

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

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Plaintiff

- and -

2581150 ONTARIO INC.

Defendant

**MOTION RECORD
(Order Appointing Receiver)
(Returnable April 18, 2024)**

April 10, 2024

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Lawyers for the Bridging Receiver

**ONTARIO
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(COMMERCIAL LIST)**

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
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Plaintiff

- and -

2581150 ONTARIO INC.

Defendant

INDEX

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1	Notice of Motion dated April 10, 2024
2	Affidavit of Tyler Ray, sworn April 10, 2024
Exhibit "A"	Exhibit "A" : Copies of the Appointment Orders
Exhibit "B"	Exhibit "B" : Copy of the Corporate Profile Report in respect of 2581150 Ontario Inc. as at April 8, 2024
Exhibit "C"	Exhibit "C" : Copy of the Blocked Account Agreement dated September 12, 2017
Exhibit "D"	Exhibit "D" : Copy of the Second Amended Statement of Claim filed on December 12, 2022
Exhibit "E"	Exhibit "E" : Copy of the Bridging-Skymark Loan Agreement dated July 7, 2017
Exhibit "F"	Exhibit "F" : Copy of the Skymark-2581150 Ontario Loan Agreement dated July 7, 2017
Exhibit "G"	Exhibit "G" : Copies of emails with Paul Millar and Graham Marr dated August 9 and 10, 2021
Exhibit "H"	Exhibit "H" : Copy of the Assignment Agreement dated February 15, 2024
Exhibit "I"	Exhibit "I" : Copy of the Order approving the Assignment Agreement, of Honourable Justice Steele dated February 22, 2024
Exhibit "J"	Exhibit "J" : Copy of the General Security Agreement in favour of Skymark, dated July 7, 2017
Exhibit "K"	Exhibit "K" : Copy of the Charge in favour of Skymark dated July 7, 2017

Exhibit “L”	Exhibit “L” : Copy of certified PPSA search in respect of 2581150 Ontario Inc., current as at April 3, 2024
Exhibit “M”	Exhibit “M” : Copy of Transfer of Charge CE1176474 registered on April 10, 2024
Exhibit “N”	Exhibit “N” : Copies of the parcel registry searches in respect of the Maidstone Property
Exhibit “O”	Exhibit “O” : Copy of the Assumption GSA in favour of Bridging dated July 7, 2017
Exhibit “P”	Exhibit “P” : Copy of the Assumption Charge in favour of Bridging dated July 7, 2017
Exhibit “Q”	Exhibit “Q” : Copies of the Demand Letter and the BIA Notice dated December 22, 2022
Exhibit “R”	Exhibit “R” : Copy of PwC letter to 2581150 Ontario Inc. dated January 18, 2024
Exhibit “S”	Exhibit “S” : Copy of MNP’s consent to act as Receiver dated February 28, 2024
3	Draft 2581150 Ontario Inc. Receivership Order
4	Drcemkpg"qhF tclw'T gegkxgtuj kr "Qtf gt"q"vj g'O qf gn'T gegkxgtuj kr "Qtf gt

Tab 1

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

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Plaintiff

- and -

2581150 ONTARIO INC.

Defendant

**NOTICE OF MOTION
(Motion Returnable April 18, 2024 at 10:00 a.m.)**

PricewaterhouseCoopers Inc. (“**PwC**”), solely in its capacity as receiver and manager (in such capacity, the “**Bridging Receiver**”) of all of the assets, undertakings, and properties of Bridging Finance Inc. (“**BFI**”) and certain related entities and investment funds (collectively, “**Bridging**”), will make a motion before Honourable Justice Black presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), on April 18, 2024 at 10:00 a.m. (Toronto time), or as soon after that time as the motion can be heard by judicial videoconference via Zoom, at 330 University Avenue, Toronto, Ontario.

THIS MOTION IS FOR:

1. An order (the “**Receivership 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**”), substantially in the form attached at Tab 3 of the Bridging Receiver’s Motion Record, among other things:

- (a) appointing MNP Ltd. (“**MNP**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the current and future assets, undertakings, and properties (collectively, the “**Property**”) of 2581150 Ontario Inc. (“**258 Ontario**”), including, without limitation, the real properties registered in the name of 258 Ontario located in the municipality of Lakeshore – Maidstone, County of Essex, Ontario (the “**Maidstone Property**”);
 - (b) authorizing the Receiver to terminate the Unauthorized APA (as defined and described below) and carry out a sale process in respect of all or part of the Property (including the Maidstone Property);
2. Such other relief as this Honourable Court deems necessary.

THE GROUNDS FOR THIS MOTION ARE:

Overview

3. All capitalized terms not expressly defined herein are defined in the Affidavit of Tyler Ray sworn April 10, 2024, located at Tab 2 of the Bridging Receiver’s Motion Record (the “**Ray Affidavit**”).
4. By orders of the Court dated April 30, 2021, May 3, 2021, and May 14, 2021 (collectively, the “**Bridging Appointment Orders**”), PwC was appointed as the Bridging Receiver.
5. PwC was appointed as the Bridging Receiver pursuant to section 129 of the Securities Act R.S.O. 1990, c. S. 5, as amended, upon application by the Ontario Securities Commission

as a result of its ongoing investigation into Bridging and certain related individuals and entities.

6. BFI is a privately held investment management firm that, prior to the appointment of the Bridging Receiver, offered alternative investment options to investors through the various Bridging investment funds managed by BFI (the “**Bridging Funds**”). Bridging would, among other things, raise capital from investors through the Bridging Funds for the purpose of making private debt loans to third-party borrowers. BFI would typically act as agent on behalf of the applicable Bridging Fund(s) that advanced funds to third-party borrowers.
7. The Bridging Receiver was appointed to protect the interests of, and maximize value for, Bridging’s investors and the other stakeholders. There are approximately 26,000 Bridging investors (both retail and institutional) primarily located across Canada. As detailed in the Bridging Receiver’s various reports to the Court, Bridging’s investors are facing significant losses on their investments in the Bridging Funds.
8. One group of loans in Bridging’s portfolio are the Loans that were made available by Bridging to 258 Ontario, originally through Skymark Finance Corporation (“**Skymark**”). 258 Ontario is also indebted to Bridging as a result of a separate debt Assumption Agreement.
9. As at February 29, 2024, 258 Ontario is indebted to Bridging in the aggregate amount of \$38,842,553.49 under the Loans and the Assumption Agreement. The Loans are in default and are immediately due and payable by 258 Ontario.

10. On December 22, 2022, the Bridging Receiver demanded payment from 258 Ontario of the amount outstanding under the Loans and delivered to 258 Ontario a Notice of Intention to Enforce Security pursuant to section 244 of the BIA (the “**BIA Notice**”).
11. The Bridging Receiver also issued a Notice of Action on December 30, 2022 and a corresponding Statement of Claim on January 27, 2023, pursuant to which the Bridging Receiver seeks repayment from 258 Ontario of all amounts owing under the Loans and the Assumption Agreement (the “**Statement of Claim**”).
12. Notwithstanding the issuance of the Demand, the BIA Notice, and the Statement of Claim, 258 Ontario has not paid any amount to the Bridging Receiver on account of the amount outstanding under the Loans or the Assumption Agreement.
13. The statutory 10-day notice period under the BIA Notice has expired, and 258 Ontario has failed to fully repay its obligations. As a result of the defaults described herein, the Bridging Receiver has the contractual right to seek the appointment of the proposed Receiver pursuant to the applicable security documents.
14. In addition to the payment defaults described herein, contrary to the terms of the applicable loan and security documents, 258 Ontario listed the Maidstone Property for sale and has purported to enter into an agreement to sell the Maidstone Property (the “**Unauthorized APA**”) without first obtaining the written consent of the Bridging Receiver. The Maidstone Property is the primary collateral for the Loans and Assumption Agreement.

15. 258 Ontario did not disclose to the Receiver its plan to list the Maidstone Property for sale prior to doing so, nor did 258 Ontario seek the Bridging Receiver's consent to execute the Unauthorized APA.
16. The Bridging Receiver is concerned that the Maidstone Property has not been adequately exposed to the market and that the Unauthorized APA does not represent the highest and best value for the Maidstone Property. The Bridging Receiver has advised 258 Ontario that it does not consent to the proposed sale of the Maidstone Property by 258 Ontario, and will not agree to discharge the security it holds upon the Maidstone Property to accommodate closing of the sale transaction under the Unauthorized APA.
17. It also appears that closing of the transaction under the Unauthorized APA would require the removal of certain Certificates of Pending Litigation registered against the Maidstone Property by Thomas Canning (the former owner of the Maidstone Property that has outstanding litigation claims against Bridging and 258 Ontario). Thomas Canning has not consented to the discharge of the Certificates of Pending Litigation in order to facilitate the transaction under the Unauthorized APA.
18. The Bridging Receiver does not have any confidence in the management of 258 Ontario and will not support any sale or marketing process carried out by 258 Ontario. The Bridging Receiver similarly will not support any continuation of the *status quo*. The Bridging Receiver is concerned that the value of the Maidstone Property (which is the primary collateral for the Loans and the Assumption Agreement) will not be maximized unless the Maidstone Property (together with any other Property of value) is marketed and sold by the proposed Receiver under the supervision of this Court.

Corporate Information & Business of 258 Ontario

19. 258 Ontario is a corporation incorporated under the laws of Ontario. The registered head office of 258 Ontario is located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9. Paul Millar is currently listed as the sole director and officer of 258 Ontario. 258 Ontario was originally incorporated by Santokh Mahal.
20. 258 Ontario does not currently carry on any business or have any employees. The primary asset of 258 Ontario is the Maidstone Property, which is primarily vacant land and includes a building (the “**Building**”) which was used as a tomato processing and canning facility by the prior owner of the Maidstone Property.
21. The Bridging Receiver understands that the primary source of revenue of 258 Ontario between May 2019 and January 2023 was rent received from 2688975 Ontario Inc., a former tenant which leased a portion of the Maidstone Property (including the Building) from 258 Ontario during that period.
22. Since 2019, the balance outstanding under the Loans has increased significantly, and the payments received from 258 Ontario have not resulted in any material net reductions to the outstanding balance.
23. 258 Ontario originally acquired the Maidstone Property from Richter Advisory Group Inc. (now Richter Inc.) (“**Richter**”), in its capacity as Court-appointed receiver of all of the property, assets, and undertakings of each of Thomas Canning (Maidstone) Limited and 692194 Ontario Limited (together “**Thomas Canning**”) pursuant to an asset purchase agreement dated June 15, 2017 (the “**Canning APA**”). Thomas Canning is the former owner of the Maidstone Property. The Canning APA and the transaction contemplated

thereunder (the “**Canning Transaction**”) were each approved by order of the Honourable Justice Conway dated June 21, 2017 in the Thomas Canning receivership proceeding.

24. Thomas Canning has advanced litigation claims against Bridging, 258 Ontario, and others in relation to the acquisition by 258 Ontario of the Maidstone Property and Bridging’s role in providing the indirect financing for that transaction. Thomas Canning registered Certificates of Pending Litigation against the Maidstone Property in connection with such litigation claims. The Thomas Canning Litigation and the Certificates of Pending Litigation are described in greater detail in the Ray Affidavit.
25. The Bridging Receiver does not seek any relief on this motion in respect of Thomas Canning or the Certificates of Pending Litigation. Those issues will be addressed at a later date.

The Loan Agreement & Assumption Agreement

26. Pursuant to the Bridging-Skymark Loan Agreement, Bridging made available to Skymark certain loans in the aggregate principal amount of \$21 million (collectively, the “**Bridging-Skymark Loans**”). The stated purpose of the Bridging-Skymark Loans was to finance the Loans to 258 Ontario and therefore to indirectly finance (through Skymark) the Canning Transaction.
27. Pursuant to the Loan Agreement, Skymark used the proceeds of the Bridging-Skymark Loans to make certain loans in the aggregate principal amount of \$21 million (collectively, the “**Loans**”) available to 258 Ontario. As described above, the stated purpose of the Loans was to finance the Canning Transaction. The terms of the Bridging-Skymark Loan Agreement and the Loan Agreement are substantially similar.

28. The Bridging Receiver understands that the Loans (together with all related loan and security documents) were assigned by Skymark to Bridging prior to the appointment of the Bridging Receiver (the “**Assignment**”). As a result, 258 Ontario is directly indebted to Bridging under the Loans (as opposed to Skymark) and Skymark was effectively removed as the “middle lender” from the flow through or back-to-back loan transaction described above.
29. The books and records of Bridging do not contain a written agreement reflecting the Assignment. In order to properly document the Assignment, the Bridging Receiver and the Skymark Receiver executed a written agreement reflecting the Assignment of the Loans (and all related documents and security) from Skymark to Bridging dated February 15, 2024 (the “**Assignment Agreement**”). The Assignment Agreement was approved by order of the Honourable Justice Steele dated February 22, 2024 in the Skymark receivership proceeding.
30. In addition to the indebtedness of 258 Ontario to Bridging under the Loans, 258 Ontario is separately indebted to Bridging pursuant to the Assumption Agreement. The Assumption Agreement was part of the consideration given by 258 Ontario to the Canning Receiver for the Canning Transaction. Pursuant to the Assumption Agreement, 258 Ontario agreed to assume the principal amount of \$3,005,000 of the indebtedness that was formerly owing by Thomas Canning to Bridging (the “**Assumed Debt**”).
31. As at February 29, 2024, the aggregate indebtedness of 258 Ontario to Bridging under the Loans and the Assumption Agreement is \$38,842,553.49 (the “**Indebtedness**”).

Security Held by Bridging

32. As security for all of the present and future indebtedness and obligations of 258 Ontario to Bridging, including under the Loan Agreement and the Assignment Agreement, 258 Ontario granted Bridging security over all of its present and after acquired personal property as well as a charge over the Maidstone Property pursuant to the GSA, the Assumption GSA, the Charge, and the Assumption Charge (each as defined and described in the Ray Affidavit). The security interests contemplated under the foregoing documents have been properly registered under the PPSA and on title to the Maidstone Property.
33. Section 8.4 of each of the GSA and the Assumption GSA provide that Bridging is entitled to appoint a receiver or seek the appointment of a receiver from a court of competent jurisdiction upon the occurrence of an “Event of Default”.
34. Section 6(a) of each of the Charge and the Assumption Charge similarly provide that Bridging is entitled to appoint a receiver over all or part of the Maidstone Property upon the occurrence of an event of default (or otherwise upon the rights and remedies of Bridging thereunder becoming enforceable).

Demands for Payment, BIA Notices & Statement of Claim

35. Pursuant to the Loan Agreement and the Assumption Agreement, the Loans and the Assumed Debt were made available to 258 Ontario for a specified term, subject to the right of Bridging to demand payment. The term of each of the Loans and the Assumed Debt has expired.
36. On December 22, 2022, the Bridging Receiver issued the Demand Letter and the BIA Notice to 258 Ontario.

37. The Bridging Receiver also issued a Notice of Action on December 30, 2022 and the Statement of Claim on January 27, 2023, pursuant to which the Bridging Receiver seeks repayment from 258 Ontario of all amounts owing under the Loans and the Assumption Agreement.
38. Notwithstanding the issuance of the Demand, the BIA Notice, and the Statement of Claim, 258 Ontario has not paid any amount to the Bridging Receiver in reduction of the amounts outstanding under the Loans or the Assumption Agreement.
39. 258 Ontario has not filed a statement of defence. The Bridging Receiver did not require 258 Ontario to file a statement of defence or take any other steps to advance the litigation while it considered the most appropriate path forward to realize on its security and recover the amounts outstanding under the Loans. The Bridging Receiver has determined that the best path forward is for the Property of 258 Ontario to be marketed and sold by the proposed Receiver under the supervision of this Court.

Listing of Maidstone Property

40. On or about December 27, 2023, the Bridging Receiver learned that a “For Sale” sign had been posted on the Maidstone Property that identified CBRE Limited (“**CBRE**”) as the agent. The Bridging Receiver confirmed with CBRE that the Maidstone Property was being offered for sale and that the Maidstone Property was publicly listed by CBRE on the Multiple Listing Service on or about January 10, 2024. On or about January 11, 2024, the Bridging Receiver was advised by Paul Millar that 258 Ontario had accepted an offer to purchase the Maidstone Property.

41. Pursuant to the Loan Agreement, 258 Ontario is expressly prohibited from disposing of any of its assets outside of the ordinary course of business without the prior written consent of Bridging. Further, pursuant to section 12(b) of each of the Charge and the Assumption Charge, 258 Ontario shall not sell and shall not suffer or permit the sale or other disposition of the Maidstone Property without the prior written consent of Bridging, which may be withheld in Bridging's sole discretion.

42. By letter to 258 Ontario dated January 18, 2024, the Bridging Receiver:
 - (a) confirmed that the Bridging Receiver has not consented to the listing or sale of the Maidstone Property;
 - (b) advised 258 Ontario that it may not sell, or enter into any agreement to sell, the Maidstone Property or any interest therein without the prior written consent of the Bridging Receiver; and
 - (c) requested: (i) the listing agreement between 258 Ontario and CBRE for the purported sale of the Maidstone Property; and (ii) all offers or agreements (whether in draft form or otherwise) purportedly entered into, accepted, received, or prepared by or on behalf of 258 Ontario regarding the sale of the Maidstone Property, or the conveyance of the interest of 258 Ontario in the Maidstone Property.

43. Shortly thereafter, 258 Ontario provided the Bridging Receiver with two offers it had received to purchase the Maidstone Property: the first dated January 9, 2024 (and conditionally accepted by 258 Ontario on January 10, 2024, being the Unauthorized APA) and the second dated January 10, 2024 (the "**Second Offer**"). Each of the Unauthorized APA and the Second Offer is conditional upon the applicable purchaser acquiring the

Maidstone Property fee and clear of all encumbrances, which would require the removal from title of the Charge, the Assumption Charge, and the Certificates of Pending Litigation. The completion date for the Unauthorized APA is April 30, 2024. The Bridging Receiver is not prepared to discharge the Charge or the Assumption Charge at this time and understands that Thomas Canning has not consented to the discharge of the Certificates of Pending Litigation.

44. 258 Ontario did not disclose the listing or the sale of the Maidstone Property to the Bridging Receiver. The Bridging Receiver has not consented to the listing or sale of the Maidstone Property. The amount outstanding under the Charge and the Assumption Charge is far in excess of the purchase price contemplated in either the Unauthorized APA or the Second Offer.
45. Given the public listing of the Maidstone Property and the acceptance by 258 Ontario of the offer to purchase the Maidstone Property pursuant to the Unauthorized APA occurred on the same day, the Bridging Receiver is concerned that the Maidstone Property was not adequately exposed to the market and that the purchase price under the Unauthorized APA (as well as the Second Offer) do not represent the highest and best price for the Maidstone Property.
46. In light of the defaults committed by 258 Ontario described herein and the Bridging Receiver's concern that the value of the Maidstone Property has not been maximized under the abbreviated sale process undertaken by 258 Ontario, the Bridging Receiver does not have any confidence in the management of 258 Ontario. The Bridging Receiver will not support any continuation of the status quo or any sale process carried out by 258 Ontario.

The Bridging Receiver is concerned that Bridging's security position will be jeopardized and the value of the Maidstone Property (which is the primary collateral for the Loans) will not be maximized unless the Maidstone Property (together with any other Property of 258 Ontario of value) are marketed and sold by the proposed Receiver under the supervision of this Court.

Necessity for Appointment of Receiver

47. The appointment of the proposed Receiver over the Property of 258 Ontario is necessary and appropriate in the circumstances as a result of the following:
- (a) notwithstanding the issuance of the Demand, the BIA Notice, and the Statement of Claim, 258 Ontario has failed to make any payment on account of its obligations under the Loan Agreement and the Assumption Agreement;
 - (b) the statutory 10-day notice period under the BIA Notice has expired;
 - (c) the terms of the Loan Agreement, the Charge and the Assumption Charge prohibit 258 Ontario from entering into the Unauthorized APA or carrying out the sale of the Maidstone Property thereunder without first obtaining the consent of the Receiver. The Receiver has not, and will not, provide that consent;
 - (d) given the abbreviated sale process conducted by 258 Ontario, the Bridging Receiver is concerned that the value of the Maidstone Property has not been maximized under the Unauthorized APA, with the result that Bridging's security position is in jeopardy;
 - (e) the Bridging Receiver does not have any confidence in the management of 258 Ontario, opposes the sale of the Maidstone Property pursuant to the Unauthorized

APA and does not support 258 Ontario maintaining carriage of the process to sell the Maidstone Property in the event that the Unauthorized APA is terminated;

- (f) the appointment of the Receiver, the termination of the Unauthorized APA and the conduct of a comprehensive court-supervised sale process will ensure that the value of the Maidstone Property is maximized to the benefit of all stakeholders;
- (g) as a result of the defaults described herein, the Bridging Receiver is contractually entitled under the GSA, the Assumption GSA, the Charge, and the Assumption Charge to seek the appointment of a receiver over all or part of the Property (including the Maidstone Property);
- (h) the books and records of Bridging and the financial reporting provided to Bridging to date indicate that 258 Ontario is unable to satisfy its obligations to Bridging and other creditors and is therefore insolvent; and
- (i) given the foregoing, the marketing and sale of the Maidstone Property, and the distribution of the proceeds thereof, are most appropriately addressed in a court-supervised receivership proceeding.

48. MNP has consented to act as Receiver, subject to obtaining a Receivership Order on terms that are satisfactory to MNP.

Other Grounds for Relief:

49. Rules 1.04, 1.05, 2.03, 3.02, 16, and 37, 38, 39 of the *Rules of Civil Procedure* (Ontario), R.R.O. 1990, Reg. 194;

50. Section 243(1) of the BIA;

51. Section 101 of the CJA;

52. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. the Ray Affidavit;
2. the consent of MNP to act as Receiver; and
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

April 10, 2024

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Lawyers for the Bridging Receiver

TO: THIS HONOURABLE COURT

AND TO: 2581150 ONTARIO INC.

AND TO: THE SERVICE LIST

SERVICE LIST
(as at April 10, 2024)

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AND TO:	<p>PRICEWATERHOUSECOOPERS INC. 18 York Street, Suite 2600 Toronto, ON M5J 0B2</p> <p>Michael McTaggart Email: michael.mctaggart@pwc.com Tel: (416) 687-8924</p> <p>Christine Sinclair Email: christine.l.sinclair@pwc.com Tel: (416) 687-8938</p> <p>Tyler Ray Email: tyler.ray@pwc.com Tel: (416) 687-8200</p> <p>Court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds</p>

AND TO:	<p>LANGLOIS KONRAD INKSTER LLP 6645 Kitimat Road, Unit 14 Mississauga, ON L5N 6J3</p> <p>Tyler Inkster Email: tyler@lkilaw.ca Tel: (647) 494-4310</p> <p>Lawyers for 2581150 Ontario Inc.</p>
AND TO:	<p>MNP LTD. 1 Adelaide St. E Suite 1900 Toronto, ON M5C 2V9</p> <p>Rob Smith Email: Rob.Smith@mnp.ca Tel: (519) 964-2212</p> <p>Aldis Makovskis Email: aldis.makovskis@mnp.ca Tel: (519) 572-4699</p> <p>Proposed Receiver</p>
AND TO:	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1</p> <p>Sara-Ann Wilson Email: sara.wilson@dentons.com Tel: (416) 863-4402</p> <p>Renée Brosseau Email: renee.brosseau@dentons.com Tel: (416) 863-4650</p> <p>Lawyers for the Proposed Receiver</p>

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AND TO:	<p>2743848 ONTARIO INC. 13073 13th Concession Rd. Essex, ON N0R 1J0</p> <p>Attn: Gregg Lawrence Battersby <i>Director & Officer</i></p> <p>c/o WOLF HOOKER PROFESSIONAL CORPORATION 100-72 Talbot St N Essex, ON N8M 1A2</p> <p>Edwin (Ed) C. Hooker Email: ehooker@wolfhooker.com Tel: (519) 776-4244 Fax: (519) 776-7277</p> <p>Purchaser under the Agreement of Purchase and Sale – Commercial, dated as of January 9, 2024</p>

AND TO:	CBRE LIMITED 3200 Deziel Drive, Suite 110 Windsor, ON N8W 5K8 Brook Handysides Email: Brook.Handysides@cbre.com Brad Collins Email: Brad.Collins@cbre.com Listing brokerage and Deposit Holder
AND TO:	INTAKE CENTRE FOR INSOLOVENCY (Ontario Region) Canada Revenue Agency Insolvency Unit Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca
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<p>PRICEWATERHOUSECOOPERS INC. (solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds)</p> <p>Plaintiff</p>	<p>- and -</p>	<p>2581150 ONTARIO INC.</p> <p>Defendant</p>
<p>Court File No. CV-24-00718057-00CL</p>		
<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p>		
<p>Proceedings commenced at Toronto, Ontario</p>		
<p>NOTICE OF MOTION</p>		
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<p>Lawyers for the Bridging Receiver</p>		

Tab 2

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

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Plaintiff

- and -

2581150 ONTARIO INC.

Defendant

**AFFIDAVIT OF TYLER RAY
(Sworn April 10, 2024)**

I, Tyler Ray, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY
AS FOLLOWS:

I. INTRODUCTION

1. I am a Vice-President at PricewaterhouseCoopers Inc. (“**PwC**”), the court-appointed receiver and manager (in such capacity, the “**Bridging Receiver**”) of Bridging Finance Inc. (“**BFI**”) and certain related entities and investment funds (collectively, “**Bridging**”). As such, I have knowledge of the matters deposed to herein, save where I have obtained information from others. Where I have obtained information from others, I have stated the source of that information and believe it to be true.

2. This affidavit is sworn in support of a motion by the Bridging Receiver 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**”), for an order (the “**Receivership Order**”), substantially in the form located at Tab 3 of the Bridging Receiver’s Motion Record, among other things:
 - (a) appointing MNP Ltd. (“**MNP**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the current and future assets, undertakings, and properties (collectively, the “**Property**”) of 2581150 Ontario Inc. (“**258 Ontario**”), including, without limitation, the real properties registered in the name of 258 Ontario located in the municipality of Lakeshore – Maidstone, County of Essex, Ontario, as more particularly described in Schedule “A” hereto (the “**Maidstone Property**”);
 - (b) authorizing the Receiver to terminate the Unauthorized APA (as defined and described below) and carry out a sale and investment solicitation process in respect of all or part of the Property (including the Maidstone Property); and
 - (c) such further and other relief as this Honourable Court may deem just.
3. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
4. I am advised by counsel to 258 Ontario that 258 Ontario does not oppose the relief sought.

II. OVERVIEW & APPOINTMENT OF THE BRIDGING RECEIVER

5. By orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021 (the “**Appointment Order**”), May 3, 2021 (the “**Additional Appointment Order**”), and May 14, 2021 (the “**Continuation Order**” and collectively, the “**Appointment Orders**”), PwC was appointed as the Bridging Receiver. Copies of the Appointment Orders are attached hereto as **Exhibit “A”**.
6. PwC was appointed as the Bridging Receiver pursuant to section 129 of the *Securities Act* R.S.O. 1990, c. S. 5, as amended, upon application by the Ontario Securities Commission as a result of its ongoing investigation into Bridging and certain related individuals and entities.
7. BFI is a privately held investment management firm that, prior to the appointment of the Bridging Receiver, offered alternative investment options to investors through the various Bridging investment funds managed by BFI (the “**Bridging Funds**”). Bridging would, among other things, raise capital from investors through the Bridging Funds for the purpose of making private debt loans to third-party borrowers. BFI would typically act as agent on behalf of the applicable Bridging Fund(s) that advanced funds to third-party borrowers.
8. The Bridging Receiver was appointed to protect the interests of, and maximize value for, Bridging’s investors and the other stakeholders. There are approximately 26,000 Bridging investors (both retail and institutional) primarily located across Canada. As detailed in the Bridging Receiver’s various reports to the Court, Bridging’s investors are facing significant losses on their investments in the Bridging Funds.

