numbered goods:

Serial No. (re motor vehicles & trailers, etc.)

Year

Make and Model

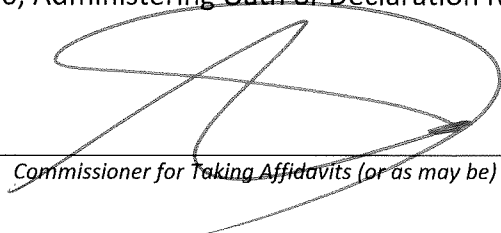
3. Location(s) of the Collateral:

66 Citadel Cres, Brampton, Ontario, Canada, L6P 1X8

and

11553 Tenth Line, Halton Hills, Ontario, Canada

This is Exhibit "G" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



GUARANTEE

| | | |
|-----------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------|
| GUARANTOR: | NORTH SHORE LOGISTICS INC. | the "Guarantor" |
| CREDITOR: | Business Development Bank of Canada | "BDC" |
| DEBTOR: | 1000088317 Ontario Inc. | the "Borrower" |
| DEBT: | \$18,000,000.00 | the "Principal Sum" |
| LIMIT OF LIABILITY: | 100% of the Outstanding Balance on the date BDC demands payment under this guarantee. | the "Limited Amount" |
| DATED: | May 2 , 2023 | |
| BDC BUSINESS CENTRE: | 201 City Centre Drive, Suite 301 Mississauga, ON L5B 2T4 | the "Governing Jurisdiction" <i>(Province/Territory)</i> |

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

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(f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;

(g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

(h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;

(i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and

(j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in

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respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Additionally, this guarantee may be signed and transmitted electronically, in a format approved by BDC and such an electronically signed and transmitted version of this guarantee shall be deemed to be an original for all purposes and shall have the same legal effect as if manually signed and delivered.

Signature page below

IN WITNESS WHEREOF the Guarantor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.

NORTH SHORE LOGISTICS INC.

Per: ^{Authentisign} Harvinder Singh Randhawa 05/02/23
Name: Harvinder Singh Randhawa
Title: President

Per: ^{Authentisign} Manpreet K Bal 05/01/23
Name: Manpreet Kaur Bal
Title: Secretary

We have authority to bind the corporation

SOLICITOR'S CERTIFICATE

I certify that I facilitated the execution, sealing (where applicable) and delivery of this instrument, and satisfied myself that the person executing this instrument read and understood its contents and received independent legal advice where necessary.

^{Authentisign}
Brendan MacDonald

Solicitor: Brendan MacDonald
LSO #75993R



GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated the 2nd day of May, 2023.

BETWEEN:

NORTH SHORE LOGISTICS INC., a corporation incorporated in the Province of Ontario

(the "Debtor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at

201 City Centre Drive, Suite 301, Mississauga, ON L5B 2T4

("BDC")

1. SECURITY INTEREST

(You, as the Debtor, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Debtor hereby:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
 - (iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");

- (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Debtor that is not Equipment, Inventory or Accounts;
 - (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is collectively called the "Intellectual Property");
 - (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property is subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Debtor's consumer goods are excepted out of the Security Interests.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Debtor agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Debtor has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Debtor confirms that there has been no agreement between the Debtor and BDC to postpone the time for attachment of the Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Debtor acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that moneys advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Debtor or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Debtor to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Debtor to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Debtor's obligation and liability under any contract or guarantee now or in the future in existence whereby the Debtor guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Debtor to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Debtor represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Debtor has provided a written memorandum to BDC accurately setting forth all prior names under which the Debtor has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of

its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Debtor is an individual, that individual's full name and address provided to BDC are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office have been correctly provided to BDC

7. COVENANTS OF THE DEBTOR

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Debtor covenants with BDC that while this Security Agreement remains in effect the Debtor will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;

- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter between BDC and the Debtor including, without limitation, inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under Bankruptcy and Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to Bankruptcy and Insolvency Act (Canada);

- (ix) any sums BDC pays as fines, or as clean up costs because of contamination of or from your assets. Further, you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
 - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Debtor's premises or otherwise, and the Debtor will render all assistance necessary;
- (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (n) deliver to BDC from time to time promptly upon request:

- (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
- (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
 - (p) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
 - (q) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral;
 - (r) consent to BDC contacting and making enquiries of the Debtor's lessors, as well as municipal or other government officials or assessors; and
 - (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if it so requires.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or

rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Debtor hereby authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Debtor will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2; or
- (c) where the Debtor is a corporation
 - (i) repay or reduce any shareholders loans or other debts due to its shareholders; or
 - (ii) change its name, merge with or amalgamate with any other entity;

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 Provided that the Debtor is not in default under this Security Agreement, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the
General Security Agreement
Rev. November 2017

Debtor holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

If the Debtor fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Debtor to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Debtor in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Debtor in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Debtor and BDC in any of the following events:

- (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under Bankruptcy and Insolvency Act (Canada), the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or

- (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the Debtor; or
- (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (i) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 Upon any default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

- (a) carry on the Debtor's business and for such purpose from time to time to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under *Bankruptcy and Insolvency Act* (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor

and its own client basis) incurred by BDC respecting or incidental to:

- (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
 - (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
 - (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.

16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.

16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to BDC and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral.

16.4 BDC in its sole discretion may realize upon any other security provided by the Debtor in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter with the Debtor shall survive the signing and registration of this Security Agreement and

BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.

16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.

16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Debtor hereby irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Debtor for and in the name of the Debtor to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall continue and survive any mental infirmity or legal incapacity of the Debtor subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Debtor to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Debtor to remedy any default without waiving the default so remedied. BDC may from time to time and at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if mailed shall be deemed to have been given at the expiration of

three business days after mailing and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

BDC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, the Debtor's account debtors, sureties and others and with the Collateral and other security interests as BDC may see fit without prejudice to the Debtor's liability or BDC's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Debtor or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Debtor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Debtor, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Debtor agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Debtor will not assert as a defence, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Debtors and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the province in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Debtor acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. PARENTHETICAL COMMENTS

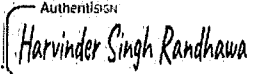
The Debtor acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

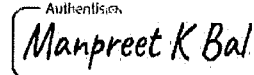
34. THE COMMITMENT LETTER

BDC has extended an offer of financing or a commitment letter to the Debtor relating to the loan facilities secured by this Security Agreement. The Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the commitment letter, the terms of the commitment letter shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Debtor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.

NORTH SHORE LOGISTICS INC.

Per:  Authentisign 05/02/23
 Name: Harvinder Singh Randhawa
 Title: President

Per:  Authentisign 05/01/23
 Name: Manpreet Kaur Bal
 Title: Secretary

We have authority to bind the corporation

SCHEDULE "A"

Subclause 1.1 (a) (vii):

the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

the following serial numbered goods:

| Type | Serial No. (re: motor vehicles & trailers) Dept. of Transport No. (re: aircraft) | Year | Make and Model |
|------|-------------------------------------------------------------------------------------|------|----------------|
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| | | | |

Subclause 6.1 (c):

Date of Birth of Debtor (if an individual):

Month Day Year

Subclause 6.1 (i):

Location(s) of the Collateral:

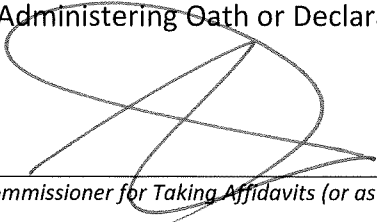
11553 Tenth Line, Halton Hills, Ontario, Canada

Subclause 6.1 (k):

The Debtor's place(s) of business ("POB") and chief executive office ("CEO")

| | |
|--------------------------------|-------------------------------------------------|
| Chief Executive Office: | 11553 Tenth Line, Halton Hills, Ontario, Canada |
| Place of Business: | 11553 Tenth Line, Halton Hills, Ontario, Canada |
| And: | 11553 Tenth Line, Halton Hills, Ontario, Canada |
| | |

This is Exhibit "H" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



GUARANTEE

GUARANTOR: HARVINDER SINGH RANDHAWA and
MANPREET KAUR BAL collectively the "Guarantor"

CREDITOR: Business Development Bank of Canada "BDC"

DEBTOR: 1000088317 ONTARIO INC. the "Borrower"

DEBT: \$18,000,000.00 the "Principal Sum"

LIMIT OF LIABILITY: 50% of the Outstanding Balance on the date BDC
demands payment under this guarantee the "Limited Amount"

DATED: January 25 , 2022

BDC BUSINESS

CENTRE: 201 City Centre Drive, Suite 301, Mississauga, ON, the "Governing Jurisdiction"
L5B 2T4
(Province/Territory)

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

Guarantee

(f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;

(g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

(h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;

(i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and

(j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in

Guarantee

respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

Signature page follows

WITNESS:)
DocuSigned by:)
Jagmohan Singh Nanda)
BC42D8C9A8CF465...)
Name: Jagmohan Singh Nanda)

DocuSigned by:)
Harvinder Singh Randhawa)
9B20027D8CAE4FB...)
Harvinder Singh Randhawa)

WITNESS:)
DocuSigned by:)
Jagmohan Singh Nanda)
BC42D8C9A8CF465...)
Name: Jagmohan Singh Nanda)

DocuSigned by:)
Manpreet Kaur Bal)
2ADDFEDACM44AD...)
Manpreet Kaur Bal)

SOLICITOR'S CERTIFICATE

I certify that I facilitated the execution, sealing (where applicable) and delivery of this instrument, and satisfied myself that the person executing this instrument read and understood its contents and received independent legal advice where necessary.

Nanda & Associate Lawyers Professional Corporation

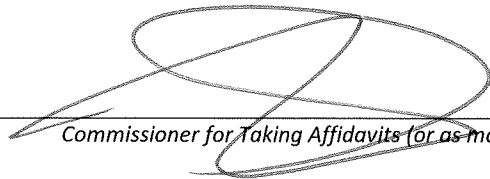
DocuSigned by:)
Jagmohan Singh Nanda)
BC42D8C9A8CF465...)

Jagmohan Singh Nanda

228-2980 Drew Rd

Mississauga, ON L4T 0A7

This is Exhibit "I" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Enquiry Result

File Currency: 28APR 2024

Show All Pages

Note: All pages have been returned.

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| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | 1000088317 ONTARIO INC | | | | | | | | |
| File Currency | 28APR 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 779867226 | 1 | 2 | 1 | 3 | 24JAN 2053 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 779867226 | | 001 | 1 | | 20220124 1518 1590 4682 | P PPSA | 25 | | |
| Individual Debtor | Date of Birth | First Given Name | | Initial | Surname | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | 1000088317 ONTARIO INC. | | | | | | | | |
| | Address | | | City | Province | Postal Code | | | |
| | 11553 TENTH LINE | | | HALTON HILLS | ON | L7G 4S6 | | | |
| Individual Debtor | Date of Birth | First Given Name | | Initial | Surname | | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | Address | | | | | City Province Postal Code | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | BUSINESS DEVELOPMENT BANK OF CANADA | | | | | | | | |
| | Address | | | City | Province | Postal Code | | | |
| | 201 CITY CENTRE DRIVE, SUITE 301, | | | MISSISSAUGA | ON | L5B 2T4 | | | |
| 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 | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | MACDONALD SAGER LLP | | | | | | | | |

| | Address | City | Province | Postal Code |
|--|---------------------|---------|----------|-------------|
| | 800-150 YORK STREET | TORONTO | ON | M5H 3S5 |

CONTINUED

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| Type of Search | Business Debtor | | | | |
| Search Conducted On | 1000088317 ONTARIO INC | | | | |
| File Currency | 28APR 2024 | | | | |
| | File Number | Family | of Families | Page | of Pages |
| | 779867226 | 1 | 2 | 2 | 3 |

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

| | | | | | |
|----------------|---------|-------------|---------------------------------|-------------------------|------------------|
| Caution Filing | Page of | Total Pages | Motor Vehicle Schedule Attached | Registration Number | Registered Under |
| | 01 | 001 | | 20220124 1731 1590 4732 | |

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| Record Referenced | File Number | Page Amended | No Specific Page Amended | Change Required | Renewal Years | Correct Period |
| | 779867226 | | | B RENEWAL | 6 | |

| | | | |
|------------------------------|-------------------------|---------|---------|
| Reference Debtor/ Transferor | First Given Name | Initial | Surname |
| | Business Debtor Name | | |
| | 1000088317 ONTARIO INC. | | |

| | |
|--------------|--------------|
| Other Change | Other Change |
| | |

| | |
|----------------------|----------------------|
| Reason / Description | Reason / Description |
| | |

| | | | | |
|--------------------|---------------|----------------------|----------|----------------------------|
| Debtor/ Transferee | Date of Birth | First Given Name | Initial | Surname |
| | | Business Debtor Name | | |
| | | | | Ontario Corporation Number |
| | Address | City | Province | Postal Code |

| | |
|---------------|---------------|
| Assignor Name | Assignor Name |
|---------------|---------------|

| | |
|---------------|----------------------------------------|
| Secured Party | Secured party, lien claimant, assignee |
| | Address |
| | City |
| | Province |
| | Postal Code |

| | | | | | | | | | |
|---------------------------|----------------|-----------|-----------|----------|-------|------------------------|--------|---------------------|------------------------|
| Collateral Classification | Consumer Goods | Inventory | Equipment | Accounts | Other | Motor Vehicle Included | Amount | Date of Maturity or | No Fixed Maturity Date |
| | | | | | | | | | |

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|---------------------------|------|------|-------|--------|
| Motor Vehicle Description | Year | Make | Model | V.I.N. |
| | | | | |

| | |
|--------------------------------|--------------------------------|
| General Collateral Description | General Collateral Description |
| | |

| | |
|-------------------|---------------------------------------------------|
| Registering Agent | Registering Agent or Secured Party/ Lien Claimant |
| | MACDONALD SAGER LLP |
| | Address |
| | City |
| | Province |
| | Postal |

800-150 YORK STREET

TORONTO

ON

Code
M5H 3S5

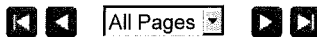
END OF FAMILY

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| Type of Search | Business Debtor | | | | | | | | |
| Search Conducted On | 1000088317 ONTARIO INC | | | | | | | | |
| File Currency | 28APR 2024 | | | | | | | | |
| | File Number | Family | of Families | Page | of Pages | Expiry Date | Status | | |
| | 790726356 | 2 | 2 | 3 | 3 | 13FEB 2028 | | | |
| FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN | | | | | | | | | |
| File Number | Caution Filing | Page of | Total Pages | Motor Vehicle Schedule | Registration Number | Registered Under | Registration Period | | |
| 790726356 | | 001 | 1 | | 20230213 1812 1793 0097 | P PPSA | 5 | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | 1000088317 ONTARIO INC. | | | | | | | | |
| | Address | | | City | Province | Postal Code | | | |
| | 11553 TENTH LINE | | | HALTON HILLS | ON | L7G4S7 | | | |
| Individual Debtor | Date of Birth | First Given Name | | | Initial | Surname | | | |
| Business Debtor | Business Debtor Name | | | | | Ontario Corporation Number | | | |
| | | | | | | | | | |
| | Address | | | City | Province | Postal Code | | | |
| | | | | | | | | | |
| Secured Party | Secured Party / Lien Claimant | | | | | | | | |
| | BANK OF MONTREAL | | | | | | | | |
| | Address | | | City | Province | Postal Code | | | |
| | 100 KING STREET WEST, 18TH FLOOR | | | TORONTO | ON | M5X1A1 | | | |
| 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 | | | |
| Motor Vehicle Description | Year | Make | | | Model | V.I.N. | | | |
| | | | | | | | | | |
| General Collateral Description | General Collateral Description | | | | | | | | |
| | | | | | | | | | |
| Registering Agent | Registering Agent | | | | | | | | |
| | AIRD & BERLIS LLP (AC-305797) | | | | | | | | |
| | Address | | | City | Province | Postal Code | | | |
| | 181 BAY STREET, SUITE 1800 | | | TORONTO | ON | M5J2T9 | | | |

LAST PAGE

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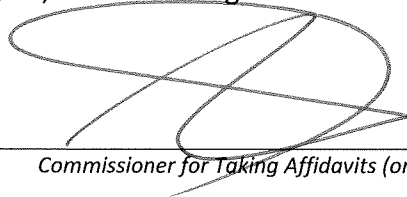
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This is Exhibit "J" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

PRIORITY AGREEMENT

THIS AGREEMENT dated February 23, 2023.

AMONG:

BUSINESS DEVELOPMENT BANK OF CANADA
("BDC")

AND: **BANK OF MONTREAL**
(the "Lender")

AND: **1000088317 ONTARIO INC. ("8317")**

AND: **TRUE NORTH FREIGHT SOLUTIONS INC. ("True North")**

AND: **NORTH SHORE LOGISTICS INC. ("NSL")**

(8317, True North and NSL referred to collectively as the "**Customers**")

WHEREAS:

A. The Customers have granted or agreed to grant to BDC security interests in all of the Customers' present and after-acquired real and personal property to secure present and future debts and obligations of the Customers to BDC;

B. The Customers have granted or agreed to grant to the Lender security interests in all of the Customers' present and after-acquired real and personal property to secure present and future debts and obligations of the Customers to the Lender;

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 Customers to the Lender of the Lender Security and to the incurring by the Customers of the indebtedness evidenced thereby.

1.02 The Lender hereby acknowledges its consent to the creation and issue by the Customers to BDC of the BDC Security and to the incurring by the Customers of the indebtedness evidenced thereby.

ARTICLE 2 - INTERPRETATION

2.01 The preamble hereto forms an integral part of this Agreement.

2.02 In this Agreement (including the Recitals above), the following terms shall have the following meanings:

- (a) "**8317's Assets**" means, collectively, all present and after-acquired personal property of 8317, including, without limitation, all inventory, equipment, accounts receivable, motor vehicles and intangibles;
- (b) "**Business Day**" means a day, other than Saturday or Sunday, on which BDC and the Lender are open for business in Toronto, Ontario, Canada.
- (c) "**BDC Security**" means all registered security interests now or hereafter held by BDC in any or all of the Customers' Assets and the Real Property to secure present and future debts and obligations of the Customers to BDC;
- (d) "**Customers' Assets**" means, collectively, 8317's Assets, NSL's Assets and True North's Assets;
- (e) "**Lender Security**" means all registered security interests now or hereafter held by the Lender in any or all of the Customers Assets and the Real Property to secure present and future debts and obligations of the Customers to the Lender;
- (f) "**NSL's Assets**" means, collectively, all present and after-acquired personal property of NSL including, without limitation, all inventory equipment, accounts receivable, motor vehicles and intangibles.
- (g) "**PPSA**" means the *Personal Property Security Act* (Ontario);
- (h) "**proceeds**" has the meaning given to such term in the PPSA.
- (i) "**Real Property**" means the real property owned by 8317 municipally known as 11553 Tenth Line, Georgetown, Ontario L7G 4S7 and legally described on PIN 25058-0117(LT);
- (j) "**Secured Parties**" means, together, BDC and the Lender, and a "**Secured Party**" means either one of them, and each of their respective successors and permitted assigns; and
- (k) "**Security**" means the Lender Security and/or the BDC Security, as the context requires; and
- (l) "**True North's Assets**" means, collectively, all present and after-acquired personal property of True North, including, without limitation, all Inventory, equipment, accounts receivable, motor vehicles and intangibles.

ARTICLE 3 - PRIORITIES

- 3.01 The BDC Security is hereby postponed and subordinated to the security constituted by the Lender Security with respect to True North's Assets and NSL's Assets, to the extent of the Customer's indebtedness to the Lender from time to time (including any readvances thereof), together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith. BDC shall have a subordinate security interest in True North's Assets and NSL's Assets.
- 3.02 The Lender Security is hereby postponed and subordinated to the security constituted by the BDC Security with respect to 8317's Assets and the Real Property, to the extent of the Customer's indebtedness to BDC from time to time (including any readvances thereof), together with all accrued interest thereon and all costs, charges and expenses incurred by BDC in connection therewith. The Lender shall have a subordinate security interest in 8317's Assets and the Real Property.

- 3.03 The subordinations and postponements herein and relative priorities of the Lender Security and the BDC Security provided for in this Agreement and all other rights established in, altered by or specified in this Agreement shall be effective, irrespective of:
- (a) the date of execution, attachment, registration or perfection of any security interest held by BDC or the Lender; or
 - (b) the method of perfection of the Security; or
 - (c) the giving of or failure to give notice of the acquisition of any additional Security; or
 - (d) the date of any prior or future advance or advances made to the Customers by BDC or the Lender; or
 - (e) the date of default by the Customers 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
 - (f) the date of commencement of enforcement proceedings under the Security; or
 - (g) any priority granted by any principle of law or any statute, including the PPSA or the *Land Titles Act* (Ontario).
- 3.04 Any proceeds, including, without limitation, any insurance proceeds received by the Customers, BDC or the Lender in respect of the Customers' Assets or the Real Property comprising 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 subject to subparagraphs (a) and (b):
- (a) The Lender's priorities herein shall not extend to any payments against the Customers' indebtedness to BDC received by BDC in the ordinary course of business and prior to written notice of the Customers' default from the Lender.
 - (b) BDC's priorities herein shall not extend to any payments against the Customers' indebtedness to the Lender received by the Lender in the ordinary course of business and prior to written notice of the Customers' default from BDC.
- 3.05 Nothing in this Agreement shall be construed so as to entitle a Secured Party to receive any proceeds of realization upon any of any collateral in respect of which such Secured Party does not have security or in respect of which such Security is invalid, ineffective or unenforceable against third parties, including, without limitation, the Customers. The Secured Parties agree that, subject to the terms of this Agreement, they will not challenge the other Secured Party's Security on the grounds that it is invalid, ineffective or unenforceable, including in the context of any enforcement proceedings taken by either Secured Party.
- 3.06 If any of the BDC Security or the Lender Security is claimed or 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 and has provided the other party with a satisfactory indemnity.
- 3.07 Each of the parties hereto shall permit any of the other parties hereto and their respective employees, agents and contractors, access at all reasonable times to any property and assets of the Customers 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

Customers 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.

- 3.08 If any person, other than BDC and the Lender, shall have a valid claim, right or interest in or to any of the present or after-acquired personal property of the Customers which are subject to all or any part of the BDC Security or the Lender Security, as the case may be, 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.
- 3.09 This Agreement is not intended to affect the priority of any third party claims and no such parties may benefit from anything contained herein.
- 3.10 Nothing in this Agreement shall affect the priority of purchase money security interests (as defined in the PPSA) hereafter acquired by BDC or the Lender in specific equipment of the Customers. As between the parties, where either BDC or the Lender finances the acquisition of equipment by the Customers, BDC or the Lender will be entitled to a purchase money security interest whether they advance their funds before or after the Customers have paid for the equipment and whether or not the funds are paid directly to the vendor so long as the funds are advanced in connection with the acquisition by the Customers of rights in such equipment.