9. One group of loans in Bridging's portfolio are the loans (which are collectively defined and described below as the "**Loans**") that were made available by Bridging to 258 Ontario, originally through Skymark Finance Corporation ("**Skymark**"). 258 Ontario is also indebted to Bridging as a result of a separate debt assumption agreement (which is defined and described below as the "**Assumption Agreement**"). As at March 31, 2024, 258 Ontario is indebted to Bridging in the aggregate amount of \$38,842,553.49 under the Loans and the Assumption Agreement. The Loans are in default and are immediately due and payable by 258 Ontario.
10. As detailed below, on December 22, 2022, the Bridging Receiver demanded payment from 258 Ontario of the amount outstanding under the Loans and delivered to 258 Ontario a Notice of Intention to Enforce Security pursuant to section 244 of the BIA (the "**BIA Notice**").
11. The Bridging Receiver also issued a Notice of Action on December 30, 2022 and a corresponding Statement of Claim on January 27, 2023, pursuant to which the Bridging Receiver seeks repayment from 258 Ontario of all amounts owing under the Loans and the Assumption Agreement (the "**Statement of Claim**"). This motion for the appointment of the proposed Receiver is brought within the context of the action commenced pursuant to the Statement of Claim.
12. Notwithstanding the issuance of the Demand, the BIA Notice, and the Statement of Claim, 258 Ontario has not paid any amount to the Bridging Receiver on account of the amount outstanding under the Loans or the Assumption Agreement.

13. The statutory 10-day notice period under the BIA Notice has expired, and 258 Ontario has failed to fully repay its obligations. As a result of the defaults described herein, the Bridging Receiver has the contractual right to seek the appointment of the proposed Receiver pursuant to the applicable security documents.
14. In addition to the payment defaults described herein, contrary to the terms of the applicable loan and security documents, 258 Ontario listed the Maidstone Property for sale and has purported to enter into an agreement to sell the Maidstone Property (the “**Unauthorized APA**”) without first obtaining the written consent of the Bridging Receiver. The Maidstone Property is the primary collateral for the Loans and Assumption Agreement.
15. 258 Ontario did not disclose to the Receiver its plan to list the Maidstone Property for sale prior to doing so, nor did 258 Ontario seek the Bridging Receiver’s consent to execute the Unauthorized APA. As described below, the Bridging Receiver is concerned that the Maidstone Property has not been adequately exposed to the market and that the Unauthorized APA does not represent the highest and best value for the Maidstone Property. The Bridging Receiver has advised 258 Ontario that it does not consent to the proposed sale of the Maidstone Property by 258 Ontario, and will not agree to discharge the security it holds upon the Maidstone Property to accommodate closing of the sale transaction under the Unauthorized APA.
16. It also appears that closing of the transaction under the Unauthorized APA would require the removal of certain Certificates of Pending Litigation (as defined below) registered against the Maidstone Property by Thomas Canning (as defined below). I am advised by

counsel for Thomas Canning that Thomas Canning has not consented to the discharge of the Certificates of Pending Litigation in order to facilitate the transaction under the Unauthorized APA.

17. The Bridging Receiver does not have any confidence in the management of 258 Ontario and will not support any sale or marketing process carried out by 258 Ontario. The Bridging Receiver similarly will not support any continuation of the *status quo*. The Bridging Receiver is concerned that the value of the Maidstone Property (which is the primary collateral for the Loans and the Assumption Agreement) will not be maximized unless the Maidstone Property (together with any other Property of value) is marketed and sold by the proposed Receiver under the supervision of this Court.

III. BACKGROUND INFORMATION ON 258 ONTARIO

18. 258 Ontario is a corporation incorporated under the laws of Ontario. The registered head office of 258 Ontario is located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9. Paul Millar is currently listed as the sole director and officer of 258 Ontario. A copy of the corporate profile report in respect of 258 Ontario is attached as **Exhibit "B"**.
19. The Bridging Receiver understands from discussions with Paul Millar and the reporting provided by 258 Ontario to Bridging that 258 Ontario does not currently carry on any business or have any employees. The primary asset of 258 Ontario is the Maidstone Property, which is primarily vacant land and includes a building (the "**Building**") which was used as a tomato processing and canning facility by the prior owner of the Maidstone Property. Although Bridging's books and records indicate that 258 Ontario retained a

property manager for the Maidstone Property, the Bridging Receiver is not aware if the engagement of the property manager is ongoing.

20. The Bridging Receiver understands that the primary source of revenue of 258 Ontario between May 2019 and January 2023 was rent received from 2688975 Ontario Inc. (the “**Former Tenant**”), which leased a portion of the Maidstone Property (including the Building) from 258 Ontario during that period.
21. The Former Tenant paid rent in the amount of approximately \$13,000 per month, which was deposited into a Canadian dollar blocked account in the name of 258 Ontario (the “**Blocked Account**”). The Blocked Account was established in favour of Bridging pursuant to a blocked account agreement dated as of September 12, 2017 (the “**Blocked Account Agreement**”) in order to facilitate repayments under the Loans. A copy of the Blocked Account Agreement is attached as **Exhibit “C”**.
22. Pursuant to the Blocked Account Agreement, any credit balance in the Blocked Account would be swept to an account held by Bridging Income Fund LP on a daily basis. However, since the rent payments from the Former Tenant comprised substantially all of the funds received by 258 Ontario from 2019 to 2023, cash was generally swept from the Blocked Account on a monthly basis. No payments have been made to Bridging by 258 Ontario since a rent payment was swept from the Blocked Account in January 2023.
23. The funds swept from the Blocked Accounts were generally applied in reduction of the amount outstanding under a revolving credit facility with Bridging (Facility A, as defined below). Bridging in turn made advances to 258 Ontario under Facility A to fund 258

Ontario's operational expenses, including property taxes. Since 2019, the balance outstanding under Facility A has increased significantly, and the payments received from 258 Ontario have not resulted in any material net reductions to the outstanding balance of Facility A.

24. The Bridging Receiver understands that beginning in 2019 and continuing until at least 2022, 258 Ontario also had an arrangement with two local farmers under which these farmers were permitted to farm soybean and other crops on portions of the Maidstone Property in consideration of paying to 258 Ontario a portion of the profit generated from this activity. The Bridging Receiver understands that 258 Ontario may have funded certain of the input costs (such as seed and fertilizer) associated with this activity. Based on Bridging's books and records, it appears that 258 Ontario received approximately \$50,000 (net of costs) per year from the farmers under this arrangement. However, as far as the Bridging Receiver is aware, 258 Ontario never carried on any farming activity itself on the Maidstone Property.

IV. 258 ONTARIO'S ACQUISITION OF MAIDSTONE PROPERTY

25. 258 Ontario originally acquired the Maidstone Property from Richter Advisory Group Inc. (now Richter Inc.) ("**Richter**"), in its capacity as Court-appointed receiver (in such capacity, the "**Canning Receiver**") of all of the property, assets, and undertakings of each of Thomas Canning (Maidstone) Limited and 692194 Ontario Limited (together "**Thomas Canning**") pursuant to an asset purchase agreement dated June 15, 2017 (the "**Canning APA**"). Thomas Canning is the former owner of the Maidstone Property. The Canning APA and the transaction contemplated thereunder (the "**Canning Transaction**") were each

approved by order of the Honourable Justice Conway dated June 21, 2017 (the “**Canning Vesting Order**”) in the Thomas Canning receivership proceeding.

26. The Canning Transaction and Canning Vesting Order are relevant to the recent registration by Thomas Canning of the Certificates of Pending Litigation on title to the Maidstone Property. The following provides an overview of the events that led to the Canning Vesting Order and the Certificates of Pending Litigation. The facts set out in this section are primarily derived from the court reports prepared by Richter and other materials filed in the Thomas Canning receivership proceeding, which are publicly available on Richter’s case website through the following link: <https://www.richter.ca/insolvencycase/thomas-canning-limited/>.
27. Prior to the Canning Transaction, BFI was the senior secured creditor of Thomas Canning (the former owner of the Maidstone Property). In 2015 and 2016, BFI made certain secured loans to Thomas Canning in the aggregate principal amount of approximately \$23.87 million (collectively, the “**Canning Loans**”) to finance its tomato canning and processing business.
28. On April 5, 2017, BFI demanded payment from Thomas Canning of the amounts owing under the Canning Loans and delivered Notices of Intention to Enforce Security pursuant to section 244 of the BIA.
29. BFI subsequently brought an application seeking the appointment of Richter as interim receiver of Thomas Canning. By order of the Honourable Justice Newbould dated April

- 20, 2017, Richter was appointed as interim receiver of Thomas Canning (in such capacity, the “**Canning Interim Receiver**”).
30. At the same time as the appointment of the Canning Interim Receiver, the Court set April 28, 2017 as the return date for BFI’s application to appoint Richter as receiver of Thomas Canning pursuant to section 243(1) of the BIA and section 101 of the CJA. The April 28, 2017 return date was later extended to May 1, 2017 to provide the parties time to negotiate a resolution of certain issues in dispute.
 31. Those negotiations resulted in BFI and Thomas Canning entering into an Accommodation Agreement dated April 29, 2017 (the “**Accommodation Agreement**”). The Accommodation Agreement provided that Richter would be appointed by the Court as monitor of Thomas Canning (in such capacity, the “**Canning Monitor**”), to market the Thomas Canning business and property (including the Maidstone Property) in accordance with the terms of a refinancing, investment, and/or sale process that was agreed to by the parties (the “**Canning RISP**”). The order appointing Richter as the Canning Monitor was granted by the Honourable Justice Newbould on May 1, 2017.
 32. The Canning RISP was completed by June 2, 2017. As part of that process, the Canning Monitor identified Santokh Mahal (or a nominee company to be named) as the successful bidder. The successful bid (which culminated in the Canning APA) contemplated the acquisition by Santokh Mahal of substantially all of the Thomas Canning business and assets (including the Maidstone Property), subject to approval by the Court. Santokh Mahal ultimately named 258 Ontario as the nominee purchaser company.

33. On June 15, 2017, in order to facilitate and complete the Canning Transaction, BFI brought a motion for an order appointing Richter as receiver of Thomas Canning. The receivership order and the Canning Vesting Order were each granted by the Honourable Justice Conway on June 21, 2017.
34. The Canning Transaction closed on July 17, 2017. The purchase price under the Canning APA was \$20 million in cash together with an assumption by 258 Ontario of the indebtedness of Thomas Canning to BFI in the amount of \$3,005,000 pursuant to the Assumption Agreement (which is described in greater detail in the following section). The cash component of the purchase price was indirectly funded by BFI through Skymark pursuant to the Loans (which are described in greater detail in the following section).
35. The Canning Interim Receiver and Monitor brought a motion originally returnable on June 21, 2017 for an order, among other things, discharging the Canning Monitor (the “**Monitor’s Discharge Motion**”). Thomas Canning requested that the Monitor’s Discharge Motion be adjourned until after the Canning Transaction closed. That request was granted.
36. The Monitor’s Discharge Motion was ultimately heard by the Honourable Justice McEwen on May 14, 2018 and the discharge order was granted that day.
37. On April 4, 2019, Thomas Canning (together with certain related individuals and entities) issued a Statement of Claim against BFI claiming \$50 million in damages on the basis that BFI, among other things, perpetrated a fraudulent scheme to finance, acquire and then destroy the Thomas Canning business.

38. On November 9, 2022, Thomas Canning *et al* amended the Statement of Claim to, among other things: (i) add Skymark, 258 Ontario, and all of the Bridging entities subject to the Appointment Orders (in addition to BFI) as defendants; and (ii) seek an order setting aside and declaring void the Canning Vesting Order and the Canning Transaction. The Bridging Receiver permitted the stay under the Appointment Orders to be lifted solely for the purpose of amending the Statement of Claim.
39. On November 29, 2022, Thomas Canning *et al* sought and obtained an order granting leave to: (i) register certificates of pending litigation (collectively, the “**Certificates of Pending Litigation**”) on title to the Maidstone Property; and (ii) further amend the Statement of Claim to reflect the Certificates of Pending Litigation. The Bridging Receiver did not oppose the relief sought without prejudice to its right to later seek the removal of the Certificates of Pending Litigation. A copy of the Second Amended Statement of Claim is attached as **Exhibit “D”**.
40. Thomas Canning has submitted a proof of claim in the Bridging receivership proceeding claiming \$50 million in damages on the basis of the allegations set out in the Statement of Claim (as amended). The Bridging Receiver has disallowed the Thomas Canning proof of claim in its entirety. Thomas Canning has disputed the Bridging Receiver’s disallowance. The Thomas Canning claim against Bridging is in the process of being adjudicated in the Bridging receivership proceeding under the supervision of the Court.

41. The Bridging Receiver does not seek any relief on this motion in respect of Thomas Canning or the Certificates of Pending Litigation. Those issues will be addressed at a later date.

V. THE LOAN AGREEMENTS & ASSUMPTION AGREEMENT

42. This section provides an overview of the Loans that were advanced by Bridging (through Skymark) to 258 Ontario to indirectly finance the Canning Transaction.
43. Pursuant to a term sheet dated July 7, 2017 (the “**Bridging-Skymark Loan Agreement**”), Bridging made available to Skymark¹ certain loans in the aggregate principal amount of \$21 million (collectively, the “**Bridging-Skymark Loans**”). The stated purpose of the Bridging-Skymark Loans was to finance the Loans to 258 Ontario and therefore to indirectly finance (through Skymark) the Canning Transaction. A copy of the Bridging-Skymark Loan Agreement is attached hereto as **Exhibit “E”**.
44. Pursuant to a term sheet dated July 7, 2017 (the “**Loan Agreement**”), Skymark used the proceeds of the Bridging-Skymark Loans to make certain loans in the aggregate principal amount of \$21 million (collectively, the “**Loans**”) available to 258 Ontario. As described above, the stated purpose of the Loans was to finance the Canning Transaction. The terms of the Bridging-Skymark Loan Agreement and the Loan Agreement are substantially similar. A copy of the Loan Agreement is attached hereto as **Exhibit “F”**.

¹ Skymark is an entity controlled by Paul Millar (the principal of 258 Ontario). Bridging is the senior secured lender of Skymark as a result of certain loans (which are separate and distinct from the loans described in this affidavit) that were advanced by Bridging to Skymark. By order of the Court dated March 6, 2023, Alvarez & Marsal Canada Inc. was appointed as receiver and manager of Skymark (in such capacity, the “**Skymark Receiver**”) upon application by the Bridging Receiver. The Skymark receivership remains ongoing under the supervision of this Court.

45. The Loans include one revolving operating facility limited to the principal amount of \$2,000,000 (“**Facility A**”). Facility A includes a sub-limit for U.S. Dollar advances of US\$1,000,000.
46. I understand from emails with Paul Millar (the sole director of 258 Ontario) and Graham Marr (a former officer of BFI) dated August 9, 2021 and August 10, 2021, copies of which are attached hereto as **Exhibit “G”**, that the Loans (together with all related loan and security documents) were assigned, or intended to be assigned, by Skymark to Bridging prior to the appointment of the Bridging Receiver (the “**Assignment**”). As a result, 258 Ontario is directly indebted to Bridging under the Loans (as opposed to Skymark) and Skymark was effectively removed as the “middle lender” from the flow through or back-to-back loan transaction described above.
47. The books and records of Bridging do not contain a written agreement reflecting the Assignment. However, the discussions described above as well as the course of conduct of the parties support the Assignment. As described above, all of the payments made by 258 Ontario under the Loans were made directly to Bridging and not to Skymark. The Blocked Account was established in favour of Bridging, not Skymark. The books and records of Bridging (including audit confirmation documents) also generally reflect the fact that 258 Ontario is directly indebted to Bridging.
48. In order to properly document the Assignment, the Bridging Receiver and the Skymark Receiver executed a written agreement reflecting the Assignment of the Loans (and all related documents and security) from Skymark to Bridging dated February 15, 2024 (the

“**Assignment Agreement**”). The Assignment Agreement was approved by order of the Honourable Justice Steele dated February 22, 2024 in the Skymark receivership proceeding. A copy of the Assignment Agreement is attached hereto as **Exhibit “H”**. A copy of the order approving the Assignment Agreement is attached hereto as **Exhibit “I”**.

49. As at March 31, 2024, 258 Ontario is indebted to Bridging in the aggregate amount of \$32,091,959.39 under the Loans.
50. As described above, in addition to the indebtedness of 258 Ontario to Bridging under the Loans, 258 Ontario is separately indebted to Bridging pursuant to an assumption agreement dated July 7, 2017 (the “**Assumption Agreement**”). The Assumption Agreement was part of the consideration given by 258 Ontario to the Canning Receiver for the Canning Transaction. Pursuant to the Assumption Agreement, 258 Ontario agreed to assume the principal amount of \$3,005,000 of the indebtedness that was formerly owing by Thomas Canning to Bridging (the “**Assumed Debt**”).
51. Interest accrues on the amount owing under the Assumption Agreement at the rate of 10% per annum.
52. As at March 31, 2024, 258 Ontario is indebted to Bridging in the aggregate amount of \$6,750,594.10 under the Assumption Agreement. Accordingly, as at March 31, 2024, the aggregate indebtedness of 258 Ontario to Bridging under the Loans and the Assumption Agreement is \$38,842,553.49 (the “**Indebtedness**”).

VI. SECURITY HELD BY BRIDGING

53. Prior to the Assignment, as security for all of the present and future indebtedness and obligations of 258 Ontario to Skymark under the Loans, 258 Ontario granted to Skymark, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the “**GSA**”) as well as a charge in the principal amount of \$3,005,000 (the “**Charge**”) over the Maidstone Property. As described above, pursuant to the Assignment, the GSA and the Charge were assigned from Skymark to Bridging and thus form part of Bridging’s security. A copy of the GSA and the Charge are attached hereto as **Exhibits “J”** and “**K**”, respectively.
54. Based on Bridging’s books and records, it appears that the principal amount of the Charge should have been equal to the principal amount of the Loans and that Skymark and/or Bridging intended to take steps to increase the principal amount of the Charge. However, the Bridging Receiver has been unable to locate any amendment to the Charge that increases its principal amount.
55. Prior to the Assignment, Skymark made a registration against 258 Ontario pursuant to the PPSA on June 22, 2017 against all classes of collateral other than consumer goods. This registration expired on June 22, 2022 and a new registration was made on January 31, 2024. The Bridging Receiver filed a financing change statement on February 29, 2024 to reflect that this registration is for the benefit of Bridging. A copy of a certified PPSA search in respect of 258 Ontario, current as of April 3, 2024, is attached hereto as **Exhibit “L”**.

56. Prior to the Assignment, Skymark registered the Charge on title to the Maidstone Property on July 7, 2017. In accordance with the Assignment Agreement, the Charge was transferred from Skymark to Bridging pursuant to a transfer of charge dated April 10, 2024, a copy of which is attached hereto as **Exhibit “M”**. Copies of the parcel registry searches in respect of the Maidstone Property are attached as **Exhibit “N”**.
57. As security for all of the present and future indebtedness and obligations of 258 Ontario to Bridging under the Assumption Agreement, 258 Ontario granted to Bridging, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the “**Assumption GSA**”) as well as a charge in the principal amount of \$3,005,000 (the “**Assumption Charge**”) over the Maidstone Property, registered on title to the Maidstone Property on July 7, 2017. A copy of the Assumption GSA and the Assumption Charge are attached hereto as **Exhibits “O”** and “**P**”, respectively.
58. Bridging perfected its security interest under the Assumption GSA by registration made pursuant to the PPSA on June 28, 2017, against 258 Ontario, in respect of all classes of collateral other than consumer goods.
59. Section 8.4 of each of the GSA and the Assumption GSA provide that Bridging is entitled to appoint a receiver or seek the appointment of a receiver from a court of competent jurisdiction upon the occurrence of an “Event of Default”².

² “**Event of Default**” is defined in the GSA to mean: (a) the occurrence of any Event of Default (as such term is defined in the Loan Agreement); or (b) the issuance of a demand for repayment by [Bridging]. “**Event of Default**” is defined in the Assumption GSA to mean: the issuance of a demand for repayment by [Bridging].

60. Section 6(a) of each of the Charge and the Assumption Charge similarly provide that Bridging is entitled to appoint a receiver over all or part of the Maidstone Property upon the occurrence of an event of default (or otherwise upon the rights and remedies of Bridging thereunder becoming enforceable).

VII. DEMANDS FOR PAYMENT, BIA NOTICES & STATEMENT OF CLAIM

61. Pursuant to the Loan Agreement and the Assumption Agreement, the Loans and the Assumed Debt were made available to 258 Ontario for a specified term, subject to the right of Bridging to demand payment. The term of each of the Loans and the Assumed Debt has expired.
62. By letter to 258 Ontario dated December 22, 2022, the Bridging Receiver demanded payment of the amount outstanding under the Loans (the “**Demand**”) and together therewith delivered the BIA Notice to 258 Ontario. Copies of the Demand and the BIA Notice are attached hereto as **Exhibit “Q”**.
63. The Bridging Receiver also issued a Notice of Action on December 30, 2022 and the Statement of Claim on January 27, 2023, pursuant to which the Bridging Receiver seeks repayment from 258 Ontario of all amounts owing under the Loans and the Assumption Agreement. This motion for the appointment of the proposed Receiver is brought within the context of the action commenced pursuant to the Statement of Claim.
64. Notwithstanding the issuance of the Demand, the BIA Notice, and the Statement of Claim, 258 Ontario has not paid any amount to the Bridging Receiver in reduction of the amounts outstanding under the Loans or the Assumption Agreement.

65. 258 Ontario has not filed a statement of defence. The Bridging Receiver did not require 258 Ontario to file a statement of defence or take any other steps to advance the litigation while it considered the most appropriate path forward to realize on its security and recover the amounts outstanding under the Loans. The Bridging Receiver has determined that the best path forward is for the Property of 258 Ontario to be marketed and sold by the proposed Receiver under the supervision of this Court.

VIII. LISTING OF MAIDSTONE PROPERTY

66. On or about December 27, 2023, the Bridging Receiver learned that a “For Sale” sign had been posted on the Maidstone Property that identified CBRE Limited (“**CBRE**”) as the agent. The Bridging Receiver confirmed with CBRE that the Maidstone Property was being offered for sale and that the Maidstone Property was publicly listed by CBRE on the Multiple Listing Service on or about January 10, 2024. On or about January 11, 2024, the Bridging Receiver was advised by Paul Millar that 258 Ontario had accepted an offer to purchase the Maidstone Property.
67. Pursuant to the Loan Agreement, 258 Ontario is expressly prohibited from disposing of any of its assets outside of the ordinary course of business without the prior written consent of Bridging. Further, pursuant to section 12(b) of each of the Charge and the Assumption Charge, 258 Ontario shall not sell and shall not suffer or permit the sale or other disposition of the Maidstone Property without the prior written consent of Bridging, which may be withheld in Bridging’s sole discretion.

68. By letter to 258 Ontario dated January 18, 2024, a copy of which is attached hereto as **Exhibit “R”**, the Bridging Receiver:
- (a) confirmed that the Bridging Receiver has not consented to the listing or sale of the Maidstone Property;
 - (b) advised 258 Ontario that it may not sell, or enter into any agreement to sell, the Maidstone Property or any interest therein without the prior written consent of the Bridging Receiver; and
 - (c) requested: (i) the listing agreement between 258 Ontario and CBRE for the purported sale of the Maidstone Property; and (ii) all offers or agreements (whether in draft form or otherwise) purportedly entered into, accepted, received, or prepared by or on behalf of 258 Ontario regarding the sale of the Maidstone Property, or the conveyance of the interest of 258 Ontario in the Maidstone Property.
69. Shortly thereafter, 258 Ontario provided the Bridging Receiver with two offers it had received to purchase the Maidstone Property: the first dated January 9, 2024 (and conditionally accepted by 258 Ontario on January 10, 2024, being the Unauthorized APA) and the second dated January 10, 2024 (the “**Second Offer**”). Each of the Unauthorized APA and the Second Offer is conditional upon the applicable purchaser acquiring the Maidstone Property free and clear of all encumbrances, which would require the removal from title of the Charge, the Assumption Charge, and the Certificates of Pending Litigation. The Completion Date for the Unauthorized APA is April 30, 2024. The Bridging Receiver is not prepared to discharge the Charge or the Assumption Charge at this time and I

understand from counsel to Thomas Canning that Thomas Canning has not consented to the discharge of the Certificates of Pending Litigation.

70. 258 Ontario did not disclose the listing or the sale of the Maidstone Property to the Bridging Receiver. The Bridging Receiver has not consented to the listing or sale of the Maidstone Property. The Skymark Receiver has confirmed to the Bridging Receiver that the Skymark Receiver also did not consent to the listing or sale of the Maidstone Property. The amount outstanding under the Charge and the Assumption Charge is far in excess of the purchase price contemplated in either the Unauthorized APA or the Second Offer.
71. Given the public listing of the Maidstone Property and the acceptance by 258 Ontario of the offer to purchase the Maidstone Property pursuant to the Unauthorized APA occurred on the same day (January 10, 2024), the Bridging Receiver is concerned that the Maidstone Property was not adequately exposed to the market and that the purchase price under the Unauthorized APA (as well as the Second Offer) do not represent the highest and best price for the Maidstone Property.
72. In light of the defaults committed by 258 Ontario described herein and the Bridging Receiver's concern that the value of the Maidstone Property has not been maximized under the abbreviated sale process undertaken by 258 Ontario, the Bridging Receiver does not have any confidence in the management of 258 Ontario. The Bridging Receiver will not support any continuation of the *status quo* or any sale process carried out by 258 Ontario. The Bridging Receiver is concerned that Bridging's security position will be jeopardized and the value of the Maidstone Property (which is the primary collateral for the Loans) will

not be maximized unless the Maidstone Property (together with any other Property of 258 Ontario of value) are marketed and sold by the proposed Receiver under the supervision of this Court.

IX. NECESSITY FOR THE APPOINTMENT OF A RECEIVER

73. The appointment of the proposed Receiver over the Property of 258 Ontario is necessary and appropriate in the circumstances as a result of the following:

- (a) notwithstanding the issuance of the Demand, the BIA Notice, and the Statement of Claim, 258 Ontario has failed to make any payment on account of its obligations under the Loan Agreement and the Assumption Agreement;
- (b) the statutory 10-day notice period under the BIA Notice has expired;
- (c) the terms of the Loan Agreement, the Charge and the Assumption Charge prohibit 258 Ontario from entering into the Unauthorized APA or carrying out the sale of the Maidstone Property thereunder without first obtaining the consent of the Receiver. The Receiver has not, and will not, provide that consent;
- (d) given the abbreviated sale process conducted by 258 Ontario, the Bridging Receiver is concerned that the value of the Maidstone Property has not been maximized under the Unauthorized APA, with the result that Bridging's security position is in jeopardy;
- (e) the Bridging Receiver does not have any confidence in the management of 258 Ontario, opposes the sale of the Maidstone Property pursuant to the Unauthorized

APA and does not support 258 Ontario maintaining carriage of the process to sell the Maidstone Property in the event that the Unauthorized APA is terminated;

- (f) the appointment of the Receiver, the termination of the Unauthorized APA and the conduct of a comprehensive court-supervised sale process will ensure that the value of the Maidstone Property is maximized to the benefit of all stakeholders;
- (g) as a result of the defaults described herein, the Bridging Receiver is contractually entitled under the GSA, the Assumption GSA, the Charge, and the Assumption Charge to seek the appointment of a receiver over all or part of the Property (including the Maidstone Property);
- (h) the books and records of Bridging and the financial reporting provided to Bridging to date indicate that 258 Ontario is unable to satisfy its obligations to Bridging and other creditors and is therefore insolvent; and
- (i) given the foregoing, the marketing and sale of the Maidstone Property, and the distribution of the proceeds thereof, are most appropriately addressed in a court-supervised receivership proceeding.