ARTICLE 4 – ACCESS AND USE

- 4.01 Subject to the provisions hereof, BDC hereby grants to the Lender, its agents and representatives (including any receiver or receiver manager of the Customers appointed by the Lender), the right and licence, but not the obligation, without interference, to access and use the Real Property and the 8317's Assets located thereon to process and sell 8317's Assets (and to the extent required by the Lender to use any equipment and to process and sell any inventory or finished goods) for a period not to exceed ninety (90) days (the "**Access Period**") from the earliest of the date of: (i) any demand for repayment or commencement of enforcement by the Lender of the Lender Security; and (ii) any demand for repayment or commencement of enforcement by BDC of the BDC Security (the "**Commencement Date**"). The rights so granted to the Lender are subject to the following conditions, each of which must be complied with:
- (a) the Lender shall pay to BDC an amount equal to all regularly scheduled principal and interest payments falling due under the BDC Letter of Offer dated December 21, 2021 for Loan No. 221755-01 (as may be amended, the "**BDC Loan Agreement**"), excluding any payment arrears, during the Access Period until the Lender actually vacates the Real Property, with any payments hereunder apportioned on a per diem basis;
 - (b) the Lender shall pay all realty taxes, utility rates and similar charges arising out of the use of the Real Property during the period of time that the Lender elects to have access to the Real Property and during such time the Lender shall maintain the premises and exercise the same care as would a prudent owner thereof, including placing of commercially reasonable insurance for the full replacement cost of the property and assets owned by the Customers on an "all risks" basis and comprehensive general insurance on the Real Property, in amounts reasonably acceptable to BDC; and
 - (c) the Lender shall repair, but not restore, or pay the reasonable costs to repair, any such damages to the Real Property (except in respect of damage arising from reasonable wear and tear and taking the state of the Real Property into account) occurring during the Access Period.

The foregoing rights shall in no way prohibit or restrict BDC from taking any action as may be necessary to preserve its claims in any bankruptcy, reorganization, insolvency or other similar proceeding and shall not restrict any of the rights or remedies available to BDC pursuant to its

security over the Real Property in any manner whatsoever. BDC shall have reasonable access to the Real Property for the purposes of marketing and selling same. For greater certainty, in the event that BDC sells the Real Property prior to the expiry of the access period provided herein, BDC shall obtain an agreement from such purchaser to be subject to such access right.

ARTICLE 5 - COVENANTS OF THE CUSTOMER

- 5.01 The Customers hereby confirm to and agree with BDC and the Lender that so long as any of the indebtedness of the Customers to BDC and the Lender remains outstanding, it 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 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 Customers to each other and all security held by each therefor.
- 6.02 Each of the parties hereto acknowledges and confirms that, save and except for the Real Property, nothing in this Agreement affects the priority of any security over any other real property owned by the Customers held by BDC or the Lender. Except for the Real Property, any other real property owned by the Customers are excluded from the operation of this Agreement.
- 6.03 BDC and the Lender each agree that, except as required by law, it will not transfer or assign any of its security from the Customers without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement.
- 6.04 Prior to making any demand for payment on the Customers 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.
- 6.05 Save and except as it relates to 8317 and 8317's Assets, or the Real Property, (which shall, for certainty be excluded from the provisions of this Section 6.05), from and upon the occurrence of an event of default under the indebtedness due to BDC by any of the Customers (the "**BDC Obligations**"), BDC agrees and confirms in favour of the Lender that it will not, for a period of ninety (90) days commencing from the date of the occurrence of an event of default under the BDC Obligations (the "**BDC Standstill Period**"), without the prior written consent of the Lender: (a) enforce any BDC Security or take any actions in furtherance thereof prior to the expiry of the BDC Standstill Period; (b) appoint a receiver or receiver and manager of True North, NSL or any of True North's Assets or NSL's Assets or initiate any similar enforcement proceeding prior to the expiry of the BDC Standstill Period; or (c) commence or initiate any action or proceeding to recover or receive payment of the BDC Obligations prior to the expiry of the BDC Standstill Period. Notwithstanding above each 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 nonpayment of amounts owing to it for the purposes of obtaining a monetary judgement 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 in respect of the BDC Obligations and the terms of this priority agreement, (iv) take action for conversion of any non-fixed charge to a fixed charge to the extent applicable or (v) give notice of demand for payment or acceleration of the amounts owing to BDC by True North.
- 6.06 Save and except as it relates to True North, NSL, any of True North's Assets or NSL's Assets (which shall, for certainty be excluded from the provisions of this Section 6.06), from and upon the

occurrence of an event of default under the indebtedness due to Lender by any of the Customers (the "Lender Obligations"), the Lender agrees and confirms in favour of BDC that it will not, for a period of ninety (90) days commencing from the date of the occurrence of an event of default under the Lender Obligations (the "Lender Standstill Period"), without the prior written consent of BDC: (a) enforce any Lender Security or take any actions in furtherance thereof prior to the expiry of the Lender Standstill Period; (b) appoint a receiver or receiver and manager of 8317 or any of 8317's Assets or the Real Property or initiate any similar enforcement proceeding prior to the expiry of the Lender Standstill Period; or (c) commence or initiate any action or proceeding to recover or receive payment of the Lender Obligations prior to the expiry of the Lender Standstill Period. Notwithstanding above each Lender 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 nonpayment of amounts owing to it for the purposes of obtaining a monetary judgement 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 Lender Security in respect of the Lender Obligations and the terms of this priority agreement, (iv) take action for conversion of any non-fixed charge to a fixed charge to the extent applicable or (v) give notice of demand for payment or acceleration of the amounts owing to BDC by True North.

- 6.07 Any notice required or permitted to be given under or relating to this Agreement shall be in writing and delivered by hand, by telecopier, or by email and be effective upon actual receipt by the addressee if delivered by hand and, if sent by telecopier or email, upon the Business Day next following the date of transmission, at the following addresses:

for BDC:

Business Development Bank of Canada
201 City Centre Drive, Suite 301
Mississauga, ON L5B 2T4

Attention: Gaurav Agarwal, Manager, Major Accounts
Email: gaurav.agarwal@bdc.ca

for the Lender:

BMO Bank of Montreal
Canadian Commercial Banking | First Canadian Place
100 King Street West
Toronto, Ontario, M5X 1A1

Attention: Aayiz Abbasi, Director, Corporate Finance Division, Diversified Industries
Email: Aayiz.Abbasi@BMO.com

or to such other address as may be notified by any party to the others pursuant hereto.

- 6.08 Each of the Customers, 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 the Customers shall be necessary to any amendment of the terms hereof by BDC and the Lender unless the interests of the Customers are directly affected thereby.
- 6.09 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.

- 6.10 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 6.11 This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and laws of Canada applicable therein.

[Signature Pages follow]

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.

BUSINESS DEVELOPMENT BANK OF CANADA

Gaurav Agarwal

Per: _____
Gaurav Agarwal, Manager, Major Accounts

Andy Mittra

Per: _____
Andy Mittra, Assistant Vice President, Business Development

BANK OF MONTREAL

Per: _____

Per: _____

1000088317 ONTARIO INC.

Per: _____

TRUE NORTH FREIGHT SOLUTIONS INC.

Per: _____

NORTH SHORE LOGISTICS INC.

Per: _____

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.

BUSINESS DEVELOPMENT BANK OF CANADA

Per: _____

Per: _____

BANK OF MONTREAL

E-SIGNED by Aayiz Abbasi

Per: on 2023-02-23 14:07:33 GMT

E-SIGNED by Davis Macaulay

Per: on 2023-02-23 14:06:52 GMT

1000088317 ONTARIO INC.

Per: _____

TRUE NORTH FREIGHT SOLUTIONS INC.

Per: _____

NORTH SHORE LOGISTICS INC.

Per: _____

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.

BUSINESS DEVELOPMENT BANK OF CANADA

Per: _____

Per: _____

BANK OF MONTREAL

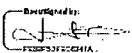
Per: _____

Per: _____

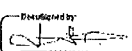
1000088317 ONTARIO INC.

Per:  _____

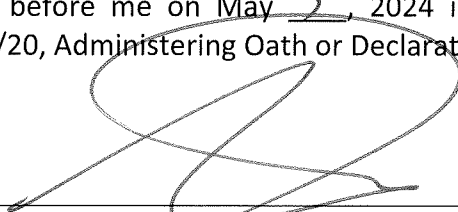
TRUE NORTH FREIGHT SOLUTIONS INC.

Per:  _____

NORTH SHORE LOGISTICS INC.

Per:  _____

This is Exhibit "K" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Court File No.
CV-24-00718318-00CL

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

THE HONOURABLE)
JUSTICE STEELE)

FRIDAY, THE 12TH
DAY OF APRIL, 2024

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

**TRUE NORTH FREIGHT SOLUTIONS INC., NORTH SHORE LOGISTICS INC. and
1000088317 ONTARIO INC.**

Respondents

**APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER
(Appointing Interim Receiver)**

THIS APPLICATION, made by the Applicant on an *ex parte* basis for an Order pursuant to section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), appointing BDO Canada Limited (“**BDO**”) as interim receiver (in such capacity, the “**Interim Receiver**”), without security, of certain property of True North Freight Solutions Inc., North Shore Logistics Inc. and 1000088317 Ontario Inc. (collectively, the “**Debtors**”), was heard this day by videoconference in Toronto, Ontario.

ON READING the affidavit of Rachel Gillespie sworn April 11, 2024 and the Exhibits thereto, the consent of BDO to act as Interim Receiver, and on hearing the submissions of counsel for the Applicant and those other parties listed on the counsel slip, no one else appearing for any other person,

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to subsection 47(1) of the BIA and section 101 of the CJA, BDO is hereby appointed Interim Receiver, without security, in respect of the assets, undertakings and properties of the Debtors acquired for, or used in relation to, a business carried on by the Debtors, including all proceeds thereof (the “**Property**”) for the purpose of and to the extent authorized by this Order until the earlier of:

- (a) the taking of possession of the Property by a receiver, within the meaning of subsection 243(2) of the BIA;
- (b) the taking of possession of the Property by a trustee in bankruptcy; or
- (c) May 13, 2024.

INTERIM RECEIVER’S POWERS

2. **THIS COURT ORDERS** that the Interim 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 Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to monitor and have access to the Debtors’ receipts and disbursements in any accounts at any financial institution (collectively, the “**Accounts**”), including, but not limited to, viewing access to all online banking relating to the Accounts;

- (b) to investigate and monitor, and, to the extent that the Interim Receiver deems necessary, take possession of and exercise control over, the Debtors' affairs and Property, including, but not limited to, the Accounts;
- (c) to review and have access to any and all financial information pertaining to the Debtors and the Property, including bank statements, financial records and accounts at any financial institution, and data available through any accounting system or software;
- (d) to review and have ongoing, uninterrupted access to the Debtors' GPS fleet tracking across all platforms utilized by the Debtors;
- (e) to demand access to additional documents as the Interim Receiver sees fit;
- (f) 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 Interim Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (g) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate on all matters, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (h) to conduct examinations under oath of any Person concerning the management of known assets of the Debtors and the existence of any other assets; and
- (i) 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 Interim 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 Debtors, and without interference from any other Person.

3. **THIS COURT ORDERS** that the Debtors shall continue to maintain, manage, operate and carry on their business in the ordinary course.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (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, (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, and (iv) anyone acting on the instructions of anyone listed in this paragraph (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Interim Receiver of the existence of any Property in such Person’s possession or control.
5. **THIS COURT ORDERS** that, upon receiving a request by the Interim Receiver, the Ministry of Transportation, Service Ontario, and/or any other government department, ministry or agency responsible for vehicle registration in any other Province or Territory of Canada, are hereby directed to provide the Interim Receiver with details relating to any transfer of ownership of any of the Property, including, without limitation, the identities of the parties to the transfer, the consideration paid and any other details reasonably incidental thereto.
6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Interim 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 Debtors, 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 Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided, however, that nothing in this paragraph 7 or in paragraph 8 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 Interim 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 Interim Receiver for the purpose of allowing the Interim 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 Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Interim Receiver, or affecting the Accounts, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court.

EMPLOYEES

10. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors. The Interim 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 Interim Receiver may specifically agree in writing to pay.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

11. **THIS COURT ORDERS** that the Interim 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. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

12. **THIS COURT ORDERS** that the Interim Receiver and counsel to the Interim 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 Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "**Interim 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 Interim Receiver's Charge shall form a first charge on the Accounts 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.

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

SERVICE AND NOTICE

14. **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 <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in

accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

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

GENERAL

16. **THIS COURT ORDERS** that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

17. **THIS COURT ORDERS** that nothing in this Order shall prevent the Interim Receiver from acting as a receiver or trustee in bankruptcy of the Debtors.

18. **THIS COURT ORDERS** that the Interim Receiver shall not be, or be deemed to be, a receiver within the meaning of subsection 243(2) of the BIA.

19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim 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 Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

20. **THIS COURT ORDERS** that the Interim 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 Interim 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.

21. **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 Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Interim Receiver from the proceeds from the Accounts with such priority and at such time as this Court may determine.
22. **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 Interim 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.
23. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. from the date it is made and is enforceable without the need for entry or filing.



Digitally signed
by Jana Steele
Date: 2024.04.12
16:38:54 -04'00'

BANK OF MONTREAL

Applicant

- and -

TRUE NORTH FREIGHT SOLUTIONS INC., NORTH SHORE
LOGISTICS INC. and 1000088317 ONTARIO INC.

Respondents

A679

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

ORDER
(Appointing Interim Receiver)

AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steve L. Graff – LSO # 31871V

Tel: 416.865.7726
Email: sgraff@airdberlis.com

Matilda Lici – LSO # 79621D

Tel: 437.865.3428
Email: mlici@airdberlis.com

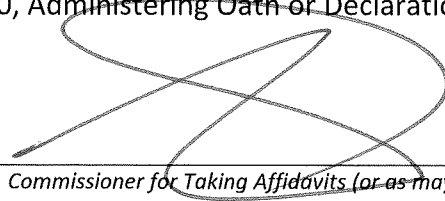
Samantha Hans – LSO # 84737H

Tel: 437.880.6105
Email: shans@airdberlis.com

Lawyers for Bank of Montreal

A679

This is Exhibit "L" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the left.

Commissioner for Taking Affidavits (or as may be)

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

**TRUE NORTH FREIGHT SOLUTIONS INC., NORTH SHORE LOGISTICS INC. and
100088317 ONTARIO INC.**

Respondents

**APPLICATION UNDER SUBSECTION 47(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

I, **RACHEL GILLESPIE**, of the City of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY AS FOLLOWS:**

1. I am a Managing Director in the Special Accounts Management Unit (“SAMU”) for National Accounts at Bank of Montreal (“BMO” or the “Bank”), a secured creditor of True North Freight Solutions Inc. (“True North”), North Shore Logistics Inc. (“North Shore”) and 100088317 Ontario Inc. (“8317”, and together with True North and North Shore, the “Respondents”). As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.

2. I am swearing this affidavit in support of BMO's application for the appointment of BDO Canada Limited ("**BDO**") as a limited-scope interim receiver over the Respondents, as further described in the proposed form of Order contained in the Application Record.

DESCRIPTION OF THE RESPONDENTS

3. The Respondents are each incorporated pursuant to the laws of the Province of Ontario. Copies of each of the Respondents' corporate profile reports are attached collectively as **Exhibit "A"** to this Affidavit.

4. The Respondents are in the business of logistics delivery services and, among other things, True North and North Shore operate a fleet of freight trucks and trailers that service customers across the United States and Canada.

5. According to the Respondents' corporate profile reports, Harvinder Randhawa ("**Mr. Randhawa**") and Manpreet Bal ("**Ms. Bal**") are the only directors of each of the Respondents.

6. I believe the Respondents operate primarily out of a head office located at 11553 Tenth Line, Halton Hills, Ontario, legally described in PIN 25058-0117 (LT) (the "**Real Property**"), which is registered on title to 8317, and is the property over which BMO holds a charge/mortgage. A copy of the parcel page for the Real Property is attached as **Exhibit "B"** to this Affidavit.

BMO CREDIT FACILITIES AND BMO SECURITY

7. True North is currently indebted to BMO with respect to certain credit facilities (the "**Credit Facilities**") granted by BMO pursuant to and under the terms of a binding term sheet dated January 13, 2022 (as may have been amended, replaced, restated or supplemented from time

to time, the “**Credit Agreement**”). A copy of the Credit Agreement is attached as **Exhibit “C”** to this Affidavit.

8. As security for its obligations to BMO, True North provided security in favour of BMO, including, without limitation, a general security agreement dated February 24, 2023 (the “**True North GSA**”), and certain security under Section 427 of the Bank Act (together with the True North GSA, the “**True North Security**”). Registration in respect of the True North GSA was duly made pursuant to the Personal Property Security Act (Ontario) (the “**PPSA**”). Copies of the True North Security documents are attached collectively as **Exhibit “D”** to this Affidavit.

9. BMO has also made separate registrations pursuant to the PPSA against certain specific motor vehicles which are covered by the Security (as defined below).

10. The obligations of True North to BMO were guaranteed by North Shore, 8317, Mr. Randhawa and Ms. Bal pursuant to and under the terms of unlimited guarantees each dated February 24, 2023 (the “**Guarantees**”). Copies of the Guarantees are attached collectively as **Exhibit “E”** to this Affidavit.

11. North Shore and 8317 also provided security in favour of BMO, including, without limitation, the following (collectively, with the True North Security, the “**Security**”):

- (a) a general security agreement granted by North Shore in favour of BMO dated February 24, 2023 (the “**North Shore GSA**”);
- (b) a general security agreement granted by 8317 in favour of BMO dated February 24, 2023 (the “**8317 GSA**”); and
- (c) a charge/mortgage in the principal amount of \$17,800,000 granted by 8317 in favour of BMO registered on February 23, 2023 in respect of the Real Property (the “**Charge**”);

12. Registration in respect of the North Shore GSA and the 8317 GSA was duly made pursuant to the PPSA. Copies of the North Shore GSA and the 8317 GSA are attached collectively as **Exhibit “F”** to this Affidavit.

13. A copy of the Charge is attached as **Exhibit “G”** to this Affidavit.

THE RESPONDENTS’ OTHER SECURED CREDITORS

14. Copies of the certified PPSA search results for each of the Respondents, with currency to April 5, 2024 are attached collectively as **Exhibit “H”** to this Affidavit.

15. As indicated on the search results, there are approximately 93 security interests registered against True North, 17 registered against North Shore and 2 registered against 8317, including those in favour of BMO. The majority of these registrations appear to be in respect of motor vehicles, which are integral to the Respondents’ operations, and are made by a wide range of creditors, including numerous equipment finance companies.

16. As indicated on the parcel page for the Real Property at Exhibit “B”, BMO is one of two parties that holds a registered charge on title to the Real Property, with Business Development Bank of Canada (“**BDC**”) holding a prior ranking charge in the principal amount of \$18,000,000, registered on January 26, 2022.

17. Pursuant to a priority agreement dated February 23, 2023 between BMO and BDC, BMO holds a priority ranking on the assets of True North and North Shore, and a second priority ranking on the assets of 8137, including the Real Property, in relation to BDC. BDC appears to have first ranking security on the assets of 8137, including the Real Property, and a subordinate security interest in respect of the assets of True North and North Shore in relation to BMO.

FINANCIAL DIFFICULTIES AND DEFAULT

18. True North has defaulted under the Credit Agreement with respect to, among other things, its reporting obligations and certain insurance requirements. As a result, and upon BMO learning of certain other defaults and material misrepresentations, as discussed further below, the management of BMO's lending arrangements with the Respondents was transferred to SAMU in March, 2024.

19. On or about March 28, 2024, Mr. Randhawa and another representative of True North, as well as Amandeep Singh ("**Mr. Singh**"), a representative of Golden Goose Bookkeeping and Advisory Service Inc. ("**Golden Goose**") who acts as a financial advisor and bookkeeper to the Respondents, attended a virtual meeting with certain BMO representatives, including a relationship manager, a portfolio manager and two SAMU representatives.

20. At this meeting, the parties discussed the transition of the lending arrangement to SAMU and other concerns and defaults under the Credit Agreement that had come to BMO's attention. These concerns and issues included overdue payments of payroll to truck drivers, overdue fuel charges, the status of the cash flow and the cancellation of certain insurance. In addition, there is no availability under the Credit Facilities made available by BMO to True North pursuant to the Credit Agreement. Accordingly, BMO has no obligation or intention to advance any further funds to the Respondents. On that basis alone, I believe the Respondent operating entities have little ability to continue operating.

21. In light of the foregoing, BMO engaged BDO to act as its consultant and to review the operations and financial position of the Respondents.. An engagement letter was executed between BMO and BDO on April 4, 2024 (the "**Engagement Letter**"). In particular, Josie Parisi of BDO

has been managing the engagement. A copy of each of the Engagement Letter is attached as **Exhibit "I"** to this Affidavit.

22. Since the engagement, I have been advised that BDO has had some direct contact with Mr. Randhawa and Mr. Singh. However, despite repeated requests for information by BDO and the Bank, the Respondents have repeatedly delayed in the delivery of information to the Bank. Pursuant to the Engagement Letter, BDO has reviewed what information has been made available by the Respondents or Golden Goose, including certain books and records, budgets, projections, cash flows, and information on assets, liabilities, and priority payables. On April 5, 2024, BDO provided me with an initial list of concerns relating to the Respondents' business based upon a preliminary review of their financial reporting and operations and discussions with Golden Goose. These concerns included:

- (a) failure to maintain certain insurance policies, including damage and liability coverage over the fleet of vehicles which are used in the Respondents' operations;
- (b) significant arrears owing under insurance policies, in excess of \$1,500,000;
- (c) failure to meet payroll, with between \$600,000 and \$1,000,000 currently owing to the truck drivers;
- (d) failure to pay HST and source deductions to Canada Revenue Agency ("CRA"), with approximately \$1,900,000 owing to CRA in HST for the period April, 2022 to November, 2023 and \$800,000 outstanding in source deductions;
- (e) failure to file HST returns since December, 2023;
- (f) failure to pay corporate income taxes which CRA assessed at \$1,763,883 as at March 12, 2024;

- (g) failure to pay the fees of Golden Goose, to whom approximately \$125,000 is owing as at March, 2024;
- (h) the existence of a USD bank account with Royal Bank of Canada, and the movement of funds between this account and BMO accounts, despite BMO's understanding that such account would be closed; and
- (i) disputes among the management of the Respondents, including, among other things, the resignation of the Chief Financial Officer due to disagreements with the owners.

23. While Golden Goose has advised BDO that there is approximately \$7,000,000 in HST credits relating to the period from December, 2023 to date and which should be refunded to the Respondents, SAMU has not received any documentation filed with CRA to support this statement.

24. On April 9, 2024, BDO shared a further analysis regarding the accounts receivable of True North and North Shore, highlighting the following findings:

- (a) \$4,630,134.14 in total deposits were made to True North's and North Shore's BMO bank accounts over a 9-week period of February 1 to April 5, 2024 (the "**AR Deposits**"), which, pro-rated over 52 weeks, totals \$26,751,886. However, the combined income statements of each of True North and North Shore for the 12-month period ending December 31, 2023 show revenues of \$55,241,557. I am advised by BDO that this discrepancy could mean that significant funds are being deposited into a non-BMO bank account, that collections are taking place very slowly, that revenue is not actually collectible or that the information in the income statements and accounts receivable listings are inaccurate;
- (b) \$1,503,782.95 of the AR Deposits during the same 9-week period could not be traced to a specific customer, as the deposits may have been by way of cheques rather than direct deposits. The AR Deposits that could be linked to a specific

customer show deposits made by a total of 73 customers. In comparison, the accounts receivable listings as at January 31, 2024 shows approximately 207 customers for True North and 125 customers for North Shore. As such, it appears deposits are being made by only a fraction of True North's and North Shore's customers as listed on the accounts receivable listings; and

- (c) True North's and North Shore's largest customers appear to be making deposits for only a portion of their accounts receivable balance. For example, a customer with a receivable balance with True North of \$1,595,966.21 only made \$116,511.78 in known deposits during the same 9-week period as referenced in (a) above, and another customer with a receivable balance with True North of \$762,165.82 made no known deposits during the 9-week period.