74. MNP has consented to act as Receiver, subject to obtaining a Receivership Order on terms that are satisfactory to MNP. A copy of MNP's consent to act as Receiver is attached as **Exhibit "S"**.

X. CONCLUSION

75. For the reasons set out above, the Bridging Receiver seeks the appointment of MNP as Receiver of 258 Ontario to protect the interests of Bridging and the other stakeholders of

258 Ontario substantially on the terms of the draft Receivership Order located at Tab 3 of its Motion Record.

76. This affidavit is sworn in support of the within motion and for no other or improper purpose.

<p>SWORN remotely via videoconference, by Tyler Ray 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, this 10th day of April 2024, in accordance with <i>O. Reg 431/20, Administering Oath or Declaration Remotely.</i></p>		<p>DocuSigned by:  7C3ED508CD4B44B...</p>
<p> Commissioner for Taking Affidavits Adam Driedger (LSO# 77296F)</p>		<p>TYLER RAY</p>

Schedule "A"

Maidstone Property

PIN75016-0009 (LT): PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355; LAKESHORE;

PIN75016-0010 (LT): PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3, 4 R423541; S/T MB18404; LAKESHORE;

PIN75016-0019 (LT): PT LT 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY) EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964; LAKESHORE

PIN75016-0021 (LT): PT LT 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273 & PT 1 12R376; S/T R389219; LAKESHORE;

PIN75228-0005 (LT): PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE;

PIN75228-0067 (LT): PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686;

PIN75228-0095 (LT): PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; SUBJECT TO AN EASEMENT AS IN MB18413; TOGETHER WITH AN EASEMENT AS IN R1042854; TOWN OF LAKESHORE;

PIN75228-0097 (LT): PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; TOGETHER WITH AN EASEMENT AS IN R1042854; SUBJECT TO AN EASEMENT AS IN MB18413; SUBJECT TO AN EASEMENT AS IN CE502602; TOWN OF LAKESHORE.

This is Exhibit "A" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

FRIDAY, THE 30th

JUSTICE HAINEY

)

DAY OF APRIL, 2021

)

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, and BRIDGING FERN ALTERNATIVE CREDIT FUND

Respondents

Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended

**ORDER
(Appointment of Receiver)**

THIS APPLICATION made without notice by the Ontario Securities Commission (the "Applicant" or the "Commission") for an Order pursuant to section 129 of the *Securities Act* (Ontario), R.S.O. 1990, c. S. 5, as amended (the "Securities Act"), appointing PricewaterhouseCoopers Inc. ("PwC") as receiver and manager (in such capacities, the "Receiver"), without security, of all of the assets, undertakings and properties of each of Bridging Finance Inc., Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging

SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund (collectively, the “Respondents”), was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Daniel Tourangeau sworn April 29, 2021 and the Exhibits thereto (the “Tourangeau Affidavit”), the first supplemental affidavit of Daniel Tourangeau sworn April 30, 2021 and the Exhibits thereto, and the affidavit of Sandy McMurrich sworn April 29, 2021 and the Exhibits thereto, and on hearing the submissions of counsel for Applicant and on reading the consent of PwC to act as the Receiver,

APPOINTMENT OF RECEIVER

1. **THIS COURT ORDERS** that, pursuant to section 129 of the Securities Act, PwC is hereby appointed Receiver, without security, of all of the present and future assets, undertakings and properties of each of the Respondents, including all of the assets held in trust or required to be held in trust by or for each of the Respondents or by their lawyers, agents, or any other Person (as defined below), and all proceeds thereof (collectively, the “Property”). Without limiting the foregoing, “Property” shall include any present or future assets or funds held by Odyssey Trust Company as trustee for the benefit of Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund, and all proceeds thereof. In accordance with section 129(3) of the Securities Act, the period of the Receiver’s appointment shall not exceed 15 days from the date of this Order unless otherwise ordered by the Court.

RECEIVER’S POWERS

2. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Respondents and 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 and maintain control of 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 each of the Respondents, 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 businesses, or cease to perform any contracts of each of the Respondents;
- (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 each of the Respondents, or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to each of the Respondents and to exercise all remedies of each of the Respondents in collecting such monies, including, without limitation, to enforce any security held by each of the Respondents;
- (g) to settle, extend or compromise any indebtedness owing to each of the Respondents;
- (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 each the Respondents, 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 each

of the Respondents, 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 as follows:
 - (i) without the approval of this Court, any exchange-traded securities or fixed income non-exchange traded securities held by any of the Respondents;
 - (ii) without the approval of this Court, any other Property of the Respondents in which consideration for the transaction does not exceed \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$2,000,000; and
 - (iii) with the approval of this Court in respect of any transaction in respect of the Property in which the consideration for the transaction or the aggregate consideration for all such transactions exceeds \$250,000 and \$2,000,000, respectively:

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;
 - (iv) 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;

- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers 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 considers advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental or regulatory authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Respondents;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Respondents including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Respondents;
- (p) to exercise any shareholder, partnership, joint venture or other rights which each of the Respondents may have;
- (q) to examine under oath any person the Receiver reasonably considers to have knowledge of the affairs of the Respondents, including, without limitation, any present or former director, officer, employee, or other person registered or previously registered with the Commission or subject to or formerly subject to the jurisdiction of the Commission or any other regulatory body respecting or having jurisdiction over the Property and the affairs of any of the Respondents;
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations: and
- (s) in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so. to the exclusion of all other

Persons (as defined below), including the Respondents, and without interference from any other Person.

3. **THIS COURT ORDERS** that the Receiver may engage Thornton Grout Finnigan LLP as its legal counsel, notwithstanding that Thornton Grout Finnigan LLP has had an advisory role with respect to the Commission in connection with this proceeding.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not required, to take possession and control of any monies, funds, deposit instruments, securities, or other Property held by or in the name of any of the Respondents, or by any third party for the benefit of any of the Respondents.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents, or the Property, 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 6 or in paragraph 7 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, provided that, for greater certainty, law firm trust ledgers requested by the Receiver pursuant to this Order are not subject to solicitor-client privilege and shall be produced to the Receiver.

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

8. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords of the Respondents with notice of the Receiver's intention to remove any fixtures from any leased premises of the Respondents 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 ISSUANCE OR REDEMPTION OF UNITS

9. **THIS COURT ORDERS** that none of the Respondents shall: (i) issue any new units in any of the Respondents or any of the partnerships or investment funds controlled by any of the Respondents; or (ii) redeem any of the existing units in any of the Respondents or any of the partnerships or investment funds controlled by any of the Respondents.

NO PROCEEDINGS AGAINST THE RECEIVER

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court, tribunal, regulatory or administrative body (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 RESPONDENTS OR THE PROPERTY

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents 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 Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings in respect of the Respondents, or any of them, by or before any regulatory authority, including, without limitation, the Commission and its enforcement staff.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that all rights and remedies against the Respondents, 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 *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "BIA"), and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on; (ii) exempt the Receiver or the Respondents 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

13. **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 Respondents without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that all Persons having oral or written agreements with any of the Respondents 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 any of the Respondents 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 any of the Respondents' 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 Respondents 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

15. **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

16. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' 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* (Canada).

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **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

19. **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 (Canada)*. 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

20. **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.

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

22. **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

23. **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 \$2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate 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.

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

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

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

INTERCOMPANY LENDING

27. **THIS COURT ORDERS** that the Receiver may cause any of the Respondents to make any payment to or on behalf of, or incur any obligation on behalf of, or discharge any obligation of, any of the other Respondents, or otherwise transfer value to, or for the benefit of, any of the other Respondents for the purpose of funding the Respondents' ongoing activities and the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures.

28. **THIS COURT ORDERS** that, to the extent any of the Respondents (in each case, an "Intercompany Lender") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, any other of the Respondents or otherwise transfers value to, or for the benefit of, any other of the Respondents (in each case, the "Borrowing Respondent"), such Intercompany Lender is hereby granted a charge (each, an "Intercompany Charge") on all of the Property of the Borrowing Respondent in the amount of such payment, obligation, or transfer of value. The Receiver shall take into account the amount of each Intercompany Charge granted by and to each Respondent to determine the net amount secured by each Intercompany Charge.

29. **THIS COURT ORDERS** that each Intercompany Charge shall rank subordinate to the Receiver's Charge and the Receiver's Borrowings Charge, but in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person in respect of the Property of the applicable Borrowing Respondent. For greater certainty, each Intercompany Charge shall rank *pari passu* with any other Intercompany Charge, as applicable.

PRIORITY OF CHARGES CREATED BY THIS ORDER

30. **THIS COURT ORDERS** that the priorities of the Receiver's Charge, the Receiver's Borrowings Charge, and the Intercompany Charges, as among them, shall be as follows:

- (a) First – Receiver’s Charge;
- (b) Second – Receiver’s Borrowings Charge; and
- (c) Third – Intercompany Charge.

SEALING

31. **THIS COURT ORDERS** that the Commission is authorized to redact any Personal Information (as defined below) contained in the Exhibits to the Tourangeau Affidavit (as so redacted, the “Redacted Exhibits”) and file with the Court the Tourangeau Affidavit with the Redacted Exhibits. “Personal Information” means information about an identifiable individual, including, but not limited to, the following: (i) social insurance number; (ii) driver’s license number; (iii) passport number; (iv) license plate number; (v) health plan number; (vi) date of birth; (vii) address (not including city or province); (viii) telephone number; and (ix) bank or trading account number (including a joint account). For greater certainty, “Personal Information” does not include an individual’s name or the title, contact information, or designation of an individual in a business, professional, or official capacity.

32. **THIS COURT ORDERS** that the Commission shall file with the Court the Tourangeau Affidavit without Exhibits pending filing of the Redacted Exhibits with the Court. The Commission shall file the Redacted Exhibits with the Court as soon as reasonably practicable.

33. **THIS COURT ORDERS** that the Commission is authorized to deliver the Tourangeau Affidavit containing the unredacted Exhibits to each of the following parties and its respective lawyers: the Respondents, the directors of the Respondent Bridging Finance Inc., the shareholders of the Respondent Bridging Finance Inc. and David Sharpe (each such party, a “Recipient”). Each Recipient shall keep the unredacted Exhibits to the Tourangeau Affidavit confidential and shall not disclose the unredacted Exhibits to the Tourangeau Affidavit to any other party without further order of the Court.

34. **THIS COURT ORDERS** that the unredacted Exhibits to the Tourangeau Affidavit shall be sealed, kept confidential, and shall not form part of the public record pending further Order of the Court.

SERVICE AND NOTICE

35. **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 of the *Rules of Civil Procedure* (Ontario) (the "Rules"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.pwc.com/ca/BFI>.

36. **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 a notice with a link to the Case Website by email, ordinary mail, courier, personal delivery or facsimile transmission to the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by email, 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

37. **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.

38. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents, or any of them.

39. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

SCHEDULE "A"
RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver and manager (in such capacities, the "Receiver") of the assets, undertakings and properties of each of Bridging Finance Inc., Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund (collectively, the "Respondents") acquired for, or used in relation to a business carried on by the Respondents, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the [DAY] day of April, 2021 (the "Appointment Order") made in an action having Court file number -CL- , has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Appointment 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 Appointment Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Appointment 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 Appointment Order (including the Receiver's Charge, as defined therein) 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__.

PricewaterhouseCoopers Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

Application under Section 129 of the Securities Act, R.S.O. 1990, c. S. 5, as amended

ONTARIO SECURITIES COMMISSION

- and -

BRIDGING FINANCE INC. *et al*

Applicant

Respondents

Court File No. CV-21-00661458-00CL

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

Proceedings commenced at Toronto, Ontario

**ORDER
(Appointment of Receiver)**

**Ontario Securities Commission
20 Queen Street West
20th Floor
Toronto, ON
M5H 3S8**

**Carlo Rossi (LSO# 59054T)
Email: CROSSI@osc.gov.on.ca
Tel: 416.204.8987**

Counsel for the Ontario Securities Commission

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE HAINEY)
MONDAY, THE 3rd
DAY OF MAY, 2021

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, and BRIDGING FERN ALTERNATIVE CREDIT FUND

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE
SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED**

**ADDITIONAL APPOINTMENT ORDER
(Appointment of Receiver)**

THIS MOTION made without notice by PricewaterhouseCoopers Inc. ("PwC"), in its capacity as receiver and manager of the Respondents, for an Order pursuant to section 101 of the *Courts of Justice Act* (Ontario), R.S.O. 1990, c. C. 43. among other things, appointing PwC as receiver and manager (in such capacities, the "Receiver"), without security, of all of the assets, undertakings and properties of each of Bridging SMA 2 LP, Bridging SMA 2 GP Inc. and

Bridging Private Debt Institutional RSP Fund (collectively, the "Additional Bridging Entities"), was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the First Report of the Receiver dated May 3, 2021 (the "First Report"), and the appendices thereto, and on hearing the submissions of counsel for Receiver,

APPOINTMENT OF RECEIVER

1. **THIS COURT ORDERS** that, pursuant to section 101 of the *Courts of Justice Act* (Ontario), R.S.O. 1990, c. C. 43, PwC is hereby appointed Receiver, without security, of all of the present and future assets, undertakings, and properties of each of the Additional Bridging Entities, including all of the assets held in trust or required to be held in trust by or for each of the Additional Bridging Entities or by their lawyers, agents, or any other person or entity, and all proceeds thereof (collectively, the "Property") all in accordance with the provisions of the Order (the "Appointment Order") of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) dated April 30, 2021 in Court File No. CV-21-00661458-00CL (the "Receivership Proceeding"). Without limiting the foregoing, "Property" shall include any present or future assets or funds held by Odyssey Trust Company as trustee for the benefit of Bridging Private Debt Institutional RSP Fund and all proceeds thereof.

2. **THIS COURT ORDERS** that, in accordance with the Appointment Order, the period of the Receiver's appointment in respect of the Property of the Additional Bridging Entities shall not exceed 15 days from the date of the Appointment Order unless otherwise ordered by the Court.

3. **THIS COURT ORDERS** that the definition of "Respondents" in the Appointment Order is hereby amended to include the Additional Bridging Entities.

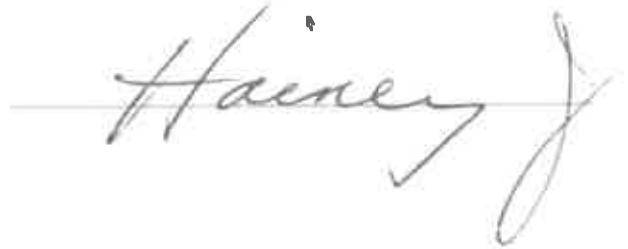
4. **THIS COURT ORDERS** that the style of cause and the title of the Receivership Proceeding is hereby amended to include the Additional Bridging Entities, substantially in the form attached hereto as Schedule "A".

GENERAL

5. **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.
6. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Additional Bridging Entities, or any of them.
7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada 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.
8. **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.
9. **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.
10. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Respondent's creditors or other interested parties and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the

meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

11. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

A handwritten signature in cursive script, appearing to read "Hainey J.", is written over a horizontal line. The signature is written in dark ink and is positioned to the right of the text above.

SCHEDULE "A"
AMENDED STYLE OF CAUSE AND TITLE OF PROCEEDING

Court File No. CV-21-00661458-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, BRIDGING FERN ALTERNATIVE CREDIT FUND, BRIDGING SMA 2 LP, BRIDGING SMA 2 GP INC., and BRIDGING PRIVATE DEBT INSTITUTIONAL RSP FUND

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE
SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED**

IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED

ONTARIO SECURITIES COMMISSION

- and -

BRIDGING FINANCE INC. *et al*

Applicant

Respondents

Court File No. CV-21-00661458-00CL

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

Proceedings commenced at Toronto, Ontario

ADDITIONAL APPOINTMENT ORDER

Thornton Groat Finnigan LLP
3200 – 100 Wellington Street West
Toronto, ON M5K 1K7

John L. Finnigan (LSO# 24040L)
Email: jfinnigan@tgf.ca

Grant B. Moffat (LSO# 32380L)
Email: gmoffat@tgf.ca

Adam Driedger (LSO# 77296F)
Email: adriedger@tgf.ca

Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Receiver

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) FRIDAY, THE 14th
JUSTICE HAINEY) DAY OF MAY, 2021

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, BRIDGING FERN ALTERNATIVE CREDIT FUND, BRIDGING SMA 2 LP, BRIDGING SMA 2 GP INC., and BRIDGING PRIVATE DEBT INSTITUTIONAL RSP FUND

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE
SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED**

CONTINUATION ORDER

THIS MOTION made by the Ontario Securities Commission (the "Applicant" or the "Commission") for an Order pursuant to section 129(4) of the *Securities Act* (Ontario), R.S.O. 1990, c. S. 5, as amended, continuing and extending the period of appointment of PricewaterhouseCoopers Inc. ("PwC") as receiver and manager (in such capacities, the "Receiver"), without security, of all of the assets, undertakings, and properties (collectively, the

“Property”) of each of Bridging Finance Inc., Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, Bridging Fern Alternative Credit Fund, Bridging SMA 2 LP, Bridging SMA 2 GP Inc., and Bridging Private Debt Institutional RSP Fund (collectively, the “Respondents”), until further Order of the Court all in accordance with the provisions of the Order (the “Appointment Order”) of the Honourable Justice Hailey dated April 30, 2021, as amended by the Order (the “Additional Appointment Order”) of the Honourable Justice Hailey dated May 3, 2021, was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Daniel Tourangeau sworn April 29, 2021 and the Exhibits thereto, the first supplemental affidavit of Daniel Tourangeau sworn April 30, 2021 and the Exhibits thereto, the affidavit of Sandy McMurrich sworn April 29, 2021 and the Exhibits thereto, the First Report of the Receiver dated May 3, 2021, and the Second Report of the Receiver dated May 12, 2021 (the “Second Report”) and on hearing the submissions of counsel for Applicant, counsel for the Receiver, and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of Nicole Armanious sworn May 13, 2021, and on reading the consent of PwC to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Applicant’s notice of motion and motion record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

CONTINUATION OF APPOINTMENT

2. **THIS COURT ORDERS** that, pursuant to section 129(4) of the *Securities Act* (Ontario), R.S.O. 1990, c. S. 5, as amended, the Receiver’s appointment in respect of the Property of the Respondents shall continue until further Order of the Court in accordance with the provisions of the Appointment Order, as amended by the Additional Appointment Order.

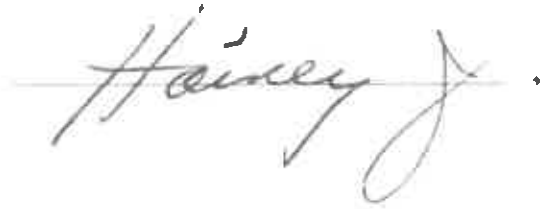
APPROVAL OF ACTIVITIES OF THE RECEIVER

3. **THIS COURT ORDERS** that the Second Report, and the activities, decisions, and conduct of the Receiver as set out therein, are hereby authorized and approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

4. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Respondent's creditors or other interested parties and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

5. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

A handwritten signature in cursive script, appearing to read "Henry J.", is written in black ink on a white background. The signature is positioned to the right of the text in paragraph 5.

Application under Section 129 of the Securities Act, R.S.O. 1990, c. S. 5, as amended

ONTARIO SECURITIES COMMISSION
Applicant

- and -

BRIDGING FINANCE INC. *et al*
Respondents

Court File No. CV-21-00661458-00CL

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

Proceedings commenced at Toronto, Ontario

CONTINUATION ORDER

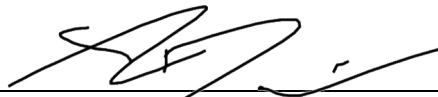
Ontario Securities Commission
20 Queen Street West – 20th Floor
Toronto, ON M5H 3S8

Carlo Rossi (LSO# 59054T)
Email: crossi@osc.gov.on.ca
Tel: 416.204.8987

Adam Gottfried (LSO# 67044K)
Email: agottfried@osc.gov.on.ca
Tel: 416.263.7680

Counsel for the Ontario Securities Commission

This is Exhibit "B" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co 'F tkgf i gt'

*NUQ%994; 8H+



Profile Report

2581150 ONTARIO INC. as of April 08, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2581150 ONTARIO INC.
Ontario Corporation Number (OCN)	2581150
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	June 06, 2017
Registered or Head Office Address	Attention/Care of PAUL MILLAR, 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9, 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 PAUL MILLAR
Address for Service 31 Baby Point Crescent, Toronto, Ontario, M6S 2B7, Canada
Resident Canadian Yes
Date Began June 06, 2017

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

PAUL MILLAR

Position

President

Address for Service

31 Baby Point Crescent, Toronto, Ontario, M6S 2B7, Canada

Date Began

March 12, 2020

Name

PAUL MILLAR

Position

Secretary

Address for Service

31 Baby Point Crescent, Toronto, Ontario, M6S 2B7, Canada

Date Began

March 12, 2020

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.

Corporate Name History

Name

2581150 ONTARIO INC.

Effective Date

June 06, 2017

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 Business Names

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

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.

Expired or Cancelled Business Names

Name	GOLDEN MILE FOOD
Business Identification Number (BIN)	270779127
Status	Inactive - Expired
Registration Date	July 17, 2017
Expired Date	July 16, 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.

Document List

Filing Name	Effective Date
Archive Document Package	September 21, 2023
CIA - Notice of Change PAF: PAUL MILLAR - DIRECTOR	September 09, 2021
Annual Return - 2020 PAF: PAUL MILLAR - DIRECTOR	April 11, 2021
Annual Return - 2019 PAF: PAUL MILLAR - DIRECTOR	November 22, 2020
Annual Return - 2018 PAF: PAUL MILLAR - DIRECTOR	February 23, 2020
Annual Return - 2017 PAF: PAUL MILLAR - DIRECTOR	March 17, 2019
CIA - Notice of Change PAF: SANTOKH MAHAL - DIRECTOR	October 02, 2017
CIA - Initial Return PAF: SANTOKH MAHAL - DIRECTOR	July 24, 2017
BCA - Articles of Incorporation	June 06, 2017

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.

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.

This is Exhibit "C" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

BLOCKED ACCOUNT AGREEMENT
(without a trigger)

THIS AGREEMENT is made as of SEPTEMBER 12, 2017

BETWEEN: **BANK OF MONTREAL**, in its capacity as the provider of banking services
(hereinafter called the "**Bank**")

AND: **2581150 ONTARIO INC.**
(hereinafter called the "**Borrower**")

AND: **BRIDGING FINANCE INC.**, in its capacity as agent for the Lenders (defined below) under the Loan Agreement (defined below)
(hereinafter called the "**Agent**")

WHEREAS the Borrower has entered or is about to enter into financing arrangements (the "**Loan Agreement**") with the lenders thereunder (the "**Lenders**") pursuant to which the Lenders may from time to time make loans and advances and provide other financial accommodations to the Borrower secured by, among other things, all right, title and interest of Borrower in and to all present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing (collectively, the "**Collateral**");

AND WHEREAS the Borrower has established Canadian Dollar Account No. 0002-1800-349 (the "**CDN\$ Collection Account**") and U.S. Dollar Account No. 0002-4627-966 (the "**US\$ Collection Account**"; and together with the CDN\$ Collection Account, collectively, the "**Collection Accounts**") with the Bank;

NOW THEREFORE in order for the Borrower to comply with the requirements of the Lenders under its financing arrangements with the Lenders, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Bank, the Borrower and the Agent (on behalf of the Lenders) agree as follows:

1. **Establishment of Accounts.** The Bank will maintain the Collection Accounts as long as the Borrower is in compliance with the terms of the Bank's account documentation with respect thereto.
2. **Deposits to Collection Accounts.** In connection with the Borrower's financing arrangements with the Lenders, the Borrower has agreed (i) in the case of proceeds

that are denominated in the lawful currency of the United States of America, to deposit or cause to be deposited, all such proceeds of the Collateral to the US\$ Collection Account; and (ii) in the case of proceeds that are denominated in the lawful currency of Canada, to deposit or cause to be deposited, all such proceeds of the Collateral to the CDN\$ Collection Account.

3. **Security Interest of the Agent.** The Borrower has granted to the Agent (for the benefit of the Lenders) a security interest in and lien upon, and pledged to the Agent, the Collateral, which includes cheques, drafts and other instruments received for deposit in the Collection Accounts and all amounts at any time in or attributable to the Collection Accounts, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Borrower to the Lenders. The Agent acknowledges and agrees that it shall take whatever action it considers appropriate and necessary to protect and enforce its rights respecting the Collection Accounts, including completion and registration of any documents or financing statements in order to perfect any security interests in the Collection Account. The Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest the Agent or any other party may have relating to the Collection Accounts or the existence of any other liens or other interests respecting the Collection Accounts. The Bank assumes no responsibility or liability for maintaining the perfection, registration or validity of the security interest of the Agent in the Collection Account.
4. **Exclusive Authority.** None of the officers, agents or other representatives of the Borrower or any of their affiliates shall have any authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Collection Accounts and all amounts held therein. The Collection Accounts shall be under the sole dominion and control of the Agent (on behalf of the Lenders). Accordingly, the Borrower shall not give any instructions with respect to the Collection Accounts other than those approved in writing by the Agent.
5. **No Duty to Inquire.** Subject to Section 11, the Bank will not have any duty to inquire whether or not the Agent is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by the Agent will be conclusive authority for the Bank to act in accordance with the instructions, certificates or notices whether or not the Agent is acting in good faith. The Bank is not obliged or required to monitor any requirements or obligations of the Agent or the Borrower pursuant to this Agreement or any other agreement.
6. **Account Transfers.** Unless and until the Bank shall receive written instruction from the Agent to the contrary, all amounts in the Collection Accounts shall automatically and without further direction on a daily basis be remitted, at the Borrower's cost and expense, by transfer solely to the following accounts:
 - (i) in the case of funds in the CAD\$ Collection Account to **0002-1920-287** held with Bank of Montreal in the name of **Sprott Bridging Income Fund LP**; and
 - (ii) in the case of funds in the US\$ Collection Account to **0002-4690-754** held with Bank of Montreal in the name of **Sprott Bridging Income Fund LP**.

7. **Reporting.** At such time or times as the Agent may request, the Bank will promptly report to the Agent the amounts deposited in the Collection Accounts and will furnish to the Agent any copies of bank statements, deposit tickets, deposited items, debit and credit advices and other records maintained by the Bank under the terms of its arrangements with the Borrower (as in effect on the date hereof). The Borrower hereby expressly consents to the release of this information by the Bank to the Agent (on behalf of the Lenders). The Agent will reimburse the Bank for its reasonable expenses in providing such items to the Agent.

8. **Charges and Limited Right of Set-Off.** The Borrower and the Agent (on behalf of the Lenders) shall be and at all times remain jointly and severally liable to the Bank for any and all fees and service charges relating to the Collection Accounts and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Bank with respect to the Collection Accounts (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as "**Charges**").

The Borrower and the Agent hereby acknowledge and agree that the Bank shall be entitled to recover any and all Charges from the Collection Accounts and the Bank is hereby authorized to debit the Collection Accounts or any account of the Borrower held at any branch of the Bank at any time to recover any and all Charges.

The Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges, provided, that the Bank shall not exercise any such rights with respect to other liabilities owed to it by the Borrower.

If there are insufficient funds on deposit in the Collection Accounts or in any account of the Borrower to cover any outstanding Charges, the Borrower shall promptly pay to the Bank the amount of such Charges upon demand by the Bank.

If the Borrower fails to pay such amount within ten (10) days of demand by the Bank, the Agent (on behalf of the Lenders) shall promptly pay to the Bank the amount of all such outstanding Charges upon written notification from the Bank.

9. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Bank shall have the right to freeze or automatically debit the Collection Accounts in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Bank reasonably determines it is required to comply.