25. I understand that BDO is continuing their investigation into the financial status of the Respondents pursuant to their mandate under the Engagement Letter.

26. At the time of swearing this affidavit, BMO has not demanded on the Credit Facilities. However, BMO intends to issue, through its counsel, demand letters and Notices of Intention to Enforce Security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, in the immediate future.

27. As at April 11, 2024, approximately \$21.6 million is owing from the Respondents to BMO in respect of the Credit Facilities, which amount does not include accruing interest or the professional fees incurred by BMO in respect of this matter.

APPOINTMENT OF AN INTERIM RECEIVER

28. As noted, BDO has held several conversations with representatives of the Respondents and Golden Goose. I have been advised that, based on these conversations, there appears to be little

management and oversight of the Respondents' business, and there is no clear path forward for the Respondents' continued operations.

29. Most recently, on April 10, 2024, I attended at call with Mr. Singh and a representative of BDO to further discuss the financial status of the Respondents. On this call, I was informed that no accurate, detailed information relating to the accounts receivable of the Respondents is available. In fact, Mr. Singh advised me that at least a portion of the financial documentation BMO was provided during the origination of the Credit Agreement was not accurate and that the true status of the Respondents' accounts receivable is likely to be millions of dollars lower than what had been represented to the Bank.

30. As indicated above, there are numerous other registrations encumbering the fleet of motor vehicles that comprise what BMO believes to be a large portion of the value in the Respondents' business. Given, among other things, the potential misrepresentation to the Bank, the lack of clarity surrounding the accounts receivable, the failure to maintain insurance, and the arrears owing in respect of HST, source deductions and payroll, the Bank has significant concerns surrounding the viability of the Respondents' operations, the ability of the Respondents to fulfill their obligations to BMO and others, as well as the dissipation of assets upon which BMO can enforce its Security.

31. BMO wishes to take any and all steps necessary to make a more detailed preliminary assessment of the Respondents and their assets, and to, if deemed necessary by BDO, have BDO take control of the accounts receivable of the Respondents.

32. BMO has, at all times, acted in good faith towards the Respondents. At this time, however, it considers it reasonable and prudent for it to take such steps in an effort to protect its ability to recover its outstanding loans to True North, and it is within BMO's rights to do so.

33. In the circumstances set out above, I believe that it is just and equitable that an interim receiver be appointed. This application is for a limited-scope interim receiver in respect of the Respondents. I believe an interim receiver is necessary to allow BDO to better investigate and understand the business and affairs of the Respondents, and for the protection of BMO's security, and, perhaps, other stakeholders.

34. For greater clarity, it is not the intention of this application that BDO be appointed as an interim receiver to control and/or manage all operations of the Respondents.

35. Given the various security and other interests in the assets of the Respondents and the nature of the collateral, BMO believes that the appointment of an interim receiver will protect the prospect of recovery by BMO.

36. BDO is a licensed trustee in bankruptcy and is familiar with the circumstances of the Respondents and their arrangements with BMO.

37. BDO has consented to act as interim receiver should the Court so appoint it pursuant to a consent to act dated April 11, 2024 (the "Consent to Act"). A copy of the Consent to Act is attached as **Exhibit "J"** to this Affidavit.

38. This Affidavit is made in support of the within application, and for no other or improper purpose whatsoever.

SWORN REMOTELY by Rachel)
 Gillespie stated as being located)
 in the City of Toronto, in the Province of)
 Ontario, before me at the City of)
 Toronto, in the Province of Ontario, on)
 April 11, 2024 in accordance with O. Reg.)
 431/20, Administering Oath or)
 Declaration Remotely.)

Samanta Am...

 Commissioner for taking affidavits, etc.

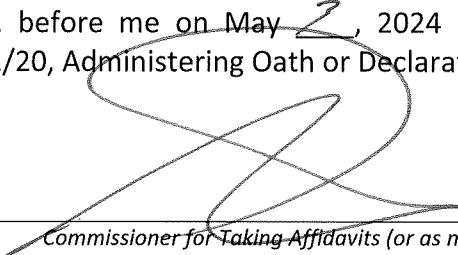
DocuSigned by:

Rachel Gillespie

49FB8C85B869460...

RACHEL GILLESPIE

This is Exhibit "M" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 2, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Properties

PIN 25058 - 0117 LT *Interest/Estate* Fee Simple
Description PT LTS 18 & 19, CON 11 ESQ , PT 2 20R8564 ; HALTON HILLS/ESQUESING
Address 11553 TENTH LINE
 HALTON HILLS

Consideration

Consideration \$2.00

Cautioner(s)

Name ARMOUR INSURANCE BROKERS LTD.
Address for Service 2345 Argentia Road, Suite 200
 Mississauga, ON L5N 8K4

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Statements

The applicant is entitled to register a caution against the interest of 1000088317 Ontario Inc. pursuant to S. 71 of the Land Titles Act. The nature of the interest is: Pursuant to funds advanced by Armour Insurance Brokers Ltd. to the owners of the subject property, for which the subject property is connected, the Cautioner is entitled to register this Caution..

The Land Registrar is authorized to delete this caution 60 days from the date of registration.

Signed By

Davinder Singh Khattria 215-20 Maritime Ontario Blvd acting for Signed 2024 03 25
 Brampton Applicant(s)
 L6S 0E7

Tel 905-799-0925

Fax 866-570-0633

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

Submitted By

RSG LAW PROFESSIONAL CORPORATION 215-20 Maritime Ontario Blvd 2024 03 25
 Brampton
 L6S 0E7

Tel 905-799-0925

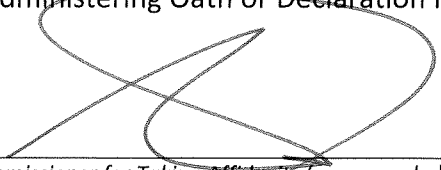
Fax 866-570-0633

Fees/Taxes/Payment

Statutory Registration Fee \$69.95

Total Paid \$69.95

This is Exhibit "N" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



Soloway Wright LLP
700 - 427 Laurier Avenue West
Ottawa ON K1R 7Y2

T: 613.236.0111 | 1.866.207.5880

F: 613.238.8507

www.solowaywright.com

André A. Ducasse
Partner

Direct line: 613.782.3225

Email address: aducasse@solowaywright.com

FILE NO: 50400-1275

BY COURIER, REGULAR MAIL AND EMAIL (harvsingh1975@gmail.com; manpreetb80@gmail.com)

April 23, 2024

1000088317 Ontario Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7

Dear Sir, Madam:

Re: Indebtedness to Business Development Bank of Canada

We are the lawyers for Business Development Bank of Canada (the "Bank").

1000088317 Ontario Inc. (the "Company") is indebted to the Bank as of April 22, 2024 pursuant to and under a letter of offer of credit dated December 21, 2021 (as same may have been amended, varied, restated or replaced from time to time and hereinafter the "Loan Agreement") as follows (subject to change and errors and omissions excluded):

| Loan No. | Amount Outstanding | Interest |
|----------|--------------------|----------|
| 22175501 | \$17,534,190.27 | 4.9% |

The foregoing indebtedness owed to the Bank by the Company as of April 22, 2024 is therefore the amount of **\$17,534,190.27**, plus ongoing interest and costs, fees and disbursements incurred by the Bank (the "Indebtedness").

The Indebtedness to the Bank is secured by, amongst other things, the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").

In light of the Company's defaults under and pursuant to the Loan Agreement and the Security and/or the Company's breaches of various covenants contained in the Loan Agreement and the Security, on

| Ottawa Office | Kingston Office |
|----------------------------------------------------|------------------------------------------------------|
| 700 - 427 Laurier Avenue West, Ottawa ON K1R 7Y2 | 510 - 366 King Street, Kingston ON K7K 6Y3 |
| T: 613.236.0111 1.866.207.5880 F: 613.238.8507 | T: 613.544.7334 1.800.263.4257 F: 1.800.263.4213 |


behalf of the Bank, we hereby demand payment from the Company of the full amount of the Indebtedness, along with accrued interest and costs, fees and disbursements incurred by the Bank, by May 3, 2024. The Bank reserves its right to enforce the Security. The Bank also reserves its right to take earlier enforcement proceedings with respect to its Security in the event that it determines a material adverse change occurred in the Company's financial circumstances.

Should the Company fail to pay the Indebtedness by May 3, 2024, this correspondence shall constitute notice, pursuant to the Security held by the Bank, of the Bank's demand for payment of the Indebtedness together with additional accrued interest and legal costs, fees and disbursements incurred to the date of payment. In such an event, the Bank shall take whatever steps it considers appropriate to recover and collect the Indebtedness, in which case it will also seek its costs in doing so.

On behalf of the Bank, please find enclosed a Notice of Intention to Enforce Security that is delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, along with a consent with respect to earlier enforcement for the Company's execution. Please note that the Bank reserves its right to initiate proceedings within the ten-day notice period set out in the said notice in the event necessary.

You may direct communications with respect to satisfaction of your obligations to the undersigned.

Yours very truly,

A handwritten signature in black ink, appearing to read 'André A. Ducasse', enclosed within a large, loopy oval scribble.

André A. Ducasse
AAD/rrc

Encls.

Schedule "A"

1. Charge/Mortgage from 1000088317 Ontario Inc., in the principal amount of \$18,000,000.00 in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862378
2. Notice of Assignment of Rents – General from 1000088317 Ontario Inc., in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862387
3. Assignment of Rents agreement of 1000088317 Ontario Inc., dated January 25, 2022
4. Guarantee of Harvinder Singh Randhawa and Manpreet Kaur Bal, for 50% of the outstanding indebtedness, dated January 25, 2022
5. Postponement of Debt of Harvinder Singh Randhawa and Manpreet Kaur Bal, dated January 25, 2022
6. Postponement of Shareholder's Loans of Harvinder Singh Randhawa and Manpreet Kaur Bal, dated January 25, 2022
7. General Security Agreement of 1000088317 Ontario Inc., dated January 25, 2022
8. Guarantee of True North Freight Solutions Inc., for 100% of the outstanding indebtedness, dated January 25, 2022
9. General Security Agreement of True North Freight Solutions Inc., dated January 25, 2022
10. Guarantee of North Shore Logistics Inc., for 100% of the outstanding indebtedness, dated May 2, 2023
11. General Security Agreement of North Shore Logistics Inc., dated May 2, 2023

CONSENT

TO: Soloway Wright LLP
700 – 427 Laurier Avenue West
Ottawa, ON K1R 7Y2

FROM: 1000088317 Ontario Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7 (the “Debtor”)

DATED: April 23, 2024

The Debtor hereby acknowledges receipt of a Notice of Intention to Enforce Security (the “Notice”) issued by Soloway Wright LLP on behalf of Business Development Bank of Canada (“BDC”) pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act* in respect of the security granted by the Debtor in favour of BDC. A copy of the Notice is attached.

The Debtor hereby consents to BDC enforcing the security described in the Notice prior to the expiry of the ten (10) day period referred to in the Notice or any time thereafter.

The Debtor hereby releases BDC, its officers, employees, agents, representatives and assigns and each of them of and from all actions, claims and demands whatsoever at law or in equity which the Debtor may have by reason of the enforcement of the security by BDC prior to the expiry of the said notice period.

1000088317 Ontario Inc.

Name:
Title:

NOTICE OF INTENTION TO ENFORCE SECURITY
Pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act*
R.S.C. 1985, c.B-3 as amended

TO: 1000088317 Ontario Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7 (the "Debtor")

TAKE NOTICE THAT:

1. Business Development Bank of Canada (the "Bank"), a secured creditor, intends to enforce its security described below on the property of the insolvent Debtor.
2. The Security that is to be enforced is in the form of the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").
3. The outstanding indebtedness owed to the Bank as of April 22, 2024 secured by the Security is as follows, exclusive of further accrued interest and costs, fees and disbursements (e.&o.e.):

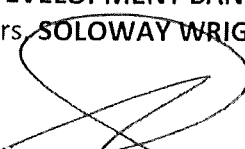
| Loan No. | Amount Outstanding | Interest |
|----------|--------------------|----------|
| 22175501 | \$17,534,190.27 | 4.9% |

The foregoing indebtedness owed to the Bank is therefore the amount of **\$17,534,190.27**, plus ongoing interest, which will accrue at the rates detailed above, as well as costs, fees and disbursements.

4. The Bank 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 insolvent Debtor consents to an earlier enforcement.

DATED at OTTAWA, this 23rd day of April, 2024.

BUSINESS DEVELOPMENT BANK OF CANADA,
by its lawyers, **SOLOWAY WRIGHT LLP**



André A. Ducasse, SOLOWAY WRIGHT LLP
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2
613.236.0111 telephone / 613.238.8507 facsimile

Schedule "A"

1. Charge/Mortgage from 1000088317 Ontario Inc., in the principal amount of \$18,000,000.00 in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862378
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7. General Security Agreement of 1000088317 Ontario Inc., dated January 25, 2022
8. Guarantee of True North Freight Solutions Inc., for 100% of the outstanding indebtedness, dated January 25, 2022
9. General Security Agreement of True North Freight Solutions Inc., dated January 25, 2022
10. Guarantee of North Shore Logistics Inc., for 100% of the outstanding indebtedness, dated May 2, 2023
11. General Security Agreement of North Shore Logistics Inc., dated May 2, 2023

André A. Ducasse
Partner

Direct line: 613.782.3225
Email address: aducasse@solowaywright.com

FILE NO: 50400-1275

BY COURIER, REGULAR MAIL AND EMAIL (harvsingh1975@gmail.com; manpreetb80@gmail.com)

April 23, 2024

True North Freight Solutions Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7

True North Freight Solutions Inc.
66 Citadel Crescent
Brampton, ON L6P 1X8

Dear Sir, Madam:

Re: Indebtedness to Business Development Bank of Canada

We are the lawyers for Business Development Bank of Canada (the "Bank").

1000088317 Ontario Inc. (the "Company") is indebted to the Bank as of April 22, 2024 pursuant to and under a letter of offer of credit dated December 21, 2021 (as same may have been amended, varied, restated or replaced from time to time and hereinafter the "Loan Agreement") as follows (subject to change and errors and omissions excluded):

| Loan No. | Amount Outstanding | Interest |
|----------|--------------------|----------|
| 22175501 | \$17,534,190.27 | 4.9% |

The foregoing indebtedness owed to the Bank by the Company as of April 22, 2024 is therefore the amount of **\$17,534,190.27**, plus ongoing interest and costs, fees and disbursements incurred by the Bank (the "Indebtedness").

Ottawa Office

700 - 427 Laurier Avenue West, Ottawa ON K1R 7Y2
T: 613.236.0111 | 1.866.207.5880 | F: 613.238.8507

Kingston Office

510 - 366 King Street, Kingston ON K7K 6Y3
T: 613.544.7334 | 1.800.263.4257 | F: 1.800.263.4213

The Indebtedness to the Bank is secured by, amongst other things, the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").

True North Freight Solutions Inc. ("True North") formally guaranteed, in writing, the Indebtedness owed by the Company to the Bank by executing, amongst other documents, a guarantee dated January 25, 2022, for the entirety of the outstanding Indebtedness under the loan, plus interest and costs, fees and disbursements (hereinafter referred to as the "Guarantee"). The Guarantee is supported and secured by, amongst other things, a general security agreement between True North and the Bank, dated January 25, 2022 granting the Bank a security interest in True North's assets.

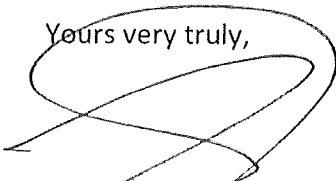
In light of the Company's defaults under and pursuant to the Loan Agreement and the Security and/or the Company's breaches of various covenants contained in the Loan Agreement and the Security, on behalf of the Bank we hereby demand payment from True North of the full amount owing pursuant to the Guarantee, being \$17,534,190.27, along with accrued interest and costs, fees and disbursements incurred by the Bank, by May 3, 2024. The Bank reserves its right to enforce the Guarantee and Security. The Bank also reserves its right to take earlier enforcement proceedings with respect to its Security in the event that it determines a material adverse change occurred in True North's financial circumstances or that of the Company with respect to its Security.

Should True North fail to pay the amounts that it guaranteed by May 3, 2024, this correspondence shall constitute notice, pursuant to the Guarantee held by the Bank, of the Bank's demand for payment of the Indebtedness together with additional accrued interest and legal costs and disbursements incurred to the date of payment. In such an event, the Bank shall take whatever steps it considers appropriate to recover and collect the Indebtedness, in which case it will also seek its costs in doing so.

On behalf of the Bank, please find enclosed a Notice of Intention to Enforce Security that is delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, along with a consent with respect to earlier enforcement for your execution. Please note that the Bank reserves its right to initiate proceedings within the ten-day notice period set out in the said notice in the event necessary.

You may direct communications with respect to satisfaction of True North's obligations to the undersigned.

Yours very truly,



André A. Ducasse
AAD/rrc

Encls.

Schedule "A"

1. Charge/Mortgage from 1000088317 Ontario Inc., in the principal amount of \$18,000,000.00 in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862378
2. Notice of Assignment of Rents – General from 1000088317 Ontario Inc., in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862387
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10. Guarantee of North Shore Logistics Inc., for 100% of the outstanding indebtedness, dated May 2, 2023
11. General Security Agreement of North Shore Logistics Inc., dated May 2, 2023

CONSENT

TO: Soloway Wright LLP
700 – 427 Laurier Avenue West
Ottawa, ON K1R 7Y2

FROM: True North Freight Solutions Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7

AND FROM: True North Freight Solutions Inc.
66 Citadel Crescent
Brampton, ON L6P 1X8 (the “Debtor”)

DATED: April 23, 2024

The Debtor hereby acknowledges receipt of a Notice of Intention to Enforce Security (the “Notice”) issued by Soloway Wright LLP on behalf of Business Development Bank of Canada (“BDC”) pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act* in respect of the security granted by the Debtor in favour of BDC. A copy of the Notice is attached.

The Debtor hereby consents to BDC enforcing the security described in the Notice prior to the expiry of the ten (10) day period referred to in the Notice or any time thereafter.

The Debtor hereby releases BDC, its officer, employees, agents, representatives and assigns and each of them of and from all actions, claims and demands whatsoever at law or in equity which the Debtor may have by reason of the enforcement of the security by BDC prior to the expiry of the said notice period.

True North Freight Solutions Inc.

Name:

Title:

NOTICE OF INTENTION TO ENFORCE SECURITY
Pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act*
R.S.C. 1985, c.B-3 as amended

TO: True North Freight Solutions Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7

AND TO: True North Freight Solutions Inc.
66 Citadel Crescent
Brampton, ON L6P 1X8 (the "Debtor")

TAKE NOTICE THAT:

1. Business Development Bank of Canada (the "Bank"), a secured creditor, intends to enforce its security described below on the property of the insolvent Debtor.
2. The Security that is to be enforced is in the form of, *inter alia*, a general security agreement dated January 25, 2022 granted by the Debtor to the Bank granting the Bank a security interest in any and all of the Debtor's assets (hereinafter collectively referred to as the "Security").
3. The outstanding indebtedness owed to the Bank as of April 22, 2024 secured by the Security is as follows, exclusive of further accrued interest and costs, fees and disbursements (e.&o.e.):

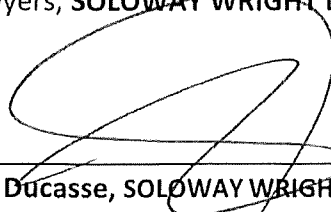
| Loan No. | Amount Outstanding | Interest |
|----------|--------------------|----------|
| 22175501 | \$17,534,190.27 | 4.9% |

The foregoing indebtedness owed to the Bank is therefore the amount of **\$17,534,190.27**, plus ongoing interest, which will accrue at the rates detailed above, as well as costs, fees and disbursements.

4. The Bank 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 insolvent Debtor consents to an earlier enforcement.

DATED at OTTAWA, this 23rd day of April, 2024.

BUSINESS DEVELOPMENT BANK OF CANADA,
by its lawyers, **SOLOWAY WRIGHT LLP**

A handwritten signature in black ink, appearing to be 'A. Ducasse', written over a horizontal line.

André A. Ducasse, SOLOWAY WRIGHT LLP
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2
613.236.0111 telephone / 613.238.8507 facsimile

André A. Ducasse
Partner

Direct line: 613.782.3225
Email address: aducasse@solowaywright.com

FILE NO: 50400-1275

BY COURIER, REGULAR MAIL AND EMAIL (harvsingh1975@gmail.com; manpreetb80@gmail.com)

April 23, 2024

North Shore Logistics Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7

North Shore Logistics Inc.
34 Windmill Boulevard
Brampton, ON L6Y 3E4

Dear Sir, Madam:

Re: Indebtedness to Business Development Bank of Canada

We are the lawyers for Business Development Bank of Canada (the "Bank").

1000088317 Ontario Inc. (the "Company") is indebted to the Bank as of April 22, 2024 pursuant to and under a letter of offer of credit dated December 21, 2021 (as same may have been amended, varied, restated or replaced from time to time and hereinafter the "Loan Agreement") as follows (subject to change and errors and omissions excluded):

| Loan No. | Amount Outstanding | Interest |
|----------|--------------------|----------|
| 22175501 | \$17,534,190.27 | 4.9% |

The foregoing indebtedness owed to the Bank by the Company as of April 22, 2024 is therefore the amount of **\$17,534,190.27**, plus ongoing interest and costs, fees and disbursements incurred by the Bank (the "Indebtedness").

Ottawa Office

700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2
T: 613.236.0111 | 1.866.207.5880 | F: 613.238.8507

Kingston Office

510 – 366 King Street, Kingston ON K7K 6Y3
T: 613.544.7334 | 1.800.263.4257 | F: 1.800.263.4213

The Indebtedness to the Bank is secured by, amongst other things, the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").

North Shore Logistics Inc. ("North Shore") formally guaranteed, in writing, the Indebtedness owed by the Company to the Bank by executing, amongst other documents, a guarantee dated May 2, 2023, for the entirety of the outstanding Indebtedness under the loan, plus interest and costs, fees and disbursements (hereinafter referred to as the "Guarantee"). The Guarantee is supported and secured by, amongst other things, a general security agreement between North Shore and the Bank, dated May 2, 2023 granting the Bank a security interest in North Shore's assets.

In light of the Company's defaults under and pursuant to the Loan Agreement and the Security and/or the Company's breaches of various covenants contained in the Loan Agreement and the Security, on behalf of the Bank we hereby demand payment from North Shore of the full amount owing pursuant to the Guarantee, being \$17,534,190.27, along with accrued interest and costs, fees and disbursements incurred by the Bank, by May 3, 2024. The Bank reserves its right to enforce the Guarantee and Security. The Bank also reserves its right to take earlier enforcement proceedings with respect to its Security in the event that it determines a material adverse change occurred in North Shore's financial circumstances or that of the Company with respect to its Security.

Should North Shore fail to pay the amounts that it guaranteed by May 3, 2024, this correspondence shall constitute notice, pursuant to the Guarantee held by the Bank, of the Bank's demand for payment of the Indebtedness together with additional accrued interest and legal costs and disbursements incurred to the date of payment. In such an event, the Bank shall take whatever steps it considers appropriate to recover and collect the Indebtedness, in which case it will also seek its costs in doing so.