10. **Indemnity.** The Borrower and the Agent (on behalf of the Lenders) shall jointly and severally indemnify and hold harmless the Bank, and its employees, officers and directors from and against any and all loss, liability, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Bank, and its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Bank was not properly authorized to transfer credit balances from the Collection Accounts to any other account at the direction of the Agent.

11. **Scope of Duty.** The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Collection Accounts with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the

parties agree that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or wilful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Bank's control or for indirect or consequential damages.

12. **Termination.** The Borrower shall have no right to terminate this Agreement or the account agreements relating to the Collection Accounts without the written consent of the Agent. The Bank may terminate this Agreement and/or the account agreements relating to the Collection Accounts upon thirty (30) days prior notice to the Agent thereof. The Agent (on behalf of the Lenders) may terminate this Agreement upon thirty (30) days prior notice to the Bank thereof. Upon any such termination, the Bank shall remit the entire balance of each Collection Account as provided in Section 6 hereof, save and except for the amount of any Charges owing to the Bank and subject to the rights of the Bank set out in Section 8 hereof.
13. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by all parties.
14. **Successors and Assigns.** This Agreement shall be binding upon each of the parties and their respective successors and permitted assigns and enure to the benefit of the Bank and the Agent and their respective successors and assigns.
15. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier or facsimile to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time.

Any notice sent by registered mail shall be deemed to be received by the party for which it is intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile shall be deemed to be received by the party for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

the Agent:

Attention: Dariusz Szypula, Managing Director
Bridging Finance Inc.
Suite 2925, 77 King Street West, Toronto, ON
M5K 1K7
416-642-7571
dszypula@bridgingfinance.ca

the Bank:

**BMO Bank of Montreal
First Canadian Place
100 King Street West - 18th Floor
Toronto, ON M5X 1A1**

Attn: Treasury Management
Fax No.: 416-867-6766

**BMO Bank of Montreal
First Canadian Place
100 King Street West – 22nd Floor
Toronto, ON M5X 1A1**

Attn: **Client Services**
Fax No.: 1-877-301-3293 or 416-867-4598

the Borrower:

2581150 ONTARIO INC.
46 Village Centre Pl., 3rd Floor
Mississauga, ON
L4Z 1V9

Fax No.:

16. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.
17. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
18. **Conflicts.** In the event of any inconsistency between this Agreement and the terms of any other agreement between either the Borrower and the Bank or the Borrower and the Agent, the terms of this Agreement shall prevail.
19. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.
20. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
21. **Language.** It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

2581150 ONTARIO INC. Borrower

Per: 
Name: PAUL MILLAR
Title: DIRECTOR

Name:
Title:

BRIDGING FINANCE INC., as Agent

Per: 
Name: NATASHA SHARPE
Title: CIO


Name: JENNY COCO
Title: EXECUTIVE VICE-
PRESIDENT

BANK OF MONTREAL, as Bank

Per: _____
Name:
Title:

Name:
Title:

BRIDGING FINANCE INC., as Agent


Per: _____

Name: **NATASHA SHARPE**
Title: **CIO**

Name: **JENNY COCO**
Title: **EXECUTIVE VICE-
PRESIDENT**

BANK OF MONTREAL, as Bank


Per: _____



Name: **L. CARRO**
Title: **TEAM LEAD, TREASURY + PAYMENT
SOLUTIONS, CFD**

Name:
Title:

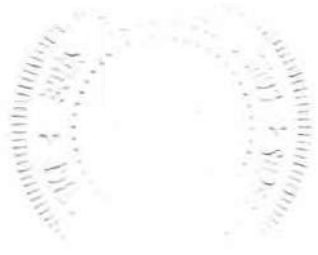
This is Exhibit "D" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co 'F tkgf i gt'

*NUQ%994; 8H+



Court File No. CV-19-00027607-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**THOMAS CANNING (MAIDSTONE) LIMITED, 692194 ONTARIO LIMITED,
ROBERT THOMAS, WILLIAM THOMAS and 2190330 ONTARIO LTD.**

Plaintiffs

- and -

**BRIDGING FINANCE INC., SPROTT BRIDGING INCOME FUND LP, BRIDGING
INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC.,
BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-
MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP,
BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING
INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS
IMPACT FUND, BRIDGING FERN ALTERNATIVE CREDIT FUND, BRIDGING SMA
2 LP, BRIDGING SMA 2 GP INC., BRIDGING PRIVATE DEBT INSTITUTIONAL RSP
FUND, SKYMARK FINANCE CORPORATION, and 2581150 ONTARIO INC.**

Defendants

AMENDED AMENDED STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff.
The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you
must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*,
serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the
Plaintiff, and file it, with proof of service in this Court office, **WITHIN 20 DAYS** after this
Statement of Claim is served on you, if you are served in Ontario.

**ELECTRONICALLY AMENDED on this 9th day
of November, 2022 pursuant to the Order of
The Honourable Justice T.J. Carey dated the 13th
day of September, 2022.**

Anita C

Denomme

Digitally signed by
Anita C Denomme
Date: 2022.11.10
14:37:21 -05'00'

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is 40 days. If you are served outside Canada and the United States of America, the period is 60 days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to 10 more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. If you wish to defend this proceeding but are unable to pay legal fees, legal aid may be available to you by contacting a local legal aid office.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$5,000 for costs, within the time for serving and filing your Statement of Defence you may move to have this proceeding dismissed by the Court. If you believe the amount claimed for costs is excessive, you may pay the Plaintiff's claim and \$400 for costs and have the costs assessed by the Court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: April 4, 2019

Issued by Efiled
Local Registrar

Address of court office:

245 Windsor Avenue
Windsor, ON, N9A 1J2

To: Bridging Finance Inc.
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Sprott Bridging Income Fund LP
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Income Fund LP
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Mid-Market Debt Fund LP
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: SB Fund GP Inc.
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Finance GP Inc.
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Income RSP Fund
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Mid-Market Debt RSP Fund
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Private Debt Institutional LP
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Real Estate Lending Fund LP
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging SMA 1 LP
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Infrastructure Fund LP
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging MJ GP Inc.
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Indigenous Impact Fund
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Fern Alternative Credit Fund
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging SMA 2 LP
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging SMA 2 GP Inc.
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: Bridging Private Debt Institutional RSP Fund
77 King Street West, #2925
Toronto, ON, M5K 1K7

Defendant

And To: **2581150 Ontario Inc.**
46 Village Centre Place, 3rd Floor
Mississauga, ON, L4Z 1V9

Defendant

And To: **SKYMARK FINANCE CORPORATION**
46 Village Centre Place
Suite 300
Mississauga, ON, L4Z 1V9

Defendant

CLAIM

1. The Plaintiffs, Thomas Canning (Maidstone) Limited (“**Thomas Canning**” or the “**Company**”), William Thomas (“**William**”) and Robert Thomas (“**Robert**”), each claim against the Defendants, Bridging Finance Inc. (“**Bridging**”) and Sprott Bridging Income Fund LP, Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, Bridging Fern Alternative Credit Fund, Bridging SMA 2 LP, Bridging SMA 2 GP Inc., and Bridging Private Debt Institutional RSP Fund (the “**Bridging Funds**”) as follows:

- (a) Damages in the amount of \$50,000,000 for breach of contract, including fundamental breach, breach of the duty of good faith and fair dealing, intentional interference with economic relations and interests, breach of fiduciary duty, fraudulent misrepresentation, loss of good will and reputation, loss of future income and loss of business opportunity, and unjust enrichment;
- (b) Punitive or aggravated damages in the amount of \$1,000,000;
- (c) An Order appointing a Court officer to be the Litigation Investigator in this proceeding on behalf of the Plaintiffs for the purpose of investigating, considering and reporting regarding any rights or claims that the Plaintiffs may have as against the Defendants arising from the facts set out herein;
- (d) Pre-judgment and post-judgment interest pursuant to the *Courts of Justice Act*;
- (e) The costs of this action on a substantial indemnity scale, plus HST; and

(f) Such further and other relief as this Honourable Court deems just.

2. The Plaintiff, Thomas Canning, claims against the Defendants, Bridging, Skymark Finance Corporation (“Skymark”) and 2581150 Ontario Inc. (“258 Ontario”), as follows:

(a) an order setting aside and declaring void the following transfers, conveyances and encumbrances:

- (i) the Application for Vesting Order registered on title to the properties legally described in Schedule “A” to this Statement of Claim and registered as instrument number CE780572 on July 7, 2017;
- (ii) the transfer of the properties legally described in Schedule “A” to this Statement of Claim registered under instrument number CE780572 on July 7, 2017;
- (iii) the charge granted by 258 Ontario in favour of Skymark in the amount of \$3,005,000 registered as instrument number CE780575 on July 7, 2017;
- (iv) the charge granted by 258 Ontario in favour of Bridging in the amount of \$3,005,000 registered as instrument number CE780576 on July 7, 2017;
- (v) the notice of assignment of rent granted by 258 Ontario in favour of Skymark registered as instrument number CE780582 on July 7, 2017;
- (vi) the notice of assignment of rent granted by 258 Ontario in favour of Bridging registered as instrument number CE780583 on July 7, 2017; and

- (vii) the postponement granted by Bridging in favour of Skymark registered as instrument number CE780712 on July 10, 2017.
 - (b) an order granting Thomas Canning leave to have a certificate of pending litigation issued and registered against title to the properties legally described in Schedule “A” to this Statement of Claim and registered as instrument number CE780572.
3. The Plaintiff, 692194 Ontario Limited (“**692 Ontario**”), claims against the Defendants, Bridging, Skymark and 258 Ontario, as follows:
- (a) an order setting aside and declaring void the following transfers, conveyances and encumbrances:
 - (i) the Application for Vesting Order registered on title to the properties legally described in Schedule “B” to this Statement of Claim and registered as instrument number CE780572 on July 7, 2017;
 - (ii) the transfer of the properties legally described in Schedule “B” to this Statement of Claim registered under instrument number CE780572 on July 7, 2017;
 - (iii) the charge granted by 258 Ontario in favour of Skymark in the amount of \$3,005,000 registered as instrument number CE780575 on July 7, 2017;
 - (iv) the charge granted by 258 Ontario in favour of Bridging in the amount of \$3,005,000 registered as instrument number CE780576 on July 7, 2017;
 - (v) the notice of assignment of rent granted by 258 Ontario in favour of Skymark registered as instrument number CE780582 on July 7, 2017;

- (vi) the notice of assignment of rent granted by 258 Ontario in favour of Bridging registered as instrument number CE780583 on July 7, 2017; and
 - (vii) the postponement granted by Bridging in favour of Skymark registered as instrument number CE780712 on July 10, 2017;
 - (b) an order granting 692 Ontario leave to have a certificate of pending litigation issued and registered against title to the properties legally described in Schedule “B” to this Statement of Claim and registered as instrument number CE780572.
4. The Plaintiff, Thomas Canning, claims against the Defendant, 258 Ontario as follows:
- (a) A complete accounting of the funds paid to 258 Ontario as a result of the expropriation of the lands set out at Schedule “C”; and
 - (b) Damages, disgorgement and/or return of profits paid to 258 Ontario as a result of the expropriation of the lands set out at Schedule “C”;
5. The Plaintiff, 2190330 Ontario Ltd. (“**219 Ontario**”), claims as against the Defendants, Bridging and the Bridging Funds, as follows:
- (a) Damages in the amount of \$50,000,000 for loss of business opportunity and intentional interference with economic relations;
 - (b) Punitive or aggravated damages in the amount of \$1,000,000;
 - (c) Pre-judgment and post-judgment interest pursuant to the *Courts of Justice Act*;
 - (d) The costs of this action on a substantial indemnity scale, plus HST; and

- (e) Such further and other relief as this Honourable Court deems just.

The Parties

The Plaintiffs

6. The Plaintiff, Thomas Canning, is a company incorporated pursuant to the laws of the Province of Ontario. It operated a commercial tomato farming, canning and processing business in Lakeshore, Ontario, and also used to grow crops such as tomatoes, beans and soy. Thomas Canning produced primarily organic tomato products, such as canned tomatoes, tomato juice and ketchup. The Company was operated by the Thomas family since 1933.

7. Thomas Canning was previously the owner of farm and industrial land located in the Municipality of Lakeshore, Essex County, Ontario. Thomas Canning's tomato processing business operated on these properties, which are set out at Schedule "A".

8. 692 Ontario is a company incorporated pursuant to the laws of the Province of Ontario. It was the owner of lands set out at Schedule "B" located in the Municipality of Lakeshore, Essex County, Ontario, which were used in the Thomas Canning business.

9. The Plaintiffs, William and Robert (collectively, the "**Thomas**es"), are individuals residing in Maidstone, Ontario and were, at all relevant times, the principals of Thomas Canning. William was the Chief Executive Officer of the Company prior to its sale, and Robert previously held the position of Vice-President at the Company.

10. Robert is an engineer with training related to the proper operation of the processes and machinery required by a food canning facility. William has extensive experience in farming and food processing.

11. The Plaintiff, 219 Ontario, is a company incorporated under the laws of the Province of Ontario. Robert is a director and officer of 219 Ontario.

The Defendants

12. The Defendant, Bridging, is a private equity firm specializing in financing and loans to middle-market Canadian companies, including to assist companies in restructuring existing debt, to provide working capital and to support inventory purchases and other capital expenditures. Bridging is headquartered in Toronto, Ontario.

13. Bridging raised capital from outside investors through its investment vehicles, the Bridging Funds, for the purpose of making loans to corporate borrowers and, in some circumstances, temporarily investing in the Bridging Funds. Bridging originated the loans and managed the operations of the Bridging Funds. Outside investors participated through the purchase of limited partnership units of the Bridging Funds.

14. The Plaintiffs plead and rely on a Master Agency and Loan Administration Agreement (the “**Loan Administration Agreement**”) between Bridging and the Bridging Funds. Pursuant to the Loan Administration Agreement, the Plaintiffs state that Bridging was appointed by the Bridging Funds as their agent to enter into loan agreements with third-party borrowers, take security on behalf of the Bridging Funds with respect to the loans, and collect loan payments from borrowers.

15. The Plaintiffs plead that Sprott Bridging Income Fund LP (the “**Sprott Fund**”) was Bridging’s first investment fund through which money was raised from both retail and institutional investors. The Sprott Fund is now known as Bridging Income Fund LP (“**BIF**”). The Plaintiffs state that the Sprott Fund (now BIF) is a party to the Loan Administration Agreement and is bound by its terms.

16. Pursuant to section 5.1(b) of the Loan Administration Agreement, the Bridging Funds agreed to indemnify Bridging as follows:

...each Fund, on a several and not joint basis, shall indemnify and hold harmless the Agent Indemnitees from and against any loss (other than loss of profits), expense, damage or injury suffered or sustained by any Agent Indemnitee by reason of any acts, omissions or alleged acts or omissions arising out of their activities on behalf of the Fund pursuant to this Agreement, including but not limited to any judgment, award, settlement, reasonable legal fees and disbursements and other costs or expenses incurred in connection with the defence of any actual or threatened action, proceeding or claim (a “Claim”), if the acts, omissions or alleged acts or omissions upon which such Claim is based were within the scope of the authority of the Agent in accordance with this Agreement and were not the result of such Agent Indemnitee’s willful misconduct, bad faith or negligence, breach of the Agent’s standard of care...or material breach of the Agent’s obligations under this Agreement.

Overview

17. As further set out herein, and unbeknownst to the Plaintiffs at the time, Bridging perpetrated a fraudulent scheme to finance, acquire and then destroy the Thomas Canning business for reasons which remain unknown to the Plaintiffs, but will be made known during the course of this litigation.

18. But for the actions of Bridging, the business of Thomas Canning would still be a thriving business. Less than 2 years after Bridging entered into the loan transaction with Thomas Canning, and following the actions of Bridging as described herein, the business ceased to exist.

19. Throughout their dealings, Thomas Canning, and William and Robert, repeatedly tried to meet the demands put on them by Bridging and to provide reasonable solutions which would have preserved value for the lender and continued the operations of the Company. Inexplicably at the time, Bridging rejected those reasonable proposals, often dismissing them mere moments after receipt.

20. Bridging fundamentally failed in its obligation as a lender and engaged in bad faith dealings, both in the contracts it did not honour, and in its secret manipulation of a process before the Court, which process was supposed to give the Company a fair chance to meet its obligations or preserve its business, but in fact was not fair at all and did none of those things.

21. Further, Bridging made several representations to the Plaintiffs that, if they followed Bridging's advice and requirements, would result in further funding being available to the Company. Bridging's representations were designed to ensure that the Company went along with Bridging's requirements, to the ultimate benefit of Bridging but not to the Company or William and Robert.

22. The Defendant, Bridging, ultimately ensured, through breaching their contractual and common law duties and obligations in that process, that the business of Thomas Canning was effectively transferred to the Defendants, through the use of an entity that Bridging falsely advised was to be a going concern, arms-length purchaser, but who was, for all intents and purposes, a proxy for ~~the Defendant~~ Bridging in its deliberate scheme to destroy the Company's business operations.

23. In fact, as is now clear, the purchaser never had any intent of operating the business, despite making promises to the contrary, upon which promises the Court-appointed supervisor and the Court itself were encouraged to rely and did rely to the detriment of Thomas Canning and all of its stakeholders.

24. Shortly after acquiring the business under these false pretenses, Bridging had its proxy purchaser immediately close operations of the business, fire all employees, dislocating migrant

workers, and wasting millions of dollars of tomato paste inventory for which it had no true purpose in the process.

25. The business of Thomas Canning was in this way completely destroyed by the actions of its lender. The substantial investment of the Thomases personally and the future value of the business (a business which had been a standout member of the Essex farming community for three generations), was lost to the Plaintiffs.

26. Despite ~~paying~~ purporting to have paid in excess of \$23 million for the business on July 7th, 2017, the purchaser has never operated the business, and it is clear that it never intended to.

Background

27. On July 3, 2015, Thomas Canning entered into a credit agreement with Bridging (as agent for the Sprott Fund, now BIF) under which Bridging agreed to provide the following facilities to the Company: (i) demand revolving loan of up to \$15 million (and up to \$2 million as a structured over-advance in excess of availability during the months of July through December) (“**Facility A Loan**”); (ii) demand term loan of up to \$608,000; and (iii) demand term loan of up to \$3,757,650 (“**Credit Agreement**”).

28. Under the Credit Agreement, the maximum amount available under the Facility A Loan would be determined by Bridging in accordance with a complex formula (“**Facility A Loan Availability**”).

29. Further, the Credit Agreement provided that the Company would establish and maintain blocked deposit accounts and that the contents of the blocked accounts would be the property of Bridging:

“(i) The Borrower and 692 shall establish and shall continue to maintain, at their expense, blocked deposit accounts (collectively, the “**Blocked Account**”) at BMO/TD into which they shall promptly deposit all funds received from all sources including, without limitation, all account receivable payments, cash sales receipts, credit card payments, any and all refunds received from any source whatsoever and any proceeds of any advances or other loans made to it and shall direct its account debtors that remit payments by electronic funds transfers to directly remit all payments into the Blocked Account.

(ii) BMO/TD, the Lender, the Borrower and 692 shall entered into an agreement (the “**Blocked Account Agreement**”)...providing that all funds received or deposited in the Blocked Account are the property of the Lender, that BMO/TD has no Lien upon, or right to set off against, the Blocked Account, the items received for deposit therein, or the funds from time to time on deposit therein and that BMO/TD will wire, or otherwise, transfer in immediately available funds, on a daily basis, all funds received or deposited into the Blocked Account to the Lender’s account, as the Lender may from time to time designate for such purpose. The Borrower and 692 agree that all payments made to the Blocked Account or other funds received and collected by the Lender, shall be property of the Lender...”

Issues with Funding under the Credit Agreement

30. The Credit Agreement established a cumbersome financing arrangement amongst the Company and Bridging which required that the Plaintiffs trust Bridging and rely upon its good faith in order to properly operate on a regular basis.

31. In particular, the funding arrangement required that all proceeds received by the Company be paid into the Blocked Account, which was controlled by Bridging. In order to obtain any operating capital, the Company had to make ongoing requests of Bridging, who was then obliged to lend and advance the funds to the Company for its ongoing operations.

32. The Plaintiffs did rely upon Bridging in that regard, and did trust that Bridging would operate in good faith, so that the Company would be able to operate on an ongoing basis without too much difficulty.

33. In practice, however, it quickly became evident that Bridging, in breach of its obligations under the Credit Agreement, would not agree to make critical advances to the Company, such that the relationship between the two began to break down very shortly after it commenced. Further, as time went on, it became evident that Bridging did not understand or even care to understand the Company's business.

34. In particular, Bridging did not have an appreciation of the mechanics or timing of the tomato growing, harvesting and canning process, nor did it value the extent to which the Company was dependent on suppliers, equipment lessors, greenhouse facilities, farmers and other third parties in order to grow and manufacture its tomato products.

35. In breach of its obligations, Bridging would regularly disregard the Company's funding requests for critical business expenses, including but not limited to requests for funding with respect to the payment of:

- (a) Property taxes due and payable to the Town of Lakeshore in excess of \$32,000;
- (b) Repair and maintenance expenses for various farming and processing equipment in the amount of approximately \$61,000;
- (c) Utility charges, particularly with respect to hydro expenses, totaling approximately \$115,000;
- (d) Supplies such as packaging, labelling, cans, cartons, trays and machinery parts totaling approximately \$226,000; and
- (e) Tomatoes purchased from farmers in the amount of approximately \$171,000.

36. As a result of Bridging's regular breaches of its obligations, and in particular, its ongoing failure to fund operating expenses under the Credit Agreement, William and Robert were required to pay for these expenses out-of-pocket, and have suffered significant personal losses in that regard.

37. As at March 2017, William was personally owed \$394,500 and Robert was personally owed \$2,030,254, which comprised shareholder loans made to the Company to fill the gaps created by Bridging's refusals to advance funds, including those set out above, and to underfund expenses, thereby weakening the Company.

38. In addition, Bridging's refusal to provide funding had significant negative repercussions for the Plaintiffs as follows:

- (a) Inventory Issues: Bridging refused to provide funding for specific empty cans required in the canning process, despite agreements with third party growers to deliver product to be canned. The canning inventory the Company did have on hand did not correspond with the size and quantity of cans that had been pre-ordered by customers.

One can supplier, Can Corporation of America, Inc. ("**Can Corp**"), commenced legal action against the Company for breach of contract. Ultimately, Robert settled the Can Corp claim personally by making payments to Can Corp personally in the amount of \$50,000 USD on behalf of the Company.

- (b) Issues with Farmers: In the normal course, the Company contracted with farmers to grow tomato plants prior to the growing season, which would then be harvested and processed at the plant. The Company had a licence with the Farm Products

Marketing Commission (“**Commission**”) to purchase the produce for 4000 acres worth of tomatoes. Accordingly, it contracted with growers to produce that quantity of tomatoes. In the fall, 2016, Bridging refused to provide the necessary funding to the Company to permit it to purchase the full amount of the harvested tomatoes, resulting in its inability to take delivery of the entire amount previously ordered. Bridging also refused to finance certain equipment that would have increased the Company’s processing capabilities within the time period required, again resulting in the Company’s inability to take delivery of the product. Further, a group of growers (“**2016 Growers**”) commenced legal action against the Company for damages in the amount of \$2.85 million relating to the failure of the Company to comply with its contractual obligations.

- (c) Regulatory Issues: The Company’s processing licence under the *Farm Products Marketing Act* was compromised when it could not fulfill its obligations under the licence. In particular, the Company was unable to meet the requirements with respect to the number of acres of tomatoes to be planted, harvested and processed within a growing season. Bridging’s refusal to advance funds resulted in the Company’s further inability to make payments to farmers as required under the payment schedule in its licence, and compromised the Company’s processing licence. As a result, by April 2017, the Company was only allowed to contract with growers for 400 acres of produce, and was becoming subject to highly restrictive security and other requirements from its licensor, which resulted in additional financial and operational pressures upon the business.

- (d) Loss of Customers: When Thomas Canning was unable to supply its customers with products resulting from Bridging's actions as pleaded, certain significant retailers and grocery stores, including Loblaws, refused to deal further with the Company, resulting in significant losses of customers, revenue and profit.
- (e) Reputational Damage: The tomato farming community is centered around Leamington, Ontario and is quite small. The operational and regulatory issues caused by Bridging (and the eventual failure of the Company as further described below) caused significant damage to each of Robert and William's reputations with suppliers, farmers and customers alike, and they have suffered damage as a result.

39. Further, the Company was built to operate at a certain scale, and had certain hard capital and other costs which could not easily be reduced to allow the Company to operate efficiently at a lower production rate. Bridging's continued refusal to provide funding caused the loss of the Company's licence capacity, the absence of key machinery, and the loss of reputation, all of which resulted in damage to the Company.

40. It is now apparent that Bridging's actions were meant to force the Company into a position where Bridging could take control of the Company for its own purposes, and ultimately destroy it, all of which were known to Bridging from the outset, but unknown to the Plaintiffs.

41. The Credit Agreement expired on or about January 3, 2017. Consistent with Bridging's prior actions and plans, and despite repeated pleas from the Company that it do so, Bridging refused to renew the Credit Agreement.

42. Despite the termination of the Credit Agreement, and having failed to provide key funds when requested, Bridging continued to restrict all funds and insisted that the Company pay all receipts into the Blocked Account.

43. Shortly thereafter, the Company experienced serious cash flow problems. Bridging only provided limited advances to the Company for certain essentials like payroll, but still refused to provide support to the business operations of the Company and in particular refused to permit the Company to properly prepare for the 2017 growing season.

44. Once again, the Thomases were forced to call upon their own personal resources to assist the Company, such that by March 2017, the Thomases had invested approximately \$3,000,000 personally in the Company.

45. This was never their intention, nor would it have been required, had Bridging complied with its obligations under the Credit Agreement, and acted in good faith during the course of its dealings with the Company.

46. As a result, Bridging engaged two new tactics in its plan to take over the Company: the appointment of a Chief Restructuring Officer (“**CRO**”), and the attempt to connect the business of the Company with the businesses of Santokh Mahal (“**Mahal**”), who is now known to be Bridging’s proxy, as further set out below.

Engagement of Paragon

47. In February 2017, Bridging represented to the Thomases and the Company that the appointment of a CRO would result in better reporting, a better understanding of the business, and thus more funding being available to the Company from Bridging.

48. It is now known that Bridging's representations were all untrue, and that this was in fact Bridging's first attempt at directly controlling the business. Bridging planned on installing a CRO as a means of taking over the business from the inside.

49. However, relying on the prior representations of Bridging to fund the Company and the new additional representations with respect to the CRO, and induced thereby, and reposing further trust and confidence in Bridging, the Company, William and Robert were all thus persuaded by Bridging to have the Company enter into a consultancy agreement under which Paragon Bay Group Ltd. ("**Paragon**") (and specifically Paragon's principal, Julio Cacoilo ("**Julio**")) would be appointed to serve as CRO to the Company ("**CRO Engagement**").

50. The Company, William and Robert also agreed to Bridging's requirements as they wished to avoid an insolvency proceeding, manufactured by Bridging, its secured creditor, given that the Credit Agreement had expired and Bridging had refused to renew it.

51. Pursuant to the CRO Engagement, Paragon and Julio had:

"...the exclusive authority to direct the operations and management of the Company and the restructuring and refinancing of the Company and its business. The officers and employees of the Company shall report directly to the CRO. For greater certainty, the CRO shall be entitled to exercise any powers of the Company to the exclusion of other persons, including the Principals or any other board member of the Company, and the directors and Principals shall not interfere with or exert any authority or control over the conduct of the business of the Company."

52. In or around the end of February 2017, following the appointment of Paragon and Julio as CRO, a meeting was held with the 2016 Growers to attempt to repair the Company's relationship with the farmers, and ensure that the Company could find farmers to grow the tomato plants required for the 2017 growing season. Julio was present at the meeting in his capacity as the CRO and as an agent for Bridging.

53. It was agreed at the meeting that the Company, with the support and assistance of Bridging, would contract with growers to purchase 400 acres of tomatoes and the Company would seek a licence in that amount. Julio, as an agent for Bridging, confirmed to the assembled meeting that Bridging would finance tomato production for 400 acres in the 2017.

54. However, Julio and Bridging misrepresented the situation and, as has become clear, had no intention of honouring that agreement. As set out in further detail below, Bridging subsequently reneged on its commitment to Thomas Canning and the 2016 Growers to fund 400 acres of tomatoes.

55. Also during the period of February or March, Julio, on the direction of Bridging, introduced the Company to Mahal. Mahal was allegedly in the food processing business. It was not known then, but is known now, that Mahal was a proxy for Bridging.

56. Mahal had already begun discussing with Bridging their combined plans to acquire the business at this time. These plans were not made known by Bridging to the Plaintiffs.

57. Julio suggested that the Company enter into arrangements with Mahal to distribute or sell significant quantities of product.

58. William was uncomfortable with the terms proposed and, after some minor initial discussions, the Company elected not to proceed with any business with Mahal.

59. The Plaintiffs have subsequently discovered that the entire situation was fabricated and designed to misrepresent the facts to the Company, and in particular the fact that Bridging had no intent on proceeding further with the business. Bridging's only interest was in acquiring the business.

Insolvency Proceedings and Accommodation Agreement

60. When Bridging did not succeed in its plan to undermine the Company through Julio and/or Paragon or connect it with its proxy Mahal, it refused all further funding requests of the Company in April 2017 and then made demand on the Company, despite the fact that the Company was not in default of any material covenant of the Credit Agreement.

61. At or around the same time, the Company began to become aware that it would be subject to additional and onerous conditions from its licensor, which conditions, including the posting of cash security, it would have great difficulty meeting without further financial support.

62. The Company attempted to resist Bridging's actions and engaged its own restructuring professionals to propose alternate solutions to Bridging, and/or to oppose Bridging's aggressive steps taken against the Company.

63. At or around the same time, Bridging directed Julio to exercise greater control over the business. This was unacceptable and as a result, the Company ended Julio's engagement.

64. On April 20, 2017, Bridging brought an application without notice to the Company to appoint an interim receiver over all of the assets, properties and undertakings of Thomas Canning and 692194 Ontario Limited ("**Interim Receiver**"). The Interim Receiver was appointed by Court Order on April 20, 2017 ("**Interim Receivership Order**").

65. Because the Application to appoint the Interim Receiver was brought without notice, the Court required Bridging to re-attend within a week to consider whether the appointment should continue, be discontinued, or a full receiver should be appointed.

66. During the intervening week, the Interim Receiver began to take steps in anticipation of it taking control of the Company. It also became clear that although the Company had negotiated a détente with its licensor, the licence to operate the business would be effectively cancelled if there was a formal insolvency process in which control was surrendered to a full receiver.

67. Instead of bringing a motion to set aside the Interim Receivership Order and exercising its rights under the *Farm Debt Mediation Act*, (which had almost certainly been violated by the actions of Bridging in appointing the Interim Receiver), the Company, William and Robert attempted to enter into an accommodation agreement with Bridging on April 29, 2017 (“**Accommodation Agreement**”). In entering into the Accommodation Agreement, Bridging was acting as agent for the Sprott Fund (now BIF).

68. The Accommodation Agreement was designed to establish a court-supervised refinancing, investment and/or sale solicitation process (the “**RISP**”) for Thomas Canning, and provided for the appointment of the firm serving as Interim Receiver as court-appointed monitor (“**Monitor**”).

69. On May 1, 2017 (which had become the return date for the hearing to determine what was to become of the interim receivership), the Court issued an Order which appointed the Monitor and authorized the Monitor to market the Company’s business and assets under the RISP.

70. The declared intention of Bridging, the Company and the Thomases with respect to the Accommodation Agreement, was essentially two fold. The first was that although the Company was to be put up for sale or refinancing, the Company was to remain in the hands of the existing Company management. This was necessary to maintain peace with the licensor, and to hopefully preserve contracts with various customers who, it was thought, would be unlikely to purchase food products from a company in receivership.

71. The second purpose was to establish a mechanism whereby requests for funding would be made not to Bridging, but to the Monitor who would then approve or disapprove the funding request. The Thomases hoped that this would result in a more rational approach to the funding required to maintain the business as viable.

72. In exchange for these two concessions, the Company was to engage in a sale process which was shorter than what the Company thought was ideal, and the Company would not invoke its remedies under the *Farm Debt Mediation Act*.

73. The Plaintiffs executed the Accommodation Agreement in good faith and with a view towards saving the Company. The Company's intention was to refinance the business, or if it could not do so, market and sell the business as a going concern under the RISP, such that the business (if not the same corporation) would emerge from the restructuring as a viable business.

74. The Plaintiffs saw the Accommodation Agreement as an alternative to an otherwise dysfunctional lending relationship with Bridging, wherein the Monitor, as a neutral, Court-appointed official, would assist the Company with its business through the RISP and oversee a transparent, fair sales process.

75. The Thomases and the Company sought to have the Accommodation Agreement approved by the Court on May 1st, but Bridging resisted, and ultimately it was not put forward for approval by the Court.

76. It was not known then but is known now that Bridging resisted having the Accommodation Agreement approved because it did not want the Court to be in a position to enforce the agreement during the Monitor proceedings, and it did not want the Monitor to be subject to its terms, who might have then been able to enforce those provisions to limit Bridging's subsequent actions.

77. Bridging executed the Accommodation Agreement in bad faith. While paying lip service to the purposes as understood by the Thomases and the Company and set out in the agreement, Bridging's true intention was to take control of the Company and its assets, while avoiding the courts and the court process. This was directly opposite to what was understood and intended to be the purpose of the Accommodation Agreement.

78. The Plaintiffs now know that Bridging set up the Accommodation Agreement so that it could ultimately manipulate and control the RISP, and appoint its chosen bidder to own and run the Company. It also had no real intention to change the process under which it would provide funding to the Company or to support the operation of the business.

79. It did not become known or understood by the Plaintiffs until after the RISP was concluded and the business had been sold that Bridging never intended to perform its obligations under the Accommodation Agreement.

80. After entering into the Accommodation Agreement, Bridging engaged in a pattern of behaviour that was designed to reduce the value of the Company, undermine its opportunity to restructure and steer the Company to a purchaser selected by Bridging, being the same Mahal whom it had proposed as a business partner earlier (and whom the Company and the Thomases had rejected).

Bridging Reneges on its Promise to the 2016 Growers

81. Following the Interim Receivership Order, the Company entered into processor-grower agreements with two farmers to plant sufficient seedlings to seed 400 acres for the 2017 growing season, in consultation with Bridging and the Monitor. These agreements were executed in reliance on Bridging's prior commitment to the 2016 Growers to fund seedlings for 400 acres, as confirmed

by Julio at the meeting with the 2016 Growers on or about the end of February 2017 and in light of what the Company at that point believed to be Bridging's decision to support the Company during the RISP.

82. The Company was under pressure to enter into agreements with the growers immediately because of the pressures of the growing season, which required the seeds and seedlings be planted in May.

83. The Company, in consultation with Bridging, had applied for and received a licence from the Commission to process 400 acres, in accordance with Bridging's commitment to fund a 400 acres business plan confirmed at the meeting described above which occurred in February 2017.

84. The Company spent approximately \$175,000 towards the process of contracting with growers, and an additional \$60,000 to purchase the necessary seeds to create seedlings. Bridging refused to honour the obligation for the \$60,000 and Robert paid that amount personally on behalf of the Company.

85. Bridging subsequently reneged on its promise to fund 400 acres of tomatoes and instead consented to financing 150 acres, which had the effect of jeopardizing the Company's ability to continue its business during the 2017 season, and further exacerbated issues with suppliers, growers and the Commission.

86. The Company spent significant time following the preliminary decision by Bridging not to fund 400 acres to provide a detailed business plan to explain why the funding of the 400 acres was not only Bridging's obligation, but would be directly profitable (i.e. Bridging would recover more than it was being asked to advance) and it would enhance the prospect of selling the business as a going concern.

87. The Company spent several days preparing this information and consulted with its accountants, who were more familiar with the realities of their business than Bridging or the Monitor.

88. The Company provided the report to Bridging and had a call with its counsel and Bridging's counsel less than an hour after providing it to them. The purpose of the call was to explain the complicated report and allow Bridging to consider it further. However, Bridging's counsel rejected the request in less than 5 minutes and was unwilling to consider it any further.

89. It was unknown at the time but is now known that the reason Bridging's counsel was able to reject such a complex and important request in 5 minutes without the need to seek instructions, was because he already had existing instructions. Those instructions were to reject all requests which would promote the viability of the Company or otherwise interfere with Bridging's plan to acquire the business.

90. Faced with this strong and inflexible position from Bridging, and given the fact that the Monitor was not a party to the Accommodation Agreement and that agreement was not part of the Court order, the Monitor was unable and unwilling to force Bridging to advance the necessary funds. The funding request went unanswered and the business took a further downward turn.

91. There was no further material interest from anyone at arm's length to fund or purchase the business under the RISP after that time.

Bridging Reneges on its Promise to Pay Legal Fees of Counsel

92. The Accommodation Agreement required that the legal fees of counsel to the Company be paid related to the drafting of and the representation of the Company with respect to the Accommodation Agreement.

93. Nevertheless, Bridging refused to make payment when requested, and the Company was ultimately required to seek recourse through the courts.

94. Bridging was ultimately ordered to pay both legal fees and costs, demonstrating further its bad faith and its actions taken in breach of its obligations under the Accommodation Agreement.

Bidding Process and Sale of the Company

95. The RISP was set out in the Accommodation Agreement.

96. Under the RISP, the Monitor was permitted to share letters of intent (“**LOI**”) with Bridging and seek its input and assistance in the sale process provided that Bridging declared its “interest in writing as not being a potential bidder.”

97. Moreover, Bridging could not be a qualified bidder under the RISP, but reserved its right to credit bid any portion of the debt “if no LOIs acceptable to the Monitor and Agent were received and/or any such transaction is not successfully completed.”

98. At no time did Bridging express to the Monitor or the Company its intention to purchase, bid or finance any bid by any party in the RISP even though it is now known, although it was unknown at that time, that was Bridging’s express intention.

99. ~~Unaware that Bridging was intending to bid, the~~ The Monitor held regular meetings with Bridging to discuss the results of the RISP. In this way, Bridging became intimately familiar with the level of interest in the Company and the amount necessary to become the successful bidder.

100. During the course of the RISP, the Monitor received responses from 35 potential interested parties, of which 16 became “Interested Parties” under the RISP. However, only two non-binding LOIs were submitted by the RISP deadline: the first was submitted by 219 Ontario and the second was submitted by Mahal on behalf of a company to be incorporated.

101. Subsequently, 2581150 Ontario Inc. (“**258 Ontario**”) was incorporated to become that purchaser.

102. 258 Ontario was incorporated under the laws of the Province of Ontario on or about June 6, 2017. Mahal is an officer of 258 Ontario. It is now known, but it was not known at the time, that Paul Millar is a director of 258 Ontario, and is also affiliated with Sykmark Finance Corporation (“**Skymark**”) and/or a related Skymark company, which provided financing for the 258 Ontario bid.

103. It is now known, but it was not known at the time, that Skymark is also affiliated with Bridging.

104. On or about May 26, 2017, 258 Ontario submitted an LOI to purchase the business and assets of the Company for a purchase price of \$15 million.

105. Mahal knew nothing about the business he was ostensibly offering to purchase. He was not an engineer like Robert, or a farmer like William. He did not visit the premises during the sales process, and knew next to nothing about canning fresh produce such as tomatoes.

106. On or about May 26, 2017, Robert submitted a bid on behalf of a corporation to be incorporated by him (which later became 219 Ontario) to purchase the Company for \$18 million.

107. The Monitor, at the request of Bridging, exercised its discretion to allow for a further round of bidding, even though it is now known (but it was not known at the time) that 219 Ontario had won the bidding process in the first round, by a significant margin.

108. After the initial bids to the Monitor and before the revised bids were due, the Monitor communicated the bid amounts to Bridging.

109. The Plaintiffs plead that 258 Ontario and/or Mahal was advised to increase its bid by Bridging, who also had knowledge of the details of the bid put forward by Robert/219 Ontario, knowledge that there were no other bidders, and knowledge of the terms of the other bid.

110. The Plaintiffs plead that Bridging disclosed to 258 Ontario and/or to Mahal, the terms of the 219 bid, its price, and the fact there were no other bidders in the sale process.

111. No other potential bidder, and certainly not the Thomases, had access to this information.

112. On or about May 30, 2017, 258 Ontario submitted a new offer in the RISP and increased its bid from \$15 million to \$20 million and also offered the assumption by 258 Ontario of all debts owing to Bridging (the “**Mahal Revised Bid**”).

113. Mahal (who was really Bridging) also agreed to assume the remaining debt owing to Bridging (of approximately \$3,400,000).

114. The extent of Bridging’s debt was not known at that time and, Bridging had refused to disclose that amount to the Thomases. The debt to Bridging was also increasing by the cost of the receivership which was to follow, which proved to be hundreds of thousands of dollars more.

115. Accordingly, Mahal assumed an open ended and unknown obligation as part of his bid. Mahal had no knowledge of the size of the obligation he was agreeing to assume and did not care.

116. The only party who knew the size of Bridging's debt and could assume it without care was Bridging (or an affiliated or associated entity like Skymark).

117. There was also no basis for the dramatic increase in the purchase price of the Mahal Revised Bid. Bridging had repeatedly taken the position that the Company's assets were worth less than \$15 million, yet it now provided funding for a bid based on this higher value.

118. On the instructions of Bridging, and before the bidding process was closed, and before 219 was permitted to bid, the Monitor contacted 219 and advised that the winning bidder had been selected and that it was not 219.

119. Bridging required the Monitor to act in this fashion in order to prevent 219 from bidding.

120. Nonetheless, on or about June 2, 2017, Robert (through his corporate entity) submitted a new LOI in which the purchase price for the Company was \$21 million. The bid from Robert was a going concern bid which would have preserved the enterprise and the rights of stakeholders would have been protected. Both William and Robert were motivated to attempt to preserve the enterprise and protect the stakeholders engaged in it, including the employees and the growers who contracted with it in 2017.

121. Bridging (and therefore Mahal) was privy to this information and understood the significance of these additional factors to a court reviewing competing bids. Therefore, Mahal advised the Monitor (who in turn advised the Court) that the Mahal Revised Bid was also a going concern bid.

122. The bid from 219 Ontario offered to assume the obligations of the Company owing to Robert and William personally. Those debts totaled at least \$3,000,000.

123. Had the bid of 219 Ontario been successful, the debts of the Thomases would have continued to attach to the assets and would eventually have been repaid.

124. The Mahal Revised Bid was selected as the winning bid under the RISP by the Monitor and Bridging.

125. Despite the fact the bids were quite close, Bridging did not exercise its discretion to seek another round of bidding. It was satisfied to see Mahal win the bidding process, despite the fact that the 219 Ontario bid would have resulted in \$21,000,000 of cash paid to Bridging.

126. For reasons which are unknown, Bridging preferred to take control of the business (which it said had little or no value), through an entity that had no ability to generate revenue from the assets it was buying and without achieving any repayment of its debt, rather than have its \$23,000,000 debt reduced to \$2,000,000, or reopen the bidding to see if a further increased purchase price could be made.

127. Had Bridging been unsatisfied with the LOIs, the Accommodation Agreement provided a mechanism to allow the Company to continue to operate while further options were explored. The Company had provided a business plan which demonstrated a break even, or profitable approach to continued operations.

128. The Monitor entered into an asset purchase agreement with 258 Ontario on or about June 15, 2017 for 258 Ontario to purchase substantially all of the Company's property and assets ("APA"), which was approved by the Court.

Bridging Manipulated the RISP

129. Bridging deliberately withheld key information from the Monitor and the Court. In particular, Bridging failed to advise the Court that:

- a) Bridging and Mahal had a relationship prior to the receivership proceedings;
- b) Bridging had introduced Mahal to the Company prior to the appointment of the Interim Receiver;
- c) Mahal was Bridging's preferred bidder before the Accommodation Agreement was executed, and even prior to the Company's restructuring;
- d) Mahal intended to immediately cease operations of the Company once he purchased the business;
- e) Mahal had no licence to operate the business and would not be able to acquire one;
- f) Mahal was not investing any of his own money to purchase the business; and
- g) that all of the funds for the purchase were in fact being provided by Bridging.

130. It is now known that Bridging at all material times, from no later than the beginning of 2017, intended that the Company would be removed from the control of William and Robert, and put into the hands of Mahal/Bridging, even before the RISP was put into place.

131. It is now known that the Mahal Revised Bid was financed by Bridging. In particular, Bridging provided financing to Sykmark, an affiliated company, who in turn financed Mahal's completion of the APA. The Monitor received a \$2 million deposit for the Mahal Revised Bid

from Skymark. The balance of the purchase price was paid to the Monitor on closing from Bridging on the direction of Skymark. No money came from Mahal or 258 Ontario.

132. The Mahal Revised Bid also provided that all of the debt owing to Bridging would be assumed. The APA transaction was a circular transaction orchestrated by Bridging where Bridging was moving its own money around.

133. Bridging ultimately paid approximately \$10 million more than it claimed the Company was worth so that it could remove control of the business from William and Robert. The true motivation of their decision to do so is not known, but it is directly commercially opposite to their concern that the Company was leveraged well beyond its value, which is allegedly what led them to enforce and refuse requests for additional funds. The initial bid from Mahal/Bridging of \$15,000,000 was consistent with their valuation. The final bid was not.

134. Article 3.2(d)(ix) of the Accommodation Agreement provided that Bridging “shall not be a Qualified Bidder in the RISP, but reserves its right to credit bid any portion of the Obligations if no LOIs acceptable to the Monitor and the Agent are received and/or any such transaction is not successfully completed.”

135. The Accommodation Agreement remained in place and in force during the entirety of the RISP and Bridging was bound by it at all times, as the Court found.

136. The intention of the Accommodation Agreement was that Bridging could only credit bid after the RISP was complete and no acceptable offers had been received. It is for this reason that Bridging was permitted to review each offer that was received, and could also select the successful bidder.

137. In addition to financing the Mahal Revised Bid, Bridging also had access to the other offers submitted under the RISP, and was ultimately involved in selecting the successful bidder. Bridging was improperly wearing two hats in the RISP – it was acting as a bidder while also using the powers granted to it by the Accommodation Agreement to determine the winning bid.

138. Bridging was both a participant in the RISP and also an arbiter of it. This is the opposite of the parties' declared intention.

139. Bridging was in fact a bidder and was in fact making a credit bid which was a breach of the Accommodation Agreement. The bids submitted by Mahal/258 Ontario were expressly credit bids because they assumed a portion of the Bridging debt as part of the consideration. These bids were also effectively credit bids because Bridging (through Skymark) advanced its own funds to itself and ended the process with the same debt with which it began, with that debt now owing from the purchaser.

140. In comparison, Robert was not privy to other offers in the RISP, and did not provide the Monitor with any input or assistance in terms of selecting the winning bidder, in accordance with the terms of the Accommodation Agreement. William and Robert diligently recused themselves from all information or meetings related to the sale process and the bidders who arose therein.

Approval and Vesting Order

141. On June 21, 2017, the same firm that acted as Monitor was appointed receiver of the Company (in such capacity, the “**Receiver**”), and the APA was approved by the Court on the same date (“**Approval and Vesting Order**”). The Court granted the Approval and Vesting Order without knowledge of the fact that Bridging was involved in the bidding process in two capacities:

as financier and as adviser to the Receiver. The Receiver was also misled with respect to Bridging's dual role in the RISP.

142. The Court was also advised incorrectly and intentionally by Bridging that the Mahal Revised Bid was a going concern bid, which would preserve the enterprise.

143. The Approval and Vesting Order was registered on title to the land and premises owned by Thomas Canning and 692 Ontario set out at Schedule "A" and Schedule "B" (the "Land") on July 7, 2017. The Land was transferred from Thomas Canning or 692 Ontario as the respective original owner to 258 Ontario. According to the Application to register the Approval and Vesting Order, the consideration for the transfer is listed as \$3,005,000.

144. Also on July 7, 2017, two charges each in the amount of \$3,005,000 were registered on the Land in favour of Skymark and Bridging, respectively, and both Skymark and Bridging registered notices of assignment of rents on the same day. By way of a postponement of interest registered on title on July 10, 2017, Bridging postponed its rights in respect of the \$3,005,000 charge in favour of Skymark's notice of assignment of rents.

145. The transaction failed to close for more than two weeks. During this period some dispute arose between Mahal and Bridging which related to an inventory count. Mahal was apparently unwilling to proceed with the transaction for a time. The Mahal bid was unconditional and was not conditional on any inventory count.

146. The real issue was that Bridging was failing to live up to the terms of the hidden arrangements between itself and its proxy.

147. During or shortly following this period Mahal contacted the Thomases, advised he regretted entering into the deal with Bridging, and said it was all a favor for Bridging. He asked the Thomases if they would re-acquire the business from him, but he subsequently withdrew this offer before they could act.

Business was Shut Down by Bridging

148. Even though the APA was approved on June 21, 2017, the transaction did not close until July 7, 2017 at the earliest.

149. On July 21st, the Windsor Star newspaper reported:

“...Mississauga-based Golden Miles Foods, maker of crackers and cookies sold at Dollar Tree stores, has purchased Thomas Canning, president Santokh (Santosh) Mahal said Friday.

Mahal said he paid the book value of the company as assessed by the receiver — nearly \$23.4 million — but plans to scrap the equipment, demolish the building and start anew.

“The value is in the land,” Mahal said of the 300 acres along South Talbot Road west of Manning Road. He said he will build on 60 acres and use the rest of the land to grow tomatoes.

Mahal said he hopes to have the new plant running by next summer, contracting farmers to grow up to 4,000 acres of tomatoes. The plant will employ up to 20 workers year-round and another 200 seasonally for three months a year, he said.

...Lakeshore Mayor and Essex County Warden Tom Bain was loathe to comment on the grant, but called the plant’s purchase good news for the municipality and local economy.

“You’ve got jobs... You’ve got farmers who can go ahead and plant their crops,” he said. “Any farmer you can save is a plus.”

150. Nothing set out in that article came to pass.

151. In fact, Mahal did not know how to run a tomato canning operation, nor did he intend to.

152. Following the close of the APA, it became evident to the Plaintiffs that Mahal was simply being used as an accessory by Bridging to manipulate the RISP and undermine the Company's restructuring efforts.

153. After becoming the successful bidder, Mahal made several offers to sell the key equipment and assets to William and Robert as he had no need of it. It is unclear that Mahal truly had authority to convey the assets in any event, given that they were encumbered in the amount of \$23 million owing to Bridging. Without the Thomas Canning factory and processing plant, Robert and William could not buy them.

154. Following the close of the APA, the Company ceased to operate immediately. The termination of business was so abrupt that Bridging had to be ordered to accommodate the immediate return to Jamaica of more than a dozen migrant workers whom they had authorized the Company to employ during the RISP.

155. Under the ownership of 258 Ontario, Thomas Canning has not produced any tomato paste or other products.

156. 258 Ontario was unable to acquire a business licence to process and can tomatoes as it was hopelessly unqualified to do so. Bridging was told repeatedly by the Plaintiffs that such a licence was necessary to operate the business.

157. Bridging was very resistant of efforts made by the Thomases to preserve the licence so that it could be sold to a purchaser.

158. The fields around the property are fallow and no longer producing. They are also not being maintained and it is becoming an environmental hazard (as the absence of crops has removed the natural protection to water erosion which the highly fertilized land otherwise suffers).

159. Employees have not been retained, equipment has now all been sold at auction (at a great loss), customers have all gone elsewhere, and processing at the Company has shut down.

160. There has been no activity at the property, other than the auctioning of assets.

161. Mahal advised the Thomases in 2018 that his new intention was to use the land for storage of trucks related to some other business. Mahal has no business interests anywhere near the Thomas Canning land. No truck storage is taking place.

162. At this time there is no visible use being made of the land in any event. The suggestion from Mahal, as quoted in the press, that the value is in the land, is not credible in any event.

163. In fact, the purchase price allocation applied by Mahal (Bridging) at the time of closing, allocated only \$3,005,000 to the land. The deed registered on title reflects this valuation.

164. In undermining the Company's restructuring efforts, Bridging harmed not only tomato farmers, but also tote lessors, who supplied equipment for the business in which tomato paste was stored pending canning.

165. The RISP provided that the business would be marketed so as to allow for a bid that included the assumption of the remaining obligations of the Company's totes leases. By undermining the sale process to remove the incentive for going concern purchasers to bid, Bridging also effectively breached this component of the Accommodation Agreement.

166. Mahal/258 Ontario ultimately did not assume the totes leases on acquiring the assets of the Company, and since the totes leases were only valuable on a going concern basis, they no longer served a purpose once the business was sabotaged by Bridging.

167. As a result of the totes leases not being honored by the Company or the purchaser, the Thomases are personally exposed to claims totaling approximately \$800,000. The Thomases are defending those claims and deny liability.

168. The Plaintiffs plead that Bridging allowed in excess of \$1,000,000 of paste inventory to rot in these totes. It is unknown if the purchaser was ever able to sell any of the inventory, but given the absence of a licence, it would be difficult to do so.

Expropriation of Thomas Canning Land

169. Thomas Canning was the registered owner of the lands and premises set out in PIN 75228-0009 (LT). The Approval and Vesting Order improperly transferred PIN 75228-0009 (LT) from Thomas Canning to 258 Ontario.

170. The Plaintiffs plead that, in or around November 2020, PIN 75228-0009 (LT) was split into four PINs, being 75228-0095 (LT) and 75228-0097 (LT) (which are set out at Schedule “A”) and 75228-0094 (LT) and 75228-0096 (LT) (which are set out at Schedule “C”), and is currently inactive.

171. The lands and premises set out at Schedule “C” were expropriated by the Ministry of Transportation on or about November 12, 2020.

Breach of Contract and Breach of the Duty of Good Faith and Fair Dealing

172. Bridging breached the Credit Agreement by refusing to finance legitimate operating and business expenses relating to the Company's tomato processing business, including equipment and inventory necessary for the processing of tomatoes and seedlings/plants grown by third party farmers.

173. Bridging's failure to fund the Company's needs imperiled the principals' ability to operate the business, deal with critical stakeholders such as growers and regulators, and meet customer demand. The Company would not have experienced solvency issues but for Bridging's failure to meet its obligations to fund under the Credit Agreement.

174. Bridging entered into the Accommodation Agreement in order to undermine the Company and William and Robert's interests in the Company. It breached the Accommodation Agreement by effectively making a credit bid during the RISP when it only had the right to do so after the RISP was complete and if no viable offers had been received.

175. Bridging refused the reasonable financing requests during the Accommodation Agreement without any due consideration and made decisions which were directly contrary to the best interest of the Company or which would allow it to continue as a going concern.

176. These decisions by Bridging were not commercially reasonable at the time and were ultimately contested by William and Robert. It is now known that these efforts by Bridging were in line with their hidden agenda to ensure the lowest possible purchase price and to dissuade other potential buyers.

177. Indeed, there were 35 potential interest parties and 16 “Interested Parties” under the RISP, but only Mahal/258 Ontario and Robert submitted a non-binding LOI under the RISP.

178. Bridging orchestrated a process under the guise of a restructuring where it could finance its chosen purchaser and continue to be involved in important decisions relating to the RISP, including selecting the successful purchaser.

179. Bridging’s dual role in the RISP, which was contrary to the Accommodation Agreement, prevented the Company from being sold as a going concern, thereby stripping any remaining value in the Company, to the detriment of William, Robert and 219 Ontario.