On behalf of the Bank, please find enclosed a Notice of Intention to Enforce Security that is delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, along with a consent with respect to earlier enforcement for your execution. Please note that the Bank reserves its right to initiate proceedings within the ten-day notice period set out in the said notice in the event necessary.

You may direct communications with respect to satisfaction of North Shore's obligations to the undersigned.

Yours very truly,



André A. Ducasse
AAD/rrc

Encls.

Schedule "A"

1. Charge/Mortgage from 1000088317 Ontario Inc., in the principal amount of \$18,000,000.00 in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862378
2. Notice of Assignment of Rents – General from 1000088317 Ontario Inc., in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862387
3. Assignment of Rents agreement of 1000088317 Ontario Inc., dated January 25, 2022
4. Guarantee of Harvinder Singh Randhawa and Manpreet Kaur Bal, for 50% of the outstanding indebtedness, dated January 25, 2022
5. Postponement of Debt of Harvinder Singh Randhawa and Manpreet Kaur Bal, dated January 25, 2022
6. Postponement of Shareholder's Loans of Harvinder Singh Randhawa and Manpreet Kaur Bal, dated January 25, 2022
7. General Security Agreement of 1000088317 Ontario Inc., dated January 25, 2022
8. Guarantee of True North Freight Solutions Inc., for 100% of the outstanding indebtedness, dated January 25, 2022
9. General Security Agreement of True North Freight Solutions Inc., dated January 25, 2022
10. Guarantee of North Shore Logistics Inc., for 100% of the outstanding indebtedness, dated May 2, 2023
11. General Security Agreement of North Shore Logistics Inc., dated May 2, 2023

CONSENT

TO: Soloway Wright LLP
700 – 427 Laurier Avenue West
Ottawa, ON K1R 7Y2

FROM: North Shore Logistics Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7

AND FROM: North Shore Logistics Inc.
34 Windmill Boulevard
Brampton, ON L6Y 3E4 (the “Debtor”)

DATED: April 23, 2024

The Debtor hereby acknowledges receipt of a Notice of Intention to Enforce Security (the “Notice”) issued by Soloway Wright LLP on behalf of Business Development Bank of Canada (“BDC”) pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act* in respect of the security granted by the Debtor in favour of BDC. A copy of the Notice is attached.

The Debtor hereby consents to BDC enforcing the security described in the Notice prior to the expiry of the ten (10) day period referred to in the Notice or any time thereafter.

The Debtor hereby releases BDC, its officers, employees, agents, representatives and assigns and each of them of and from all actions, claims and demands whatsoever at law or in equity which the Debtor may have by reason of the enforcement of the security by BDC prior to the expiry of the said notice period.

North Shore Logistics Inc.

Name:
Title:

NOTICE OF INTENTION TO ENFORCE SECURITY
Pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act*
R.S.C. 1985, c.B-3 as amended

TO: North Shore Logistics Inc.
11553 Tenth Line
Halton Hills, ON L7G 4S7

AND TO: North Shore Logistics Inc.
34 Windmill Boulevard
Brampton, ON L6Y 3E4 (the "Debtor")

TAKE NOTICE THAT:

1. Business Development Bank of Canada (the "Bank"), a secured creditor, intends to enforce its security described below on the property of the insolvent Debtor.
2. The Security that is to be enforced is in the form, *inter alia*, a general security agreement, dated May 2, 2023 granted by the Debtor to the Bank granting the Bank a security interest in any and all of the Debtor's assets (hereinafter collectively referred to as the "Security").
3. The outstanding indebtedness owed to the Bank as of April 22, 2024 secured by the Security is as follows, exclusive of further accrued interest and costs, fees and disbursements (e.&o.e.):

| Loan No. | Amount Outstanding | Interest |
|----------|--------------------|----------|
| 22175501 | \$17,534,190.27 | 4.9% |

The foregoing indebtedness owed to the Bank is therefore the amount of **\$17,534,190.27**, plus ongoing interest, which will accrue at the rates detailed above, as well as costs, fees and disbursements.

4. The Bank 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 insolvent Debtor consents to an earlier enforcement.

DATED at OTTAWA, this 23rd day of April, 2024.

BUSINESS DEVELOPMENT BANK OF CANADA,
by its lawyers, **SOLOWAY WRIGHT LLP**



André A. Ducasse, SOLOWAY WRIGHT LLP
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2
613.236.0111 telephone / 613.238.8507 facsimile

André A. Ducasse
Partner

Direct line: 613.782.3225

Email address: aducasse@solowaywright.com

FILE NO: 50400-1275

BY COURIER, REGULAR MAIL AND EMAIL (harvsingh1975@gmail.com)

April 23, 2024

Harvinder Singh Randhawa
43 Arctic Fox Crescent
Brampton, ON L6R 0J5

Dear Mr. Randhawa:

Re: Indebtedness to Business Development Bank of Canada

We are the lawyers for Business Development Bank of Canada (the "Bank").

1000088317 Ontario Inc. (the "Company") is indebted to the Bank as of April 22, 2024 pursuant to and under a letter of offer of credit dated December 21, 2021 (as same may have been amended, varied, restated or replaced from time to time and hereinafter the "Loan Agreement") as follows (subject to change and errors and omissions excluded):

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|----------|--------------------|----------|
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The foregoing indebtedness owed to the Bank by the Company as of April 22, 2024 is therefore the amount of **\$17,534,190.27**, plus ongoing interest and costs, fees and disbursements incurred by the Bank (the "Indebtedness").

The Indebtedness to the Bank is secured by, amongst other things, the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").

You formally guaranteed, in writing, the Indebtedness owed by the Company to the Bank by executing, amongst other documents, a guarantee dated January 25, 2022, for half (50%) of the outstanding

Ottawa Office

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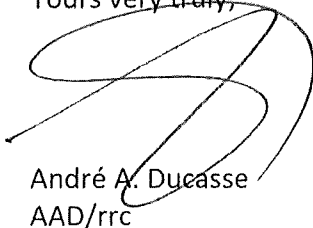
Indebtedness under the loan, plus interest and costs, fees and disbursements (hereinafter referred to as the "Guarantee").

In light of the Company's defaults under and pursuant to the Loan Agreement and the Security and/or the Company's breaches of various covenants contained in the Loan Agreement and the Security, on behalf of the Bank we hereby demand payment from you of the amount owing pursuant to the Guarantee, being \$8,767,095.14, along with accrued interest and costs, fees and disbursements incurred by the Bank, by May 3, 2024. The Bank reserves its right to enforce the Guarantee and Security. The Bank also reserves its right to take earlier enforcement proceedings with respect to its Security in the event that it determines a material adverse change occurred in your financial circumstances or that of the Company with respect to its Security.

Should you fail to pay the amounts that you guaranteed by May 3, 2024, this correspondence shall constitute notice, pursuant to the Guarantee held by the Bank, of the Bank's demand for payment of the Indebtedness together with additional accrued interest and legal costs and disbursements incurred to the date of payment. In such an event, the Bank shall take whatever steps it considers appropriate to recover and collect the Indebtedness, in which case it will also seek its costs in doing so.

You may direct communications with respect to satisfaction of your obligations to the undersigned.

Yours very truly,



André A. Ducasse
AAD/rrc

Encls.

Schedule "A"

1. Charge/Mortgage from 1000088317 Ontario Inc., in the principal amount of \$18,000,000.00 in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862378
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Soloway Wright LLP
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www.solowaywright.com

André A. Ducasse
Partner

Direct line: 613.782.3225
Email address: aducasse@solowaywright.com

FILE NO: 50400-1275

BY COURIER, REGULAR MAIL AND EMAIL (manpreetb80@gmail.com)

April 23, 2024

Manpreet Kaur Bal
12949 Innis Lake Road
Caledon, ON L7C 2Z5

Dear Mr. Bal:

Re: Indebtedness to Business Development Bank of Canada

We are the lawyers for Business Development Bank of Canada (the "Bank").

1000088317 Ontario Inc. (the "Company") is indebted to the Bank as of April 22, 2024 pursuant to and under a letter of offer of credit dated December 21, 2021 (as same may have been amended, varied, restated or replaced from time to time and hereinafter the "Loan Agreement") as follows (subject to change and errors and omissions excluded):

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The Indebtedness to the Bank is secured by, amongst other things, the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").

You formally guaranteed, in writing, the Indebtedness owed by the Company to the Bank by executing, amongst other documents, a guarantee dated January 25, 2022, for half (50%) of the outstanding

| | |
|----------------------------------------------------|------------------------------------------------------|
| Ottawa Office | Kingston Office |
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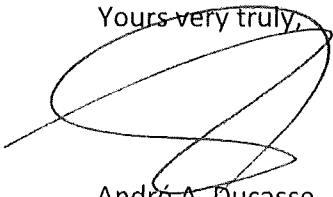
Indebtedness under the loan, plus interest and costs, fees and disbursements (hereinafter referred to as the "Guarantee").

In light of the Company's defaults under and pursuant to the Loan Agreement and the Security and/or the Company's breaches of various covenants contained in the Loan Agreement and the Security, on behalf of the Bank we hereby demand payment from you of the amount owing pursuant to the Guarantee, being \$8,767,095.14, along with accrued interest and costs, fees and disbursements incurred by the Bank, by May 3, 2024. The Bank reserves its right to enforce the Guarantee and Security. The Bank also reserves its right to take earlier enforcement proceedings with respect to its Security in the event that it determines a material adverse change occurred in your financial circumstances or that of the Company with respect to its Security.

Should you fail to pay the amounts that you guaranteed by May 3, 2024, this correspondence shall constitute notice, pursuant to the Guarantee held by the Bank, of the Bank's demand for payment of the Indebtedness together with additional accrued interest and legal costs and disbursements incurred to the date of payment. In such an event, the Bank shall take whatever steps it considers appropriate to recover and collect the Indebtedness, in which case it will also seek its costs in doing so.

You may direct communications with respect to satisfaction of your obligations to the undersigned.

Yours very truly,

A handwritten signature in black ink, appearing to read "André A. Ducasse", written over the typed name below.


André A. Ducasse
AAD/rrc

Encls.

Schedule "A"

1. Charge/Mortgage from 1000088317 Ontario Inc., in the principal amount of \$18,000,000.00 in respect of the property municipally known as 11553 Tenth Line, Halton Hills, Ontario, being PIN 25058-0117 (LT), LRO #20 and registered as Instrument no. HR1862378
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9. General Security Agreement of True North Freight Solutions Inc., dated January 25, 2022
10. Guarantee of North Shore Logistics Inc., for 100% of the outstanding indebtedness, dated May 2, 2023
11. General Security Agreement of North Shore Logistics Inc., dated May 2, 2023

This is Exhibit "O" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)



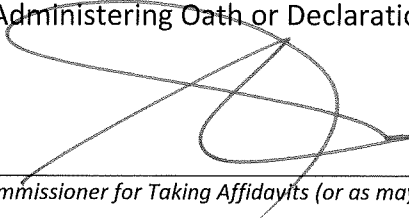
Client Number 221755

C/A Number 22175501

| Description | Value |
|-------------------------------------|----------------------|
| PRINCIPAL EXCLUDING ARREARS | 17,527,033.40 |
| PRINCIPAL ARREARS | 64,408.92 |
| INTEREST | 172,909.37 |
| ACCRUED TO | 2024-05-01 |
| ANNUAL ADMINISTRATION FEE | 1,000.00 |
| PROTECTIVE DISBURSEMENT | 0.00 |
| INTEREST ON PROTECTIVE DISBURSEMENT | 0.00 |
| Total | 17,765,351.69 |

| Description | Value |
|-------------------------------------|----------------------|
| TAX ACCOUNT | 0.00 |
| DEPOSIT ACCOUNT WITH INTERESTS | 0.00 |
| DEPOSIT ACCOUNT WITHOUT INTERESTS | 0.00 |
| Total Deposit | 0.00 |
| Total Net | 17,765,351.69 |
| DAILY INTEREST ACCRUAL | 2,394.39 |
| DAILY IOI ACCRUAL | 19.59 |
| INTEREST RATE PLAN | 5-Year fixed |
| SPECIAL INTEREST RATE TYPE | DUB |
| EFFECTIVE BASE RATE | 5.600000 % |
| VARIANCE RATE | -0.700000 % |
| INTEREST ADJUSTMENT DATE | 2026-12-01 |
| PROT.DISB. - DAILY INTEREST ACCRUAL | 0.00 |
| OPTION EXPIRY DATE | 2024-05-01 |

This is Exhibit "P" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

French

Subscribe



News / Human Resources

True North Freight Solutions drivers demand unpaid wages



by **Leo Barros**
April 30, 2024

Scores of drivers claim they are owed hundreds of thousands of dollars after they alleged an Ontario trucking company told them to remove their belongings from the trucks they drove, and locked up the premises a couple of weeks ago.