180. From the time Bridging began negotiating and eventually entered into the Credit Agreement with the Company, and again following the Accommodation Agreement, Bridging also owed the Plaintiffs a duty of good faith, honesty, candour and fair dealing in its contractual relationships with the Plaintiffs, which it also breached. In particular, Bridging owed a duty to the Plaintiffs to act honestly and in good faith in the performance of its obligations under the said agreements.

181. In this case, Bridging did not act honestly during the course of the Credit Agreement or the Accommodation Agreement and indeed, Bridging knowingly misled the Plaintiffs with respect to the financial support they would be receiving.

182. Additionally, Bridging acted dishonestly in the performance of its duties pursuant to the RISP, which it put forward as part of its dealings with the Plaintiffs. Bridging had discretion and oversight over the RISP with respect to the selection of the successful bidder. In exercising its decision to maintain its role as an insider in the RISP while also bidding through Skymark and 258 Ontario, it breached its duty to act with honesty and good faith.

183. In agreeing to convert the Interim Receiver to a Monitor and restructure Thomas Canning's business in accordance with the RISP, Bridging was required to act in good faith with respect to the monitorship proceedings. In addition, the conduct of Bridging that precipitated the appointment of the Monitor is also subject to the duty of good faith.

184. Bridging breached its duty of good faith by conducting the Monitor proceeding and the RISP for an oblique motive and/or an improper purpose, namely to undermine Thomas Canning's restructuring efforts and remove the company from the control of the Thomases.

Fraudulent Misrepresentation

185. Bridging and its agents and proxies made numerous representations to the Plaintiffs throughout their relationship regarding Bridging's intentions and actions to be taken, all as pleaded above.

186. The Plaintiffs relied upon those representations, and altered their legal positions in response thereto to their detriment.

187. The Plaintiffs only later learned that none of the representations were true, that Bridging had no intentions of actually financing the operations of the business, and that in reality, Bridging had designs on taking over, and later destroying the business and its operations.

188. But for Bridging's misrepresentations, the Company would continue to be solvent and operational today.

189. The Plaintiffs have therefore suffered damage as a result of Bridging's conduct and actions.

Breach of Fiduciary Duty

190. The terms of the Credit Agreement and the Accommodation Agreement both provided Bridging with a significant amount of discretion and influence over Thomas Canning.

191. In particular, the Credit Agreement provided Bridging with operational control over the Company. It had complete access to and control over Thomas Canning's money through the Blocked Account, and had full discretion with respect to the Facility A Loan Availability. Additionally, Bridging was able to exercise a veto over management decisions through its agent and/or the CRO, Paragon/Julio.

192. The majority of the management controls, including the Blocked Account, remained in place under the Accommodation Agreement. During the Company's restructuring, Bridging was able to continue exercising control over the Company and the RISP since it did not disclose its close affiliations with Mahal and Skymark, and/or that it was effectively credit bidding in the process.

193. Further, the Plaintiffs all reposed trust and confidence in Bridging and later its agents and proxies, as part of the ongoing operations, both pursuant to the Credit Agreement and the Accommodation Agreement, all as pleaded herein.

194. As a result, Bridging owed fiduciary duties to the Plaintiffs, including duties to act with utmost good faith, to ensure that its own interests did not conflict with those of the Plaintiffs, and to not prefer its interests over those of the Plaintiffs where such conflict did exist.

195. Bridging failed in discharging its fiduciary obligations to the Company under the Credit Agreement, and in particular when it failed to act in good faith when making financing decisions

with a view towards the continued viability of the Company. Bridging refused or failed to appreciate or consider all aspects of the business, including the interconnectedness of the growing and harvest season, and the importance of third party suppliers and farmers to the Company's viability.

196. Bridging further breached its fiduciary obligations to the Company by improperly using confidential information about the bidding process and the bid submitted by 219 Ontario to the detriment of the Plaintiffs and in direct contravention of the Accommodation Agreement. The Plaintiffs plead that Bridging disclosed the contents of the bid submitted by Robert to Mahal/258 Ontario, which caused Mahal/258 Ontario to increase its bid without any basis for doing so.

197. Bridging knew or ought to have known that the Plaintiffs relied on it to comply with the terms of the Accommodation Agreement by not making a credit bid during the RISP, and to not use information it received in the context of the RISP to undermine the Company's restructuring efforts.

198. Bridging did not disclose that it was financing the Mahal Revised Bid at the relevant time and continued to exert control over the RISP so that it could ensure that its chosen bidder emerged victorious and the Thomas family no longer maintained control of the Company.

Interference with Economic Relations and Interests

199. Bridging interfered with the business and livelihood of the Plaintiffs by illegal or unlawful means. Specifically, Bridging breached its duty of honesty, good faith and fair dealing when exercising its influence and control in regards to the Company.

200. As a result of ~~the Defendant's~~ Bridging's interference, the Plaintiffs suffered economic losses, the nature and extent of which will be particularized before trial. The Company's solvency issues would not have occurred had Bridging not interfered in management decisions relating to the business. ~~The Defendant's~~ Bridging's undue interference with the RISP also impaired the Company's ability to restructure as a going concern. William, Robert and 219 Ontario lost the opportunity to continue the family-owned business.

201. The Plaintiffs plead that Bridging manufactured a restructuring plan that was intended to harm the Plaintiffs from the outset. There was never any intention on the part of Bridging that an arms-length party would end up being the owner of the business following the court-supervised RISP. The RISP and the Accommodation Agreement were designed by Bridging to be a farce and/or sham, which caused the Plaintiffs to lose their business and to incur significant damages, including out-of-pocket expenses and loss of opportunity.

Bridging was acting as Agent for Sprott Fund/BFI

202. At all relevant times, Bridging was acting as agent for the Sprott Fund (now called BIF) in carrying out its respective obligations under the Credit Agreement and the Accommodation Agreement. In entering into the Credit Agreement and the Accommodation Agreement, Bridging was acting within the scope of its delegated authority on behalf of the Sprott Fund/BIF. The Plaintiffs plead that the Sprott Fund/BIF is bound by the terms of the Credit Agreement and the Accommodation Agreement as a result of its agency relationship with Bridging.

203. The Plaintiffs repeat and rely on the allegations set out against Bridging above and make the same allegations against the principal, the Sprott Fund, which is now known as BIF. At all relevant times in its interactions with the Plaintiffs, Bridging was representing the Sprott Fund/BIF.

The Plaintiffs plead that the Sprott Fund/BIF ought to be held liable to the Plaintiffs for the acts, omissions, breaches and misrepresentations of Bridging as set out at paragraphs 168 to 195 above by virtue of the agency relationship between Bridging and the Sprott Fund/BIF.

Interests in Land Advanced by 258 Ontario, Skymark and Bridging are void

204. Thomas Canning and 692 Ontario are the rightful owners of the Land.

205. The Plaintiffs plead that title to the Land should be rectified to return ownership of the Land to Thomas Canning and 692 Ontario. The transfer of ownership of the Land to 258 Ontario pursuant to the Approval and Vesting Order and registered as instrument CE780572 should be expunged or deleted from title to the Land. In addition, the following interests should also be expunged or deleted from the Land:

- (a) the charge in the amount of \$3,005,000 registered in favour of Skymark on July 7, 2017 as instrument CE780575;
- (b) the charge in the amount of \$3,005,000 registered in favour of Bridging on July 7, 2017 as instrument CE780576;
- (c) the notice of assignment of rents registered in favour of Skymark on July 7, 2017 as instrument CE780582;
- (d) the notice of assignment of rents registered in favour of Bridging on July 7, 2017 as instrument CE780583; and
- (e) the postponement registered by Bridging in favour of Skymark on July 10, 2017 as instrument CE780712.

206. The above-referenced transfer and instruments are fraudulent instruments under the *Land Titles Act* and are, therefore, void. The transfer and interests registered in favour of 258 Ontario, Skymark and Bridging were part of Bridging's deliberate scheme to deprive Thomas Canning of its business and the Land on which it conducted its operations.

207. Bridging manipulated the RISP and took advantage of confidential information it received in the RISP to effectively credit bid its debt while representing to the Court, the Monitor and the Plaintiffs that 258 Ontario was a *bona fide* purchaser and Skymark was a *bona fide* mortgagee.

208. The charges in the amount of \$3,005,000 each registered in favour of Skymark and Bridging are not charges registered in good faith for value. The charges are the product of the sham transaction orchestrated by Bridging to sabotage the Thomases' business and remove control of the Land from Thomas Canning and 692 Ontario.

209. Since 258 Ontario acquired title to the Land and Bridging and Skymark registered encumbrances against the Land under false pretenses, these interests are void.

210. 258 Ontario should not be the registered owner of the Land. It is not a *bona fide* purchaser for value without notice. 258 Ontario did not advance any consideration for the transfer of the Land from Thomas Canning and 692 Ontario to itself.

211. 258 Ontario is not a genuine purchaser for value, but instead was Bridging's proxy, advancing Bridging's interest in depriving Thomas Canning and 692 Ontario of the Land on which the Thomas Canning business operated. During the RISP, 258 Ontario did not visit the Land, nor did it advance any funds to purchase the Land. Once it became the owner of the Land pursuant to the Approval and Vesting Order, it did not continue the business operations of Thomas Canning on the Land, did not otherwise use the Land for any legitimate business purpose, and has not

invested any money in maintaining or developing the Land. The Land is currently fallow and unused for any personal or commercial purposes by the purchaser, although some farm land is being rented to a farmer for corn, soybean and wheat production.

212. The Plaintiffs plead that 258 Ontario knew or ought to have known that the transfer of the Land was a circular transaction on the part of Bridging, involving no genuine consideration, perpetrated with the intention of depriving Thomas Canning and 692 Ontario of their interest in the Land. There was never an intention or expectation on the part of 258 Ontario that it would have a *bona fide* interest in the Land when it agreed to act as Bridging's proxy and acquired title to the Land as a favour for Bridging and/or on Bridging's behalf.

258 Ontario is Unjustly Enriched by Expropriation of Lands

213. As a result of Bridging's concerted efforts to destroy the Thomas Canning business, 258 Ontario became the beneficiary of lands previously owned by Thomas Canning. Furthermore, 258 Ontario received the benefit of payments from the Government of Ontario and/or the Ministry of Transportation when the lands set out at Schedule "C" were expropriated by the Ministry in November 2020. The rightful owner of the expropriated lands is Thomas Canning. As a result, Thomas Canning has suffered a corresponding loss by not being the recipient of any payments made by the Ministry of Transportation when it was expropriating the lands at Schedule "C". There is no juristic reason for 258 Ontario's benefit and Thomas Canning's loss.

214. The Defendant, 258 Ontario, knows the full extent of the payments and profits it received from the Ministry of Transportation, but the amount is not known to the Plaintiffs. The Plaintiffs plead that any payments received by 258 Ontario for the expropriation of the lands set out at Schedule "C" should be disgorged, remitted and/or paid to Thomas Canning.

Damage

215. As a result of the Defendants' actions and omissions pleaded above, each of the Plaintiffs have suffered and will continue to suffer damage, including but not limited to:

- (a) Out-of-pocket expenses related to the funds advanced to the Company and/or for Company-related expenses by the Thomases personally, which Bridging refused to advance and unrecovered legal fees;
- (b) loss of business opportunity and loss of future income given the fact that Thomas Canning is no longer operational and has been forcibly removed from the control of the Thomases; and
- (c) Damage to reputation, particularly the reputations of the Thomases in the community.

216. The Plaintiffs also seek punitive damages as a result of ~~the Defendant's~~ Bridging's conduct in orchestrating the demise of the Company and removing control of the Land from Thomas Canning and 692 Ontario, which was high-handed, reckless, without care, deliberate and in disregard to the Plaintiffs' rights.

217. Bridging knew or ought to have known that its actions and omissions would have a significant adverse effect on all of the Plaintiffs. Punitive and exemplary damages are also warranted in this case in order to meet the objectives of retribution, deterrence and denunciation.

218. The Plaintiffs rely on the Loan Administration Agreement and plead that, to the extent Bridging is liable to the Plaintiffs for damages as set-out above, the Bridging Funds are required to indemnify Bridging under section 5.1 of the Loan Administration Agreement.

219. Bridging and the Bridging Funds were unjustly enriched by the scheme orchestrated by Bridging to strip away control of the Thomas Canning business and Land from the Thomases. The Plaintiffs lost ownership of the Land and the ability to operate their family's tomato processing facility. The Defendants received a corresponding benefit, namely 258 Ontario became the owner of the Land and inherited the good will of Thomas Canning, Skymark received the benefit of a charge on the Land, and Bridging and the Bridging Funds were the recipients of funds from this scheme. There is no juristic reason for the benefit to the Defendants and the loss to the Plaintiffs.

220. The Plaintiffs plead that this action be tried in Windsor, Ontario.

<p>Date: April 4, 2019 <u>June 16, 2022</u> <u>November 10, 2022</u></p>	<p>BLANEY MCMURTRY LLP Barristers & Solicitors 2 Queen Street East, Suite 1500 Toronto, ON, M5C 3G5</p> <p>David T. Ullmann (LSO #423571) Tel: (416) 596-4289 Fax: (416) 594-2437 Email: dullmann@blaney.com</p> <p>Lawyers for the Plaintiffs</p>
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Schedule "A"

LRO # 12

PIN: 75228-0005 (LT)

Legal Description: PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE

Address: Essex

LRO # 12

PIN: 75228-0095 (LT)

Legal Description: PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; TOWN OF LAKESHORE

Address: Essex

LRO # 12

PIN: 75228-0097 (LT)

Legal Description: PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; TOWN OF LAKESHORE

Address: Essex

LRO # 12

PIN: 75228-0067 (LT)

Legal Description: PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686

Address: Essex

LRO # 12

PIN: 75016-0010 (LT)

Legal Description: PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3,4 R423541; S/T MB18404; LAKESHORE

Address: Essex

LRO # 12

PIN: 75016-0019 (LT)

Legal Description: PT LE 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY) EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964; LAKESHORE

Address: 346 South Talbot Rd, Essex

LRO # 12

PIN: 75016-0021 (LT)

Legal Description: PT LE 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273 & PT 1 12R376; S/T R389219; LAKESHORE

Address: 3782 Maidstone Townline Rd, Essex

Schedule "B"

LRO # 12

PIN: 75016-0009 (LT)

Legal Description: PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355;

LAKESHORE

Address: 372 South Talbot Rd, Essex

Schedule "C"

LRO # 12

PIN: 75228-0094 (LT)

Legal Description: PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF
MAIDSTONE BEING PART 1 ON EXPROPRIATION PLAN CE974512; TOWN OF
LAKESHORE

Address: Essex

LRO # 12

PIN: 75228-0096 (LT)

Legal Description: PART LOTS 28 & 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF
MAIDSTONE BEING PARTS 2 & 3 ON EXPROPRIATION PLAN CE974512; TOWN OF
LAKESHORE

Address: Essex

Court File No. CV-19-00027607-0000

THOMAS CANNING (MAIDSTONE) LIMITED, 692194 ONTARIO and
LIMITED, ROBERT THOMAS, WILLIAM THOMAS and 2190330
ONTARIO LTD.

BRIDGING FINANCE INC., et al.
Defendants

Plaintiffs

ONTARIO

SUPERIOR COURT OF JUSTICE

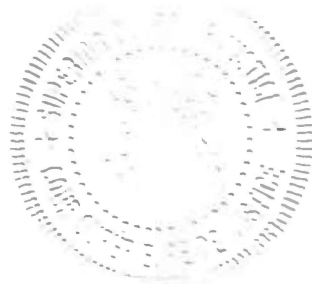
Proceeding commenced at Windsor

AMENDED AMENDED STATEMENT OF CLAIM

BLANEY MCMURTRY LLP
Barristers & Solicitors
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Toronto, ON, M5C 3G5

David T. Ullmann (LSO #423571)
Tel: (416) 596-4289
Fax: (416) 594-2437
Email: dullmann@blaney.com

Lawyers for the Plaintiffs



This is Exhibit "E" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

July 7th, 2017

Skymark Finance Corporation
46 Village Centre Place, 3rd Floor
Mississauga, ON L4Z 1V9

Dear Sirs/Mesdames:

**Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the “Lender”)
Credit Facilities in Favour of Skymark Finance Corporation (the “Borrower”)**

The Lender is pleased to offer the credit facilities (each a “**Facility**”; and collectively, the “**Facilities**”) described in this letter credit agreement (as may be amended, restated, supplemented, extended or replaced from time to time, the “**Agreement**”) subject to the terms and conditions set forth herein including, without limitation, the satisfactory completion of due diligence. Unless otherwise indicated, all amounts are expressed in Canadian currency. All capitalized terms not otherwise defined in the body of this Agreement shall have the meanings ascribed thereto in **Schedule “A”**.

Borrower: Skymark Finance Corporation

Facility:

- (i) Demand operating loan of up to \$2,000,000 based on the Facility Loan Availability as defined below (the “**Facility A Loan**”); the Borrower may request advances as a sublimit under this facility in United States dollars, subject to the following:
 - (a) such advances shall not exceed the aggregate maximum principal amount of US\$1,000,000 at any time; and
 - (b) such advances shall be subject to the same interest rate and, for greater certainty, all other terms and conditions applicable to all other advances under this facility;
- (ii) Demand operating loan of up to \$5,000,000 based on the Facility Loan Availability as defined below (the “**Facility B Loan**”);
- (iii) Demand term fixed asset loan of up to \$5,000,000 (the “**Facility C Loan**”); and
- (iv) Demand term loan of up to \$9,000,000 (inclusive of any demand loan made by the Lender to the Borrower pursuant to a demand promissory note prior to the date hereof in respect of the deposit provided by 2581150 Ontario Inc. (“**PurchaseCo**”) (in connection with the Acquisition (as defined below) (the

“Facility D Loan”).

Purpose: To finance the credit facilities provided by the Borrower to PurchaseCo in connection with the acquisition of certain assets of Thomas Canning (Maidstone) Ltd. and 692194 Ontario Limited (the “**Acquisition**”) and to support the working capital needs of PurchaseCo thereafter.

Term: The earlier of demand and June 30, 2020 (the “**Term**”).

Facility Loan Availability: The maximum amount that shall be available under the Facility A Loan and the Facility B Loan at any time and from time to time will, subject to the maximum amount of \$7,000,000, to be determined by the Lender, commencing 90 days from the date hereof, once each week (or more frequently as determined by the Lender) and will be limited during such week (or other period as aforesaid) in accordance with the following formula (the “**Facility Loan Availability**”): the aggregate of:

- (i) Accounts Receivable: Up to 90% of the net (satisfactory to the Lender) eligible insured or investment grade accounts receivable and up to 85% of the net eligible non-insured accounts receivable of PurchaseCo. The Lender will determine eligibility in its reasonable credit discretion. General eligibility criteria will include the requirement that eligible accounts receivable be less than 90 days past the original invoice date but no more than 60 days past due date. In addition, eligible accounts will exclude (among other things as determined by the Lender in its reasonable credit discretion) accounts of an account debtor if 50% or more of the accounts owing from such account debtor are past due, any account that is an obligation for which the total unpaid accounts of the specific account debtor exceed 25% of the aggregate of all gross accounts as related to eligible accounts receivable, except those accounts approved in advance or of investment quality, to the extent of such excess, foreign accounts not backed by letters of credit or acceptable credit insurance, bill and hold, the amount of any contra, inter-company receivables and amounts due from affiliated or associated companies, government receivables which are not fully assignable to the Lender and enforceable against such government entity or body, disputed and doubtful accounts, progress billings (except where the receivables are in respect of billings approved by the account debtor in writing or are insured satisfactory to the Lender), pre-billed accounts, accounts which have not been credit approved by the Lender, and other accounts at the Lender’s discretion. Any exceptions to the foregoing will be considered by the

Lender in its sole discretion as and when required. The advance rates are subject to a dilution test as determined by the Lender; **PLUS**

- (ii) Inventory: Up to the lesser of (A) 85% of the net orderly liquidation value of eligible inventory of PurchaseCo (as determined by an appraiser satisfactory to the Lender in its reasonable credit discretion); and (B) 60% of the cost (calculated on a first in-first out basis) of eligible inventory of PurchaseCo. The Lender will determine eligibility in its reasonable credit discretion. General eligibility criteria will exclude pallets, dividers, packaging, supplies, containers and canning inventory, aged inventory, work-in-process inventory and other inventory deemed not saleable by the Lender; **LESS**
- (iii) the amount of the Facility A Loan and the Facility B Loan (including principal, interest, costs, fees and expenses) then outstanding, together with all amounts owing by the Borrower to the Lender under this Agreement or under any other agreement or instrument; **LESS**
- (iv) reserves, determined by the Lender in its reasonable credit discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances, liquidation expenses and any other reserves in respect of the Borrower and PurchaseCo, determined from time to time by the Lender in its reasonable credit discretion.

On a Business Day in each week as determined by the Lender (the “**Report Day**”), prior to 1:00 p.m. ET, the Borrower will provide a report, commencing 90 days from the date hereof, (a “**Weekly Borrowing Base Report**”) to the Lender (in such form and together with any back-up materials as the Lender shall reasonably require) providing, as at the end of the preceding week, a listing of all of the accounts receivable, accounts payable, work in progress, details regarding purchase orders and contracts, details of any then existing or potential Priority Claims, the amount of the requested Facility A Loan and/or Facility B Loan advance to be made hereunder, and any other information that may be reasonably required by the Lender in respect of the Borrower and/or PurchaseCo. The Lender shall, upon receipt of such report, calculate the then existing Facility Loan Availability and advise the Borrower accordingly.

**Facility A Loan and
Facility B Loan
Advances:**

Facility A Loan and/or Facility B Loan advances to be made hereunder shall be the lesser of the Borrower’s requested advance in its Weekly Borrowing Base Report and the then Facility Loan Availability and will, less any amounts to be deducted therefrom as

provided for hereunder, be deposited into the Borrower's Disbursement Accounts or as directed in writing by the Borrower. To the extent the Facility A Loan and/or Facility B Loan advances and amounts owing in respect of Facility A Loan and Facility B Loan at any time exceeds the amount of the Facility Loan Availability, the Borrower shall forthwith pay to the Lender an amount equal to such excess.

Provided that no Event of Default has occurred which has not been waived in writing by the Lender, demand has not been made by Lender, the Lender has received all fees payable at such time hereunder, and that at the time the advance is to be made the conditions contained in this Agreement have been satisfied, Facility A Loan advances to be made hereunder shall, provided that the request is contained in a Weekly Borrowing Base Report, commencing 90 days from the date hereof, and that such Weekly Borrowing Base Report is received by the Lender prior to 1:00 p.m. on the Report Day, be made no later than the close of business on the next second Business Day.

**Facility C Loan and
Facility D Loan
Advance:**

Provided that no Event of Default has occurred which has not been waived in writing by the Lender, demand has not been made by Lender, the Lender has received all fees payable at such time hereunder, and that at the time the advance is to be made the conditions contained in this Agreement have been satisfied, Facility C Loan advance by way of single advance, and Facility D Loan advance by way of a single advance, less, without duplication in respect of the Facility A Loan and/or Facility B Loan, reserves as determined by the Lender in its reasonable credit discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances and/or liquidation expenses in respect of the Borrower and/or PurchaseCo. Any unutilized portion of the Facility C Loan or Facility D Loan which has not been advanced at closing shall be automatically terminated.

**Interest Rate on
Facilities and Fees:**

Interest on Facilities: Interest at the rate of 10.00% per annum calculated on the daily outstanding balance of each Facility and compounded monthly, not in advance and with no deemed reinvestment of monthly payments. On the occurrence of an Event of Default or demand by Lender, interest shall be calculated at an annual rate of 21% per annum calculated and compounded as aforesaid.

Expenses: The Borrower shall pay all fees and expenses plus all applicable taxes (including, but not limited to, all due diligence, consultant, field examination and appraisal costs, all fees and expenses for outside legal counsel and other outside professional advisors and the time spent by the Lender and its representatives in retaking, holding, repairing, processing and preparing for disposition and

disposing of the Security calculated at the Lender's standard per diem rate in effect at such applicable time and established by the Lender in its sole discretion for internal personnel of the Lender) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Agreement and the Security and with the enforcement of the Lender's rights and remedies under this Agreement or the Security, whether or not any amounts are advanced under this Agreement. If the Lender has paid any expense plus all applicable taxes for which the Lender is entitled to reimbursement from the Borrower and such amount has not been deducted from the advance of any Facility, such amount shall be payable by the Borrower within fifteen (15) days following demand for payment and in the event that the Borrower does not pay such amount to the Lender within the fifteen (15) day period, interest shall accrue on such amount at the highest rate payable by the Borrower under this Agreement. All such amounts and interest thereon shall be secured by the Security whether or not any funds under the Facility are advanced.

Payments:

Without limiting the right of the Lender to at any time demand repayment and subject to and in addition to the requirement for indefeasible repayment in full pursuant to this Agreement, interest only at the aforesaid rate, calculated daily and compounded and payable monthly, not in advance on the outstanding amount of the Facility A Loan and Facility B Loan, shall be due and payable on the last Business Day of each and every month during the Term. In addition, until the earliest of: (a) demand; (b) an Event of Default; and (c) the expiry of the Term, Facility C Loan shall be repaid in full on the expiry of the Term and Facility D Loan shall be repaid, by way of consecutive equal annual payments of principal only to be based on a 4 year amortization period, based on the principal amount of the Facility D Loan on the anniversary date of each year from June 30, 2017, to be calculated and payable on each such date during the Term.

Prepayment:

Each Facility can be repaid in full or in part at any time without any fee or penalty upon 90 days prior written notice to the Lender.

Cash Management Systems:

- (i) The Borrower shall establish, within 30 days of the date hereof, and shall continue to maintain at all times thereafter, at their expense, blocked deposit accounts (collectively, the "**Blocked Account**") at BMO into which they shall promptly deposit with respect to Borrower and/or PurchaseCo all funds received from all sources including, without limitation, all account receivable payments, proceeds of all sales, cash sales receipts, credit card payments, any and all refunds received from any source whatsoever and any proceeds of any advances or other loans made to it and shall direct its account debtors that remit payments by electronic funds transfers to directly

remit all payments into the Blocked Account.

- (ii) Within 30 days of the date hereof, BMO, the Lender, PurchaseCo and the Borrower shall enter into an agreement (the “**Blocked Account Agreement**”), in form and substance satisfactory to the Lender acting reasonably, providing that all funds received or deposited in the Blocked Account are the property of the Lender, that BMO has no Lien upon, or right to set off against, the Blocked Account, the items received for deposit therein, or the funds from time to time on deposit therein and that BMO will wire, or otherwise transfer, in immediately available funds, on a daily basis, all funds received or deposited into the Blocked Account to the Lender’s account, as the Lender may from time to time designate for such purpose. The Borrower agrees that all payments made to the Blocked Account or other funds received and collected by the Lender, shall be property of the Lender. The Borrower hereby acknowledges, confirms and agrees that the Lender shall have the contractual right to continue to apply the contemplated cash management arrangements contemplated herein notwithstanding any default, termination or non-renewal of this Agreement or any of the Facilities contemplated herein or any stay of proceedings or filing under any applicable insolvency statute and/or Applicable Law as a matter of, and shall be considered and deemed to be a matter of, replacing and monitoring the Lender’s Collateral and not as an enforcement of any of their Security or Liens.
- (iii) The Borrower and its affiliates, subsidiaries, officers, employees, agents, directors, shareholders or other persons (a “**related person**”) shall, acting as trustee for the Lender, receive, as the property of the Lender, any monies, cheques, notes, drafts or any other payment which comes into the possession or under their control or, in the case of any related person, comes into its possession or under its control and is rightfully that of the Borrower, and immediately upon receipt thereof where received by any of them or upon becoming aware of the receipt thereof where received by a related person, the Borrower shall deposit or shall cause the same to be deposited in the Blocked Account, or remit the same or cause the same to be remitted, in kind, to the Lender. In no event shall the same be commingled with any of the Borrower’s own funds. The Borrower agrees to reimburse the Lender on demand for any amounts owed or paid to BMO regarding the Blocked Account or any other bank or person involved in the transfer of funds to or from such Blocked Account arising out of the Lender’s payments to or indemnification of such bank or

person.