True North Freight Solutions, based in Georgetown, west of Toronto, has a pending insurance cancellation, according to the Federal Motor Carriers Safety Administration's (FMCSA) website. The carrier has 120 power units and employs 140 drivers.

Driver Amoljit Sidhu said he had been receiving partial payments for work done since January and is owed \$29,000. He received partial payments and sometimes did not receive his wages.

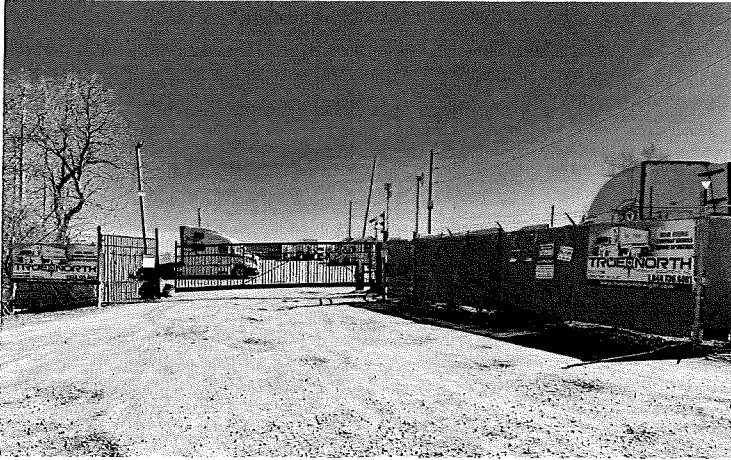


Drivers employed by True North Freight Solutions want the carrier to pay the wages owed to them. (Photo: Leo Barros)

“Sometimes they’d pay \$1,000, sometimes \$2,000, when I was owed much more. It would be a lollipop, not the full amount. They’d say complete one more trip and we’ll pay you. I trusted the company and its owners, they kept saying the money would be deposited in your account, but it never was,” he told *TruckNews.com* in Brampton, Ont., where he and other drivers employed by True North gathered to plan their next move.

He said work stopped April 16 when drivers were told to remove their stuff and the yard was locked. Some drivers who were on

vacation still have their belongings in their trucks.



The True North Freight Solutions facility in Georgetown, Ont. (Photo: Leo Barros)

True North Freight Solutions did not respond to requests for comment. When *TruckNews.com* visited the company's Georgetown facility, it was deserted, and a gate barred the entrance. Trucks were parked in the yard but there was no activity visible.

Team driver Davinder Khehra said the carrier owes him money too, and had been making partial payments for the past three months.

“At first the cheques started bouncing, then they started making partial payments via direct deposit. If you performed work for about \$8,000, they were paying \$2,000,” he said.

Drivers said mechanics, dispatchers and office staff are also owed wages. Fuel cards given to drivers were blocked a couple of times and the carrier then issued new fuel cards.

The screenshot shows a 'Details' page from the FMCSA website. At the top, it says 'This entity has a pending insurance cancellation.' Below this, there are several sections of information:

- DOT:** 000004, **Legal Name:** TRUE NORTH FREIGHT SOLUTIONS INC.
- Business Address:** 8150 WYATT RD, HUNTSVILLE, TN 37417
- Business Telephone and Fax:** 845.733.4471, Fax: 415.627.9524
- Mail Address:** 8150 WYATT RD, HUNTSVILLE, TN 37417
- Mail Telephone and Fax:** 845.733.4471, Fax: 415.627.9524
- Underwriting:** Not applicable
- Authority Type:**
 - Common: YES
 - Contract: NO
 - Broker: NO
- Application Pending:** YES
- Property:** YES
- Passenger:** NO
- Household Goods:** NO
- Private:** NO
- Enterprise:** NO
- Insurance Type:**
 - BPD: YES
 - Cargo: NO
 - Auto: YES
- Insurance Required:**
 - BPD: YES
 - Cargo: NO
 - Auto: YES
- Insurance on File:**
 - BPD: YES
 - Cargo: NO
 - Auto: YES

(Photo: FMCSA website)

Drivers Hugo and Pushwinder said everything was moving along smoothly until late last year. In November 2023, cheques issued to drivers started bouncing. The company told drivers to provide direct deposit information in December.

Pushwinder, who was employed by the carrier for three years, saw the writing on the wall when partial payments were being made for wages due. He quit in March 2024 but is still owed \$16,000. "I kept asking for my payment, but have not received the money," he said.

Met with silence from the company, drivers said they are considering labor and small claims court options to claw back money from the carrier. The truckers are also

looking for work, saying that the weak freight market is not helping their job search.



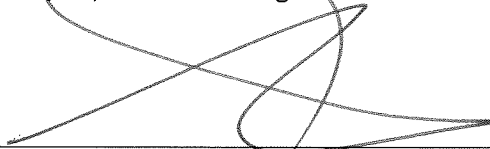
by **Leo Barros**

Leo Barros is the associate editor of Today's Trucking. He has been a journalist for more than two decades, holds a CDL and has worked as a longhaul truck driver. Reach him at leo@newcom.ca

Have your say

This is a moderated forum. Comments will no longer be published unless they are accompanied by a first and last name and a verifiable email address. (Today's Trucking will not publish or share the email address.) Profane language and content deemed to be libelous, racist, or threatening in nature will not be published under any circumstances.

This is Exhibit "Q" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

Andre Ducasse

From: Andre Ducasse
Sent: Tuesday, April 23, 2024 12:34 PM
To: Steven L. Graff
Cc: Samantha Hans; THOMSON, Ruth (TORONTO)
Subject: RE: True North and 1000088317 Ontario
Attachments: Demand letter to company (1000088317 Ontario Inc.)- Apr 23 2024.pdf; Demand letter to True North Freight Solutions - Apr 23 2024.pdf; Demand letter to North Shore Logistics - Apr 23 2024.pdf; Demand letter to H. Randhawa - Apr 23 2024.pdf; Demand letter to M. Bal - Apr 23 2024.pdf

Thanks for the note Steve. We are *ad idem*. Your comments below are acceptable to BDC.

Please find attached the demands and BIA notices that we are issuing today on behalf of BDC. This shall constitute notice of BDC's demands in accordance with the priority agreement between our respective clients.

Would you have some time later today or tomorrow morning to discuss anticipated next steps in this matter?

Can your office please also add me to the service list and send me a Caselines' invitation?

Many thank,
Andre

Andre Ducasse Partner/Associé

613-782-3225
613-238-8507 (Ottawa)
343-344-2737 (Kingston)
aducasse@solowaywright.com



Soloway Wright lawyers

Ottawa Office:
700-427 Laurier Avenue West
Ottawa, ON K1R 7Y2

Kingston Office:
510-366 King Street East
Kingston, ON K7K 6Y3

solowaywright.com



From: Steven L. Graff <sgraff@airdberlis.com>
Sent: Tuesday, April 23, 2024 7:53 AM
To: Andre Ducasse <aducasse@solowaywright.com>

Cc: Samantha Hans <shans@airdberlis.com>
Subject: RE: True North and 1000088317 Ontario

See my highlighted edits and comments. Thanks Andre.

Steven L. Graff

T 416.865.7726
M 416.894.5090
E sgraff@airdberlis.com

Aird & Berlis LLP

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, April 22, 2024 4:18 PM
To: Steven L. Graff <sgraff@airdberlis.com>
Subject: RE: True North and 1000088317 Ontario

Hello Steven,

This follows our call on April 19, 2024 with respect to this matter. I would be grateful if you could confirm the following so that I may advise BDC accordingly:

- Notwithstanding the wording of the IR Order (particularly the definition of “Property”, which appears to include the real and personal property of 100088317 Ontario Inc. (“8317”) subject to BDC’s first-ranking security), no enforcement steps will be taken by BMO pursuant to the order in respect of such assets subject to BDC’s first ranking security. Confirmed
- The “Interim Receiver’s Charge” provided for at para. 12 of the IR Order is not intended to rank in priority to any security held by BDC. That is, that BMO and its counsel will turn to the “Accounts” to fund the IR proceedings and not any other assets that may be subject to BDC’s security. Confirmed, subject to their being sufficient proceeds from the monetization of the asset over which BDC has security being sufficient to cover off the indebtedness to BDC, in which case BMO may make any claim to such excess proceeds.
- In the event that BMO brings an application for a bankruptcy order (or any other orders that would result in a stay), the trustee (or receiver) appointed by BMO will consent to BDC bringing a motion to lift any such stay of proceedings so that BDC may bring an application for the appointment of a receiver to realize on its security in respect of 8317. Confirmed.

I would also be grateful if you could keep me apprised of developments in respect of BMO’s IR proceedings and any further or other steps regarding same. Will do.

Please don’t hesitate to contact me directly should you wish to further discuss this matter.

Thank you and regards,
Andre

Andre Ducasse
Partner/Associé

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613-238-8507 (Ottawa)
343-344-2737 (Kingston)
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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Wednesday, April 17, 2024 8:56 PM
To: sgraff@airdberlis.com
Subject: FW: True North and 1000088317 Ontario

Good evening Steven,

I have been consulted by BDC with respect to this matter. I will be speaking to BDC tomorrow afternoon. Would you have some time tomorrow after 3:00 p.m. to discuss this matter?

Thank you,
Andre

Andre Ducasse
Partner/Associé

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aducasse@solowaywright.com



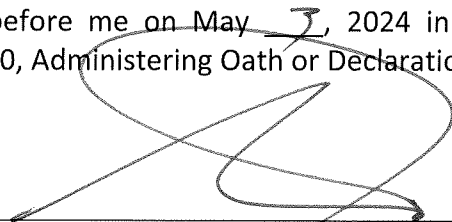
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This is Exhibit "R" referred to in the Affidavit of Ruth Thomson sworn by Ruth Thomson at the City of Burlington, in the Province of Ontario, before me on May 3, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

1000088317 ONTARIO INC.

Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43,
s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the
Personal Property Security Act, R.S.O. 1990, c. P.10 and
Rules 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

C O N S E N T

MNP Ltd. hereby agrees and consents to act as court-appointed receiver, without security, of the respondent, 1000088317 Ontario Inc., should a receivership order be made in the within application against the said respondent.

DATED this 2nd day of May, 2024.

MNP LTD.



Name: Deborah Hornbostel
Title: Senior Vice President

As receiver without security, and not in its personal capacity

ROYAL BANK OF CANADA
Applicant

- and -

1000088317 ONTARIO INC.
Respondent

APPLICATION UNDER s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43 and s. 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, ss. 67(1)(a) and (e) of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 and Rules 3 and 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

Court File No. CV-24-00719692-00CL

**ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**AFFIDAVIT OF RUTH THOMSON
(sworn on May 3, 2024)**

SOLOWAY WRIGHT LLP

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Lawyers for the Applicant

ROYAL BANK OF CANADA
Applicant

- and -

1000088317 ONTARIO INC.
Respondent

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Court File No. CV-24-00719692-00CL

**ONTARIO SUPERIOR COURT OF JUSTICE
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APPLICATION RECORD

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