- (iv) The Lender shall apply amounts received from the Blocked Account to the Facilities as it sees fit in its reasonable credit discretion.
- (v) The Borrower shall make all of its payments and disbursements only from its Disbursement Accounts.
- (vi) The Borrower and BMO shall make the necessary arrangements to provide view only electronic access to the Disbursement Accounts to the Lender.

Conditions Precedent: The availability of the Facilities is subject to and conditional upon the following conditions:

- (i) satisfactory completion of due diligence and continual due diligence, including the Lender's review of the operations of the Borrower and PurchaseCo and their business and financial plans;
- (ii) satisfactory completion of the Lender's legal due diligence;
- (iii) receipt of a duly executed copy of the applicable asset purchase agreement and related documents relating to PurchaseCo, a court approval and vesting order relating to PurchaseCo, this Agreement and the Security, all in form and substance satisfactory to the Lender and its legal counsel, registered as required to perfect and maintain the security created thereby and such certificates, acknowledgements, consents, estoppels, postponements, intercreditor or priority agreements, waivers, directions, stock transfers, statutory declarations, undertakings, negative pledges, authorizations, resolutions and legal opinions as the Lender may reasonably require including an opinion from the Borrower's counsel with respect status and the due authorization, execution, delivery, validity and enforceability of this Agreement and the Security;
- (iv) the discharge or subordination or assignment, as applicable, of any and all existing security against the Borrower as may be required by the Lender;
- (v) payment of all fees owing to the Lender hereunder;
- (vi) within 30 days of the date hereof, the Borrower shall have opened the Blocked Account at BMO and shall have entered into the Blocked Account Agreement;

- (vii) delivery of appraisals relating to PurchaseCo's real property and equipment prepared by appraisers satisfactory to the Lender;
- (viii) delivery of such financial and other information or documents relating to the Borrower and PurchaseCo as the Lender may require;
- (ix) no event shall have occurred and no circumstance shall exist which has not been waived, which constitutes an Event of Default in respect of any material commitment, agreement or any other instrument to which the Borrower is a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder or terminate any such material commitment, agreement or instrument which would have a material adverse effect upon the financial condition, property, assets, operation or business of the Borrower or PurchaseCo; and
- (x) no event that constitutes, or with notice or loss of time or both, would constitute an Event of Default shall have occurred.

Each of the following is a condition precedent to any subsequent advance to be made hereunder:

- (i) all of the conditions contained in this Agreement shall have been satisfied and shall as at the time of the making of the subsequent advance in question continue to be satisfied;
- (ii) all of the representations and warranties herein are true and correct on and as of such date as though made on and as of such date other than those representations and warranties which relate to a specific date which shall continue to be true as of such date;
- (iii) no event or condition has occurred, or would result from such advance, which constitutes or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or of the Security;
- (iv) such borrowing will not violate any Applicable Law (which for the purposes of this Agreement means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction then in effect) and there shall have

been no investigation, notice or recall from any governmental agency or body, including, without limitation, the Canadian Food Inspection Agency and the Ontario Farm Products Licensing Commission in respect of the Borrower and/or PurchaseCo;

- (v) no Event of Default shall have occurred which has not been waived in writing by Lender; and
- (vi) no other event shall have occurred that, in the Lender's reasonable credit discretion, materially adversely affects or could materially adversely affect either: (i) the business, assets, liabilities, prospects, financial condition or operations of the Borrower or PurchaseCo, or (ii) the value of the Collateral; or (iii) the ability of the Lender to receive indefeasible repayment in full.

The making of an advance hereunder without the fulfillment of one or more conditions set forth in this Agreement shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfillment of such condition in connection with any subsequent advance.

Nothing in this Agreement creates a legally binding obligation on the Lender to advance any amount under any Facility at any time unless the Lender is completely satisfied in its sole discretion that the Borrower is in compliance with every provision of this Agreement and that no fact exists or event has occurred which changes the manner in which the Lender previously evaluated the risks inherent in advancing amounts to the Borrower under any Facility, whether or not the Lender was or should have been aware of such facts or events differently at any time.

All amounts under the Facilities are repayable immediately on demand by Lender whether or not there is an Event of Default, and the Facilities may be terminated in whole or in part by Lender at any time in its absolute and sole discretion.

Covenants:

The Borrower covenants and agrees with the Lender, while this Agreement is in effect to:

- (i) pay all sums of money and all Priority Claims when due or arising therefrom;
- (ii) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default hereunder or the credit agreement with PurchaseCo, a breach of any covenant or other

term or condition of this Agreement or of any of the Security given in connection therewith;

- (iii) use the proceeds of the Facilities for the purposes provided for herein;
- (iv) continue to carry on business in the nature of or related to the business transacted prior to the date hereof in the name and for the account of the Borrower;
- (v) within 90 days from the date hereof, keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (vi) ensure all assets secured by the Security are in existence and in the possession and control of the Borrower;
- (vii) not sell, transfer, assign, gift, convey, lease or otherwise dispose of or further encumber any of its properties or assets other than Permitted Encumbrances or permit any reorganization or change of control of the Borrower;
- (viii) not sell, transfer, convey, encumber or otherwise dispose of any of its capital stock or permit any reorganization or change of control of the Borrower;
- (ix) not purchase or redeem its shares or otherwise reduce its capital;
- (x) not declare or pay any dividends or repay any shareholders' loans, interest thereon or issue share capital or make any other gift or other form of distribution whatsoever;
- (xi) not make loans or advances (excluding for greater certainty, salaries and bonuses payable in the ordinary course of business and consistent with past practice) to, or enter into any related party sales or other transactions which are not on arms' length terms with, or make any investments in any, shareholders, directors, officers, subsidiaries, affiliated companies or any other related or associated party of the Borrower, or assume or permit to exist any further indebtedness not existing on the date hereof other than in respect of Permitted Encumbrances;
- (xii) permit the Lender or its representatives, at any time and from time to time with such frequency as the Lender, in its sole discretion, may require, to visit and inspect any premises, properties and assets and to examine and obtain copies of the records or other information and discuss business affairs with

Canada Revenue Agency, the Canadian Food Inspection Agency, the Ontario Farm Products Licensing Commission, any other licensing or governmental body the auditors, and counsel and other professional advisors of the Borrower, all at the reasonable expense of the Borrower;

- (xiii) forthwith notify the Lender of the particulars of any occurrence which constitutes an Event of Default hereunder or of any action, suit or proceeding, pending or to the Borrower's knowledge threatened against them;
- (xiv) in a form and manner prescribed by the Lender (which may include by fax and/or e-mail), commencing 90 days after the date hereof, deliver to the Lender the following in respect of the Borrower and/or PurchaseCo, signed by a senior officer of the Borrower:
 - (a) weekly by Friday of each week, a list of total invoiced sales completed during the preceding week and a list of credit notes and cash receipts received from customers during the preceding week (Saturday to Friday inclusive);
 - (b) weekly by Friday of each week, the daily invoice register, credit note register and cash receipts register in respect of the preceding week (Saturday to Friday inclusive);
 - (c) weekly, by Friday of each week in respect of the preceding week (Saturday to Friday inclusive), an aged accounts receivable schedule, aged accounts payable schedule (including work in progress and related written approvals), inventory schedule and summary trial balance;
 - (d) monthly, by the end of each calendar month, a compliance certificate in form satisfactory to the Lender;
 - (e) monthly, by the end of each calendar month in respect of the preceding month, internally prepared financial statements for the preceding month and internally prepared financial statements for the year to date;
 - (f) monthly bank statements for all bank accounts within 15 days of its month-end;
 - (g) monthly, by the 10th of each calendar month in respect

of the preceding month proof of payments, in a form satisfactory to the Lender, of Priority Claims;

- (h) annually, no later than 30 days following the end of the financial year, financial and business projections for the following financial year; and
 - (i) annually, within 120 days of the financial year end in respect of the preceding financial year, audited financial statements that were prepared by external auditors;
- (xv) at any and all times provide the Lender with such financial information with respect to Borrower and PurchaseCo as and when requested by the Lender;
 - (xvi) file all tax returns which the Borrower must file from time to time, to pay or make provision for payment of all taxes (including interest and penalties) and other potential preferred claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
 - (xvii) not make capital expenditures in any financial year with any advances from any of the Facilities without the written consent of the Lender, with any capital expenditures to be reported monthly;
 - (xviii) not grant, create, assume or suffer to exist any mortgage, charge, Lien, pledge, security interest, including a purchase money security interest, or other encumbrance affecting any of the Borrower's properties, assets or other rights except for Permitted Encumbrances in existence, known to and approved by the Lender as the date hereof or from time to time;
 - (xix) not grant a loan or make an investment in or provide financial assistance to a third party (including any related party) by way of a suretyship, guarantee or otherwise;
 - (xx) not change its name, merge, amalgamate or otherwise enter into any other form of business combination with any other entity without the prior written consent of the Lender;
 - (xxi) keep the Collateral fully insured against such perils and in such manner as would be customarily insured by companies carrying on a similar business or owning similar assets naming the Lender as first loss payee and first mortgagee with respect to the personal property Collateral and second loss payee and

mortgagee with respect to the real property Collateral with a standard mortgage clause in favour of Lender and with the Lender added as an additional insured and to ensure all assets secured by the Security are in existence and in the possession and control of PurchaseCo; and

- (xxii) comply with all the Applicable Laws, including without limitation, regarding food safety and food production, processing, purchasing, growing, labelling, marketing, selling, health, environmental and other laws and regulations; to advise the Lender promptly of any actions, investigations, audits, requests or violation notices or orders received from any government or regulatory authority concerning the Borrower's and/or PurchaseCo's operations, including without limitation, any product recalls; and to indemnify and hold the Lender harmless from all liability of loss as a result of any non-compliance with such Applicable Laws.

Security and other Requirements:

As general and continuing collateral security for the performance by the Borrower of all of its obligations, present and future, to the Lender, including, without limitation, the repayment of advances granted hereunder and the payment of interest, fees and any other amounts provided for hereunder and under the security documents, the Borrower undertake to grant to the Lender and to maintain at all times the following security in form satisfactory to the Lender (the "**Security**"), in accordance with the forms in use by the Lender or as prepared by its solicitors:

- (i) **[intentionally deleted]**
- (ii) **[intentionally deleted]**
- (iii) a postponement and subordination of all directors, officers, shareholders, non-arms' length creditors and other related party loans, to include a postponement of the right to receive any payments of both principal and interest under such loans;
- (iv) **[intentionally deleted]**
- (v) **[intentionally deleted]**
- (vi) a collateral assignment of material agreements in respect of any and all loan and security documents relating to the Borrower's lending arrangements with PurchaseCo; and
- (vii) such other security as may be required by the Lender.

Events of Default:

Without limiting any other rights of the Lender under this Agreement, including the right to demand repayment of the Facilities at any time and for whatever reason, which Facilities are made available at the sole and absolute discretion of the Lender, if any one or more of the following events (an “**Event of Default**”) has occurred which have not been waived in writing by the Lender:

- (i) the Borrower fails to pay when due any principal, interest, fees or other amounts due under this Agreement or under any of the Security;
- (ii) the Borrower breaches any provision of this Agreement or any of the Security or any other agreement with the Lender;
- (iii) the Borrower is in default under the terms of any other contracts, agreements or otherwise with any other creditor;
- (iv) the Lender receives from any present or future guarantor a notice proposing to terminate, limit or otherwise modify such guarantor’s liability under its guarantee of the Borrower’s indebtedness to the Lender under the Facilities or under a security document or under any other document in favour of the Lender;
- (v) the Borrower ceases or threatens to cease to carry on business in the ordinary course;
- (vi) any default or failure by the Borrower to make any payment of, wages or other monetary remuneration payable to its employees under the terms of any contract of employment, oral or written, express or implied;
- (vii) any default or failure by the Borrower or PurchaseCo to keep current all amounts owing to parties other than the Lender who, in the Lender’s sole opinion, have or could have a Lien in the Collateral which, in the Lender’s sole opinion would or could constitute a Priority Claim;
- (viii) any breach by a guarantor of the provisions of any guarantee or other security, undertaking or covenant given to the Lender to secure any guarantee;
- (ix) if any representation or warranty made or deemed to have been made herein or in any certificate or the Security provided for herein shall be false or inaccurate;
- (x) if, in the reasonable opinion of the Lender, there is a Material Adverse Change including, without limitation, any

investigation, audit, recall, notice or order of any applicable government agency or body in respect of the Borrower or PurchaseCo;

- (xi) the Borrower is unable to pay its debts as such debts become due, or is adjudged or declared to be or admit to being bankrupt or insolvent;
- (xii) any judgment or award is made against the Borrower which may have a Material Adverse Effect in respect of which there is not an appeal or proceeding for review being diligently pursued in good faith and in respect of which adequate provision has been made on the books of the Borrower; or
- (xiii) any notice of intention is filed or any voluntary or involuntary case or proceeding filed or commenced for:
 - (a) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower;
 - (b) the composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts of the Borrower;
 - (c) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of the Borrower;
 - (d) the possession, foreclosure, retention, sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the Collateral; or
 - (e) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the Collateral or gives notice of its intention to do any of the foregoing;

then, in such event, the Lender may, by written notice to the Borrower declare all monies outstanding under the Facilities to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Lender all monies outstanding under the

Facilities and all other obligations of the Borrower to the Lender in connection with the Facilities under this Agreement. The Lender may enforce its rights to realize upon its security and retain an amount sufficient to secure the Lender for the Borrower's Obligations to the Lender.

Nothing contained in this Section shall limit any right of the Lender under this Agreement to demand payment of the Facilities at any time in its absolute and sole discretion.

**Evidence of
Indebtedness:**

The Lender shall maintain records evidencing the Facilities. The Lender shall record the principal amount of the Facilities, the payment of principal and interest on account of the Facilities, and all other amounts becoming due to the Lender under this Agreement.

The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this Agreement.

**Representations and
Warranties:**

The Borrower represents and warrants to the Lender that:

- (i) the Borrower is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Ontario or any other jurisdiction where they may carry on business;
- (ii) the execution, delivery and performance by the Borrower of this Agreement has been duly authorized by all necessary actions and do not violate the constating documents or any Applicable Laws or agreements to which the Borrower are subject or by which they are bound;
- (iii) the Borrower's financial statements most recently provided to the Lender fairly present their financial positions as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, there has occurred no Material Adverse Change in the Borrower's business or financial condition;
- (iv) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against the Borrower or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any environmental law which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any of the Security, and there are no circumstances of which any of them is aware which might give

rise to any such proceeding which has not been fully disclosed to the Lender;

- (v) the Borrower has good and marketable title to all of their properties and assets, free and clear of any Encumbrances, other than Permitted Encumbrances herein;
- (vi) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Agreement or any of the Security given in connection therewith;
- (vii) the Borrower has filed all tax returns which were required to be filed by it, if any, paid or made provision for payment of all taxes and other potential Priority Claims (including interest and penalties) which are due and payable, if any and provided adequate reserves for payment of any tax, the payment of which is being contested, if any; and
- (viii) the Borrower's obligation to complete this transaction is not dependent upon any condition whatsoever, and that the Lender assumes no obligation to assist them to complete the transaction in any way, except to make available the Facilities as contemplated herein.

**Field Examinations /
Appraisals:**

- (i) In addition to reporting hereunder, the Borrower acknowledges that the Lender and its examiners shall be permitted to conduct periodic field examinations of the Collateral and operations, such examinations not to exceed four (4) in any calendar year prior to an Event of Default and more frequently as the Lender may determine in its sole discretion thereafter.
- (ii) The Borrower further acknowledges that the Lender shall be permitted to obtain two (2) equipment and real estate valuations/appraisals and four (4) inventory valuations/appraisals in any calendar year prior to an Event of Default and more frequently as the Lender may determine in its sole discretion thereafter.

Environmental:

In relation to the Borrower's business, assets and projects: the Borrower are operating and will continue to operate in conformity with all environmental laws; there are no contaminants, pollutants or other hazardous substances (including, without limitation, asbestos, products containing urea formaldehyde or polychlorinated biphenyl or any radioactive substances) have been or are now stored or located at any property from which they operate their business or any property

which constitutes Collateral (collectively, the “**Properties**”) and no order, approval, direction or other governmental or regulatory notice relating to the environment has been threatened against, is pending or has been issued with respect to the Properties or the operations of the business being conducted at the Properties; they are not aware of any pending or threatened action, suit or proceedings relating to any actual or alleged environmental violation from or at the Properties, nor have any proceedings been or are being instituted to make them or any other owner of the subject property comply with environmental laws and regulations; they will ensure that all of its property and assets comply with existing legislation and will remain free of any environmental problem; they will inform the Lender immediately upon becoming aware of any environmental problem or issue and will provide the Lender with copies of all communications with environmental authorities and all studies or assessments prepared on their behalf, all as soon as received by them; they also agree to pay the cost of any external environmental consultant engaged by the Lender to effect an environmental audit and the cost of any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the assets, including any fine or penalty the Lender is obligated to incur by reason of any statute, order or directive by a competent authority. The Borrower agrees to indemnify the Lender for any liability arising from an environmental problem including, without limitation, for all decontamination and decommissioning costs or for damages incurred by the Lender or its agents as a result of such contamination. For the purposes of this Agreement, an “environmental problem” means an act of non-compliance to a law, regulation, etc. or soil and/or underground water that contains one or many pollutants (contaminants) in levels of concentration that exceed parameters or norms applicable for the present use and intended use of any of their personal or real property including leased property.

In the event any environmental report shows that decontamination is required the Borrower undertakes to forthwith carry out decontamination at its own expense should this be required or requested.

Confidentiality:

The Borrower agrees to keep all of the information and terms related to this Agreement highly confidential. In particular, the existence of this Agreement or the discussions surrounding this Agreement cannot be disclosed to any party, including other creditors, without the Lender’s prior written consent.

General:

Credit: The Borrower authorizes the Lender, hereinafter, to obtain such factual and investigative information regarding the Borrower from others as permitted by law, to furnish other consumer credit grantors and credit bureaus such information. The Lender, after

completing credit investigations, which it will make from time to time concerning the Borrower, must in its absolute discretion be satisfied with all information obtained, prior to any advance being made under any Facility.

The Borrower further authorizes any financial institution, creditor, tax authority, employer or any other person, including any public entity, holding information concerning them or their assets, including any financial information or information with respect to any undertaking or suretyship given by them, to supply such information to the Lender in order to verify the accuracy of all information furnished or to be furnished from time to time to the Lender and to ensure their solvency at all times.

Non-Merger: The provisions of this Agreement shall not merge with any of the Security, but shall continue in full force and effect for the benefit of the parties hereto. In the event of an inconsistency between this Agreement and any of the other Credit Documents, including the Security, the provisions of this Agreement shall prevail.

Further Assurances and Documentation: The Borrower shall do all things and execute all documents deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the Security granted or to be granted hereunder.

Severability: If any provisions of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Agreement.

Marketing: The Lender shall be permitted to use the name of the Borrower and the amount of the Facilities for advertising purposes.

Governing Law: This Agreement and all agreements arising hereinafter shall be deemed to have been made and accepted in the City of Toronto, Ontario and shall be construed exclusively (without regard to any rules or principles relating to conflicts of laws) in accordance with and be governed by the laws of the Province of Ontario and of Canada applicable therein and the parties hereto hereby attorn to the courts of such jurisdiction.

Counterparts: This Agreement, the Security and all agreements arising hereinafter may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same

instrument. Delivery of an executed counterpart of this Agreement by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

Assignment and Syndication: This Agreement and any commitment to advance and the Security in furtherance thereof or any warrant or right may be assigned by the Lender to any person and at any time whatsoever in its sole and absolute discretion, or monies required to be advanced may be syndicated by the Lender in its sole and absolute discretion. For greater certainty, the Lender may assign or grant participation in all or part of this Agreement or in the Facilities made hereunder without notice to and without the Borrower's consent. The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement, any such transfer or assignment being null and void insofar as the Lender is concerned and rendering any balance then outstanding under the Facilities immediately due and payable at the option of the Lender.

Time: Time shall be of the essence in all provisions of this Agreement.

Whole Agreement, Amendments and Waiver: This Agreement, the Security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the whole and entire agreement between the parties in respect of the Facilities. There are no verbal agreements, undertakings or representations in connection with the Facilities. No amendment or waiver of any provision of this Agreement will be effective unless it is in writing signed by the Borrower and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under any of the Security shall operate as a waiver thereon. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Security or the Lender's rights thereunder.

Replacements: This Agreement supersedes and replaces all prior discussions, discussion papers, letters, demand promissory notes and agreements (if any) describing the terms and conditions of any credit facility established in favour of the Borrower.

Reserve Indemnity. If subsequent to the date of this Agreement any change in or introduction of any Applicable Law, or compliance by Lender with any request or directive by any central bank, superintendent of financial institutions or other comparable authority, shall subject Lender to any tax with respect to the Facilities or change the basis of taxation of payments to Lender of any amount payable under the Facilities (except for changes in the rate of tax on the overall

net income of Lender), or impose any capital maintenance or capital adequacy requirement, reserve requirement or similar requirement with respect to the Facilities, or impose on Lender), any other condition or restriction, and the result of any of the foregoing is to increase the cost to Lender of making or maintaining the Facilities or any amount thereunder or to reduce any amount otherwise received by Lender under the Facilities, Lender will promptly notify the Borrower of such event and the Borrower will pay to Lender such additional amount calculated by Lender as is necessary to compensate Lender for such additional cost or reduced amount received. A certificate of Lender as to any such additional amount payable to it and containing reasonable details of the calculation thereof shall be conclusive evidence thereof.

Currency Indemnity. Interest and fees hereunder shall be payable in the same currency as the principal to which they relate. Any payment on account of an amount payable in a particular currency (the “**proper currency**”) made to or for the account of Lender in a currency (the “**other currency**”) other than the proper currency, whether pursuant to a judgment or order of any court or tribunal or otherwise and whether arising from the conversion of any amount denominated in one currency into another currency for any purpose, shall constitute a discharge of the Borrower’s obligation only to the extent of the amount of the proper currency which Lender is able, in the normal course of its business within one Business Day after receipt by it of such payment, to purchase with the amount of the other currency so received. If the amount of the proper currency which Lender is able to purchase is less than the amount of the proper currency due to Lender, the Borrower shall indemnify and save Lender harmless from and against any loss or damage arising as a result of such deficiency.

Notices. All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile transmission addressed to such other party or delivered to such other party as follows:

(i) **to the Borrower at:**

46 Village Centre Place, 3rd Floor
Mississauga, ON L4Z 1V9
Attention: President
Facsimile: 905-272-1905

(ii) **to the Lender at:**

Suite 2925, 77 King West

Toronto, ON M5K 1K7
Attention: Graham Marr

or at such other address or facsimile number as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered, or, if sent by facsimile transmission, on the date of transmission unless sent on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient) on a Business Day, in which case it shall be deemed to have been received on the next Business Day following the day of such transmission.

Anti-Money Laundering Legislation: The Borrower acknowledges that, pursuant to the *Proceeds of Crime Money Laundering and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, under the laws of Canada (collectively, including any guidelines or orders thereunder, “**AML Legislation**”), Lender may be required to obtain, verify and record information regarding it, its respective directors, authorized signing officers, direct or indirect shareholders or other persons in control of any of them, and the transactions contemplated hereby. Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by Lender, or any prospective assign or participant of Lender, necessary in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

Deemed Re Investment Principle. For the purpose of the *Interest Act* (Canada) and any other purpose, the principle of deemed re-investment of interest is not applicable to any calculation under this Agreement, and the rates of interest and fees specified in this Agreement are intended to be nominal rates and not effective rates or yields.

LIMITATION OF LIABILITY. NO CLAIM MAY BE MADE BY ANY PARTY HERETO AGAINST THE LENDER, OR THE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS OF LENDER OR ANY ASSIGNEE OF LENDER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH

PARTY HERETO HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOUR.

[2 SIGNATURE PAGES FOLLOW]

If the terms and conditions of this Agreement are acceptable to you, please sign in the space indicated below and return the signed copy of this Agreement to us. Acceptance may also be effected by facsimile or scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Agreement.

Yours truly,

BRIDGING FINANCE INC.,
as agent for **Sprott Bridging Income Fund LP**

Per: _____

Name:

Title:

I have authority to bind the Corporation.

[ACCEPTANCE SIGNATURE PAGE FOLLOWS]

Each of the undersigned hereby executes and delivers this Agreement under their respective seals by their duly authorized signing officers with effect as of this _____ day of _____, 2017.

Borrower:

SKYMARK FINANCE CORPORATION

By: _____

Name:

Title:

I have authority to bind the Corporation.

SCHEDULE “A” DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

“**Applicable Laws**” means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction, including without limitation the *Canadian Food Inspection Agency, the Consumer Packaging and Labelling Act* (Canada), the *Canada Agricultural Products Act* (Canada), the *Farm Products Marketing Act* and the *Competition Act* (Canada).

“**BMO**” means Bank of Montreal.

“**Business Day**” means any day other than a Saturday or a Sunday or any other day on which Canadian chartered banks are closed for business in Toronto, Ontario.

“**Collateral**” means all of the Borrower’s and PurchaseCo’s property, assets and undertakings.

“**Credit Documents**” collectively means this Agreement, the Security and any and all other documents, instruments and agreements contemplated herein and/or ancillary thereto.

“**Disbursement Accounts**” means specifically the following account / transit numbers at BMO from which the Borrower shall make all of its payments and disbursements:

Borrower (Cdn\$) - BMO:	<*>
Borrower (US\$) - BMO:	<*>

[NTD: Borrower to advise]

“**Encumbrances**” means any mortgage, Lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress or other claim in respect of property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with option to buy-back or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the PPSA or Uniform Commercial Code (or equivalent statutes) of any jurisdiction. The inclusion of Permitted Encumbrances in this Agreement is not intended to subordinate and shall not subordinate any Lien created by any of the Security contemplated by this Agreement and the other Credit Documents to any Permitted Encumbrances.

“**GAAP**” means those accounting principles which are recognized as being generally accepted in Canada from time to time as set out in the handbook published by the Canadian institute of chartered accountants.

“**Lien**” means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien or adverse right or claim or deemed trust (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

“**Material Adverse Change**” means any change, condition or event which, when considered individually or together with other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect.

“**Material Adverse Effect**” means, in the determination of the Lender, a material adverse effect on (i) the business, revenues, operations, assets, liabilities (contingent or otherwise), financial condition or prospects of the Borrower or PurchaseCo; (ii) on the rights and remedies of the Lender under this Agreement and the security; (iii) on the ability of the Borrower to perform its obligations under the Credit Documents; or (iv) on the Liens created by the security.

“**Permitted Encumbrances**” means, at any time, the following:

- (i) Liens for taxes not overdue, or which are being contested if adequate reserves with respect thereto are maintained in accordance with GAAP and the enforcement of any related Lien is stayed;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business which relate to obligations not overdue or a claim for which has not been filed or registered pursuant to Applicable Law;
- (iii) statutory Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security legislation; and
- (iv) Liens created by the Security.

“**person**” includes a natural person, a partnership, a joint venture, a trust, a fund, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.

“**PPSA**” means the *Personal Property Security Act* (Ontario) or any other similar applicable personal property security statute in any other applicable jurisdiction, as the same may be amended, supplemented or replaced from time to time.

“**Prime**” means the rate of interest announced from time to time by BMO as its reference rate then in effect for determining rates of interest on Canadian dollar loans to its customers in Canada and designated as its prime rate.

“**Priority Claims**” means the aggregate of any amounts accrued or payable which under any law may rank prior to or pari passu with any of the Security or otherwise in priority to any claim by the Lender in respect of the Borrower and/or PurchaseCo for payment or repayment of any amounts owing under this Agreement, including: (i) wages, salaries, commissions or other

remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian pension plan contributions and employee employment insurance premiums, additional amounts payable on account of employer Canada pension plan contributions and employer employment Insurance premiums; (v) harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes; (ix) rent and other amounts payable in respect of the use of real property; provided that a rent reserve of three months will be taken for each leased or rented location where a landlord/warehouse waiver satisfactory to the Lender has not been obtained); (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable Lien; (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the Bankruptcy and Insolvency Act (Canada); (xii) WEPPA Claims; and (xiii) farmers' rights under the Farm Debt Mediation Act or any other Applicable Laws.

“Real Property” means, collectively, the properties municipally known as 320-326, 346 and 372 South Talbot Road, Midland, Ontario and 3782 Maidstone Townline Road, Maidstone, Ontario.

“Statutory Encumbrances” means any Encumbrances arising by operation of Applicable Laws, including, without limitation, for carriers, warehousemen, repairers', taxes, assessments, statutory obligations and government charges and levies for amounts not yet due and payable or which may be past due but which are being contested in good faith by appropriate proceedings (and as to which the Lender has established a reserve as to which there are no other enforcement proceedings being taken and no Liens being registered and they shall have been effectively and immediately stayed).

“WEPPA Claims” means any claims made pursuant to the Wage Earner Protection Program Act, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

This is Exhibit "F" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tkgf i gt"

*NUQ%994; 8H+

July 7, 2017

2581150 Ontario Inc.
46 Village Centre Place, 3rd Floor
Mississauga, ON L4Z 1V9

Dear Sirs/Mesdames:

**Re: Skymark Finance Corporation (the "Lender") Credit Facilities in Favour of
2581150 Ontario Inc. (the "Borrower")**

The Lender is pleased to offer the credit facilities (each a "**Facility**"; and collectively, the "**Facilities**") described in this letter credit agreement (as may be amended, restated, supplemented, extended or replaced from time to time, the "**Agreement**") subject to the terms and conditions set forth herein including, without limitation, the satisfactory completion of due diligence. Unless otherwise indicated, all amounts are expressed in Canadian currency. All capitalized terms not otherwise defined in the body of this Agreement shall have the meanings ascribed thereto in **Schedule "A"**.

Borrower: 2581150 Ontario Inc.

**Limited Recourse
Guarantor:** Santokh Mahal ("**Guarantor**")

Lender: Skymark Finance Corporation

Facility:

- (i) Demand operating loan of up to \$2,000,000 based on the Facility Loan Availability as defined below (the "**Facility A Loan**"); the Borrower may request advances as a sublimit under this facility in United States dollars, subject to the following:
 - (a) such advances shall not exceed the aggregate maximum principal amount of US\$1,000,000 at any time; and
 - (b) such advances shall be subject to the same interest rate and, for greater certainty, all other terms and conditions applicable to all other advances under this facility;
- (ii) Demand operating loan of up to \$5,000,000 based on the Facility Loan Availability as defined below (the "**Facility B Loan**");
- (iii) Demand term fixed asset loan of up to \$5,000,000 (the "**Facility C Loan**"); and

- (iv) Demand term loan of up to \$9,000,000 (inclusive of the demand loan made by the Lender to the Borrower pursuant to a demand promissory note prior to the date hereof in respect of the deposit provided by the Borrower in connection with the Acquisition (as defined below) (the “**Facility D Loan**”).

Purpose: To finance the acquisition of certain assets of Thomas Canning (Maidstone) Ltd. and 692194 Ontario Limited (the “**Acquisition**”) and to support the working capital needs of the Borrower thereafter.

Term: The earlier of demand and June 30, 2020 (the “**Term**”).

Facility Loan Availability: The maximum amount that shall be available under the Facility A Loan and the Facility B Loan at any time and from time to time will, subject to the maximum amount of \$7,000,000, to be determined by the Lender, commencing 90 days from the date hereof, once each week (or more frequently as determined by the Lender) and will be limited during such week (or other period as aforesaid) in accordance with the following formula (the “**Facility Loan Availability**”): the aggregate of:

- (i) Accounts Receivable: Up to 90% of the net (satisfactory to the Lender) eligible insured or investment grade accounts receivable and up to 85% of the net eligible non-insured accounts receivable of the Borrower. The Lender will determine eligibility in its reasonable credit discretion. General eligibility criteria will include the requirement that eligible accounts receivable be less than 90 days past the original invoice date but no more than 60 days past due date. In addition, eligible accounts will exclude (among other things as determined by the Lender in its reasonable credit discretion) accounts of an account debtor if 50% or more of the accounts owing from such account debtor are past due, any account that is an obligation for which the total unpaid accounts of the specific account debtor exceed 25% of the aggregate of all gross accounts as related to eligible accounts receivable, except those accounts approved in advance or of investment quality, to the extent of such excess, foreign accounts not backed by letters of credit or acceptable credit insurance, bill and hold, the amount of any contras, inter-company receivables and amounts due from affiliated or associated companies, government receivables which are not fully assignable to the Lender and enforceable against such government entity or body, disputed and doubtful accounts, progress billings (except where the receivables are in respect of billings approved by the account debtor in writing or are insured satisfactory to the Lender), pre-billed accounts, accounts which have not been

credit approved by the Lender, and other accounts at the Lender's discretion. Any exceptions to the foregoing will be considered by the Lender in its sole discretion as and when required. The advance rates are subject to a dilution test as determined by the Lender; **PLUS**

- (ii) Inventory: Up to the lesser of (A) 85% of the net orderly liquidation value of eligible inventory (as determined by an appraiser satisfactory to the Lender in its reasonable credit discretion); and (B) 60% of the cost (calculated on a first in-first out basis) of eligible inventory. The Lender will determine eligibility in its reasonable credit discretion. General eligibility criteria will exclude pallets, dividers, packaging, supplies, containers and canning inventory, aged inventory, work-in-process inventory and other inventory deemed not saleable by the Lender; **LESS**
- (iii) the amount of the Facility A Loan and the Facility B Loan (including principal, interest, costs, fees and expenses) then outstanding, together with all amounts owing by the Borrower to the Lender under this Agreement or under any other agreement or instrument; **LESS**
- (iv) reserves, determined by the Lender in its reasonable credit discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances, liquidation expenses and any other reserves, determined from time to time by the Lender in its reasonable credit discretion.

On a Business Day in each week as determined by the Lender (the "**Report Day**"), prior to 1:00 p.m. ET, the Borrower will provide a report, commencing 90 days from the date hereof, (a "**Weekly Borrowing Base Report**") to the Lender (in such form and together with any back-up materials as the Lender shall reasonably require) providing, as at the end of the preceding week, a listing of all of the accounts receivable, accounts payable, work in progress, details regarding purchase orders and contracts, details of any then existing or potential Priority Claims, the amount of the requested Facility A Loan and/or Facility B Loan advance to be made hereunder, and any other information that may be reasonably required by the Lender. The Lender shall, upon receipt of such report, calculate the then existing Facility Loan Availability and advise the Borrower accordingly.

**Facility A Loan and
Facility B Loan
Advances:**

Facility A Loan and/or Facility B Loan advances to be made hereunder shall be the lesser of the Borrower's requested advance in its Weekly Borrowing Base Report and the then Facility Loan Availability and will, less any amounts to be deducted therefrom as

provided for hereunder, be deposited into the Borrower's Disbursement Accounts. To the extent the Facility A Loan and/or Facility B Loan advances and amounts owing in respect of Facility A Loan and Facility B Loan at any time exceeds the amount of the Facility Loan Availability, the Borrower shall forthwith pay to the Lender an amount equal to such excess.

Provided that no Event of Default has occurred which has not been waived in writing by the Lender, demand has not been made by Lender, the Lender has received all fees payable at such time hereunder, and that at the time the advance is to be made the conditions contained in this Agreement have been satisfied, Facility A Loan advances to be made hereunder shall, provided that the request is contained in a Weekly Borrowing Base Report, commencing 90 days from the date hereof, and that such Weekly Borrowing Base Report is received by the Lender prior to 1:00 p.m. on the Report Day, be made no later than the close of business on the next second Business Day.

**Facility C Loan and
Facility D Loan
Advance:**

Provided that no Event of Default has occurred which has not been waived in writing by the Lender, demand has not been made by Lender, the Lender has received all fees payable at such time hereunder, and that at the time the advance is to be made the conditions contained in this Agreement have been satisfied, Facility C Loan advance by way of single advance, and Facility D Loan advance by way of a single advance, less, without duplication in respect of the Facility A Loan and/or Facility B Loan, reserves as determined by the Lender in its reasonable credit discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances and/or liquidation expenses. Any unutilized portion of the Facility C Loan or Facility D Loan which has not been advanced at closing shall be automatically terminated.

**Interest Rate on
Facilities and Fees:**

Interest on Facilities: Interest at the rate of 10.00% per annum calculated on the daily outstanding balance of each Facility and compounded monthly, not in advance and with no deemed reinvestment of monthly payments. On the occurrence of an Event of Default or demand by Lender, interest shall be calculated at an annual rate of 21% per annum calculated and compounded as aforesaid.

Expenses: The Borrower shall pay all fees and expenses plus all applicable taxes (including, but not limited to, all due diligence, consultant, field examination and appraisal costs, all fees and expenses for outside legal counsel and other outside professional advisors and the time spent by the Lender and its representatives in retaking, holding, repairing, processing and preparing for disposition and disposing of the Security calculated at the Lender's standard per diem rate in effect at such applicable time and established by the Lender in

its sole discretion for internal personnel of the Lender) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Agreement and the Security and with the enforcement of the Lender's rights and remedies under this Agreement or the Security, whether or not any amounts are advanced under this Agreement. If the Lender has paid any expense plus all applicable taxes for which the Lender is entitled to reimbursement from the Borrower and such amount has not been deducted from the advance of any Facility, such amount shall be payable by the Borrower within fifteen (15) days following demand for payment and in the event that the Borrower does not pay such amount to the Lender within the fifteen (15) day period, interest shall accrue on such amount at the highest rate payable by the Borrower under this Agreement. All such amounts and interest thereon shall be secured by the Security whether or not any funds under the Facility are advanced.

Payments:

Without limiting the right of the Lender to at any time demand repayment and subject to and in addition to the requirement for indefeasible repayment in full pursuant to this Agreement, interest only at the aforesaid rate, calculated daily and compounded and payable monthly, not in advance on the outstanding amount of the Facility A Loan and Facility B Loan, shall be due and payable on the last Business Day of each and every month during the Term. In addition, until the earliest of: (a) demand; (b) an Event of Default; and (c) the expiry of the Term, Facility C Loan shall be repaid in full on the expiry of the Term and Facility D Loan shall be repaid, by way of consecutive equal annual payments of principal only to be based on a 4 year amortization period, based on the principal amount of the Facility D Loan on the anniversary date of each year from June 30, 2017, to be calculated and payable on each such date during the Term.

Prepayment:

Each Facility can be repaid in full or in part at any time without any fee or penalty upon 90 days prior written notice to the Lender.

Cash Management Systems:

- (i) The Borrower shall establish, within 30 days of the date hereof, and shall continue to maintain at all times thereafter, at their expense, blocked deposit accounts (collectively, the "**Blocked Account**") at BMO into which they shall promptly deposit all funds received from all sources including, without limitation, all account receivable payments, proceeds of all sales, cash sales receipts, credit card payments, any and all refunds received from any source whatsoever and any proceeds of any advances or other loans made to it and shall direct its account debtors that remit payments by electronic funds transfers to directly remit all payments into the Blocked Account.

- (ii) Within 30 days of the date hereof, BMO, the Lender and the Borrower shall enter into an agreement (the “**Blocked Account Agreement**”), in form and substance satisfactory to the Lender acting reasonably, providing that all funds received or deposited in the Blocked Account are the property of the Lender, that BMO has no Lien upon, or right to set off against, the Blocked Account, the items received for deposit therein, or the funds from time to time on deposit therein and that BMO will wire, or otherwise transfer, in immediately available funds, on a daily basis, all funds received or deposited into the Blocked Account to the Lender’s account, as the Lender may from time to time designate for such purpose. The Borrower agrees that all payments made to the Blocked Account or other funds received and collected by the Lender, shall be property of the Lender. The Borrower and the Guarantor hereby acknowledge, confirm and agree that the Lender shall have the contractual right to continue to apply the contemplated cash management arrangements contemplated herein notwithstanding any default, termination or non-renewal of this Agreement or any of the Facilities contemplated herein or any stay of proceedings or filing under any applicable insolvency statute and/or Applicable Law as a matter of, and shall be considered and deemed to be a matter of, replacing and monitoring the Lender’s Collateral and not as an enforcement of any of their Security or Liens.

Borrower shall cause any of its existing bank accounts to be closed within 30 days of the initial advance hereunder.

- (iii) The Borrower and the Guarantor and all of their respective affiliates, subsidiaries, officers, employees, agents, directors, shareholders or other persons (a “**related person**”) shall, acting as trustee for the Lender, receive, as the property of the Lender, any monies, cheques, notes, drafts or any other payment which comes into the possession or under their control or, in the case of any related person, comes into its possession or under its control and is rightfully that of the Borrower, and immediately upon receipt thereof where received by any of them or upon becoming aware of the receipt thereof where received by a related person, the Borrower shall deposit or shall cause the same to be deposited in the Blocked Account, or remit the same or cause the same to be remitted, in kind, to the Lender. In no event shall the same be commingled with any of the Borrower’s own funds. The Borrower agrees to reimburse the Lender on demand for any amounts owed or paid to BMO regarding the Blocked Account or any other bank or person involved in the transfer of funds to or from such

Blocked Account arising out of the Lender's payments to or indemnification of such bank or person.

- (iv) The Lender shall apply amounts received from the Blocked Account to the Facilities as it sees fit in its reasonable credit discretion.
- (v) The Borrower shall make all of its payments and disbursements only from its Disbursement Accounts.
- (vi) The Borrower and BMO shall make the necessary arrangements to provide view only electronic access to the Disbursement Accounts to the Lender.

Conditions.Precedent: The availability of the Facilities is subject to and conditional upon the following conditions:

- (i) satisfactory completion of due diligence and continual due diligence, including the Lender's review of the operations of the Borrower and the Borrower's business and financial plans;
- (ii) satisfactory completion of the Lender's legal due diligence;
- (iii) receipt of a duly executed copy of the applicable asset purchase agreement and related documents, a court approval and vesting order, this Agreement and the Security, all in form and substance satisfactory to the Lender and its legal counsel, registered as required to perfect and maintain the security created thereby and such certificates, acknowledgements, consents, estoppels, postponements, intercreditor or priority agreements, waivers, directions, stock transfers, statutory declarations, undertakings, negative pledges, authorizations, resolutions and legal opinions as the Lender may reasonably require including applicable title insurance and an opinion from the Borrower's and Guarantor's counsel with respect status and the due authorization, execution, delivery, validity and enforceability of this Agreement and the Security;
- (iv) the discharge or subordination or assignment, as applicable, of any and all existing security against the Borrower and the Guarantor as may be required by the Lender;
- (v) payment of all fees owing to the Lender hereunder;
- (vi) within 30 days of the date hereof, the Borrower shall have opened the Blocked Account at BMO and shall have entered into the Blocked Account Agreement;

- (vii) delivery of appraisals relating to the Borrower's real property and equipment prepared by appraisers satisfactory to the Lender;
- (viii) delivery of such financial and other information or documents relating to the Borrower and the Guarantor as the Lender may require;
- (ix) no event shall have occurred and no circumstance shall exist which has not been waived, which constitutes an Event of Default in respect of any material commitment, agreement or any other instrument to which the Borrower or Guarantor is a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder or terminate any such material commitment, agreement or instrument which would have a material adverse effect upon the financial condition, property, assets, operation or business of the Borrower or Guarantor; and
- (x) no event that constitutes, or with notice or loss of time or both, would constitute an Event of Default shall have occurred.

Each of the following is a condition precedent to any subsequent advance to be made hereunder:

- (i) all of the conditions contained in this Agreement shall have been satisfied and shall as at the time of the making of the subsequent advance in question continue to be satisfied;
- (ii) all of the representations and warranties herein are true and correct on and as of such date as though made on and as of such date other than those representations and warranties which relate to a specific date which shall continue to be true as of such date;
- (iii) no event or condition has occurred, or would result from such advance, which constitutes or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or of the Security;
- (iv) such borrowing will not violate any Applicable Law (which for the purposes of this Agreement means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction then in effect) and there shall have

been no investigation, notice or recall from any governmental agency or body, including, without limitation, the Canadian Food Inspection Agency and the Ontario Farm Products Licensing Commission;

- (v) no Event of Default shall have occurred which has not been waived in writing by Lender; and
- (vi) no other event shall have occurred that, in the Lender's reasonable credit discretion, materially adversely affects or could materially adversely affect either: (i) the business, assets, liabilities, prospects, financial condition or operations of the Borrower or Guarantor, or (ii) the value of the Collateral; or (iii) the ability of the Lender to receive indefeasible repayment in full.

The making of an advance hereunder without the fulfillment of one or more conditions set forth in this Agreement shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfillment of such condition in connection with any subsequent advance.

Nothing in this Agreement creates a legally binding obligation on the Lender to advance any amount under any Facility at any time unless the Lender is completely satisfied in its sole discretion that the Borrower and the Guarantor are in compliance with every provision of this Agreement and that no fact exists or event has occurred which changes the manner in which the Lender previously evaluated the risks inherent in advancing amounts to the Borrower under any Facility, whether or not the Lender was or should have been aware of such facts or events differently at any time.

All amounts under the Facilities are repayable immediately on demand by Lender whether or not there is an Event of Default, and the Facilities may be terminated in whole or in part by Lender at any time in its absolute and sole discretion.

Covenants:

The Borrower covenants and agrees with the Lender, while this Agreement is in effect to:

- (i) pay all sums of money and all Priority Claims when due or arising therefrom;
- (ii) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant or other term or condition of this Agreement or of any of the

Security given in connection therewith;

- (iii) use the proceeds of the Facilities for the purposes provided for herein;
- (iv) continue to carry on business in the nature of or related to the business transacted prior to the date hereof in the name and for the account of the Borrower;
- (v) within 90 days from the date hereof, keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (vi) ensure all assets secured by the Security are in existence and in the possession and control of the Borrower or the Guarantor, as applicable;
- (vii) not sell, transfer, assign, gift, convey, lease or otherwise dispose of or further encumber any of its properties or assets other than Permitted Encumbrances or permit any reorganization or change of control of the Borrower, other than the sale of inventory in the ordinary course of business;
- (viii) not sell, transfer, convey, encumber or otherwise dispose of any of its capital stock or permit any reorganization or change of control of the Borrower or the Guarantor;
- (ix) not purchase or redeem its shares or otherwise reduce its capital;
- (x) not declare or pay any dividends or repay any shareholders' loans, interest thereon or issue share capital or make any other gift or other form of distribution whatsoever;
- (xi) not make loans or advances (excluding for greater certainty, salaries and bonuses payable in the ordinary course of business and consistent with past practice) to, or enter into any related party sales or other transactions which are not on arms' length terms with, or make any investments in any, shareholders, directors, officers, subsidiaries, affiliated companies or any other related or associated party of the Borrower or the Guarantor, or assume or permit to exist any further indebtedness not existing on the date hereof other than in respect of Permitted Encumbrances;
- (xii) permit the Lender or its representatives, at any time and from time to time with such frequency as the Lender, in its sole discretion, may require, to visit and inspect any premises,

properties and assets and to examine and obtain copies of the records or other information and discuss business affairs with Canada Revenue Agency, the Canadian Food Inspection Agency, the Ontario Farm Products Licensing Commission, any other licensing or governmental body the auditors, and counsel and other professional advisors of the Borrower and the Guarantor, all at the reasonable expense of the Borrower;

- (xiii) forthwith notify the Lender of the particulars of any occurrence which constitutes an Event of Default hereunder or of any action, suit or proceeding, pending or to the Borrower's or Guarantor's knowledge threatened against them;
- (xiv) in a form and manner prescribed by the Lender (which may include by fax and/or e-mail), commencing 90 days after the date hereof, deliver to the Lender the following, signed by a senior officer of the Borrower:
 - (a) weekly by Friday of each week, a list of total invoiced sales completed during the preceding week and a list of credit notes and cash receipts received from customers during the preceding week (Saturday to Friday inclusive);
 - (b) weekly by Friday of each week, the daily invoice register, credit note register and cash receipts register in respect of the preceding week (Saturday to Friday inclusive);
 - (c) weekly, by Friday of each week in respect of the preceding week (Saturday to Friday inclusive), an aged accounts receivable schedule, aged accounts payable schedule (including work in progress and related written approvals), inventory schedule and summary trial balance;
 - (d) monthly, by the end of each calendar month, a compliance certificate in form satisfactory to the Lender;
 - (e) monthly, by the end of each calendar month in respect of the preceding month, internally prepared financial statements for the preceding month and internally prepared financial statements for the year to date;
 - (f) monthly bank statements for all bank accounts of the Borrower within 15 days of its month-end;

- (g) monthly, by the 10th of each calendar month in respect of the preceding month proof of payments, in a form satisfactory to the Lender, of Priority Claims;
 - (h) annually, no later than 30 days following the end of the Borrower's financial year, financial and business projections for the following financial year; and
 - (i) annually, within 120 days of the Borrower's financial year end in respect of the preceding financial year, audited financial statements for the Borrower that were prepared by external auditors;
- (xv) at any and all times provide the Lender with such financial information with respect to Borrower and the Guarantor as and when requested by the Lender;
 - (xvi) file all tax returns which the Borrower and the Guarantor must file from time to time, to pay or make provision for payment of all taxes (including interest and penalties) and other potential preferred claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
 - (xvii) not make capital expenditures in any financial year of the Borrower with any advances from any of the Facilities in excess of \$50,000 without the written consent of the Lender, with any capital expenditures to be reported monthly;
 - (xviii) not grant, create, assume or suffer to exist any mortgage, charge, Lien, pledge, security interest, including a purchase money security interest, or other encumbrance affecting any of the Borrower's or the Guarantor's properties, assets or other rights except for Permitted Encumbrances in existence, known to and approved by the Lender as the date hereof or from time to time;
 - (xix) not grant a loan or make an investment in or provide financial assistance to a third party (including the Guarantor or any related party) by way of a suretyship, guarantee or otherwise;
 - (xx) not change its name, merge, amalgamate or otherwise enter into any other form of business combination with any other entity without the prior written consent of the Lender;
 - (xxi) keep the Collateral fully insured against such perils and in such manner as would be customarily insured by companies carrying on a similar business or owning similar assets naming

the Lender as first loss payee and first mortgagee with respect to the personal property Collateral and second loss payee and mortgagee with respect to the real property Collateral with a standard mortgage clause in favour of Lender and with the Lender added as an additional insured and to ensure all assets secured by the Security are in existence and in the possession and control of the Borrower; and

- (xxii) comply with all the Applicable Laws, including without limitation, regarding food safety and food production, processing, purchasing, growing, labelling, marketing, selling, health, environmental and other laws and regulations; to advise the Lender promptly of any actions, investigations, audits, requests or violation notices or orders received from any government or regulatory authority concerning the Borrower's operations, including without limitation, any product recalls; and to indemnify and hold the Lender harmless from all liability of loss as a result of any non-compliance with such Applicable Laws.

Security and other Requirements:

As general and continuing collateral security for the performance by the Borrower of all of its obligations, present and future, to the Lender, including, without limitation, the repayment of advances granted hereunder and the payment of interest, fees and any other amounts provided for hereunder and under the security documents, the Borrower and the Guarantor undertake to grant to the Lender and to maintain at all times the following security in form satisfactory to the Lender (the "Security"), in accordance with the forms in use by the Lender or as prepared by its solicitors:

- (i) general security agreement, on the Lender's form constituting a first (subject to Permitted Encumbrances) ranking security interest in all personal property of the Borrower;
- (ii) an assignment of adequate all risk, business interruption, commercial general liability and property insurance of the Borrower (including the equipment which forms part of the Collateral in an amount not less than its appraised value) naming the Lender as first loss payee and first mortgagee;
- (iii) a postponement and subordination of all directors, officers, shareholders, non-arms' length creditors and other related party loans, to include a postponement of the right to receive any payments of both principal and interest under such loans;
- (iv) a limited recourse guarantee by the owner of Borrower;

- (v) share pledge security agreement by the owner of Borrower relating to the shares of the Borrower;
- (vi) a first charge/mortgage of land and general assignment of leases and rents over the Real Property; and
- (vii) such other security as may be required by the Lender.

Events of Default:

Without limiting any other rights of the Lender under this Agreement, including the right to demand repayment of the Facilities at any time and for whatever reason, which Facilities are made available at the sole and absolute discretion of the Lender, if any one or more of the following events (an “**Event of Default**”) has occurred which have not been waived in writing by the Lender:

- (i) the Borrower or Guarantor fails to pay when due any principal, interest, fees or other amounts due under this Agreement or under any of the Security;
- (ii) the Borrower or Guarantor breaches any provision of this Agreement or any of the Security or any other agreement with the Lender;
- (iii) the Borrower or Guarantor is in default under the terms of any other contracts, agreements or otherwise with any other creditor;
- (iv) the Lender receives from any present or future guarantor a notice proposing to terminate, limit or otherwise modify such guarantor’s liability under its guarantee of the Borrower’s indebtedness to the Lender under the Facilities or under a security document or under any other document in favour of the Lender;
- (v) the Borrower ceases or threatens to cease to carry on business in the ordinary course;
- (vi) any default or failure by the Borrower to make any payment of, wages or other monetary remuneration payable to its employees under the terms of any contract of employment, oral or written, express or implied;
- (vii) any default or failure by the Borrower or Guarantor to keep current all amounts owing to parties other than the Lender who, in the Lender’s sole opinion, have or could have a Lien in the Collateral which, in the Lender’s sole opinion would or could constitute a Priority Claim;

- (viii) any breach by a guarantor of the provisions of any guarantee or other security, undertaking or covenant given to the Lender to secure any guarantee;
- (ix) if any representation or warranty made or deemed to have been made herein or in any certificate or the Security provided for herein shall be false or inaccurate;
- (x) if, in the reasonable opinion of the Lender, there is a Material Adverse Change including, without limitation, any investigation, audit, recall, notice or order of any applicable government agency or body;
- (xi) the Borrower or Guarantor is unable to pay its debts as such debts become due, or is adjudged or declared to be or admit to being bankrupt or insolvent;
- (xii) any judgment or award is made against the Borrower or Guarantor which may have a Material Adverse Effect in respect of which there is not an appeal or proceeding for review being diligently pursued in good faith and in respect of which adequate provision has been made on the books of the Borrower or Guarantor, as applicable; or
- (xiii) any notice of intention is filed or any voluntary or involuntary case or proceeding filed or commenced for:
 - (a) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower or Guarantor;
 - (b) the composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts of the Borrower or Guarantor;
 - (c) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of the Borrower or Guarantor;
 - (d) the possession, foreclosure, retention, sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the Collateral; or
 - (e) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any

secured creditor, encumbrancer or lienor, takes possession of or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the Collateral or gives notice of its intention to do any of the foregoing;

then, in such event, the Lender may, by written notice to the Borrower declare all monies outstanding under the Facilities to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Lender all monies outstanding under the Facilities and all other obligations of the Borrower to the Lender in connection with the Facilities under this Agreement. The Lender may enforce its rights to realize upon its security and retain an amount sufficient to secure the Lender for the Borrower's Obligations to the Lender.

Nothing contained in this Section shall limit any right of the Lender under this Agreement to demand payment of the Facilities at any time in its absolute and sole discretion.

**Evidence of
Indebtedness:**

The Lender shall maintain records evidencing the Facilities. The Lender shall record the principal amount of the Facilities, the payment of principal and interest on account of the Facilities, and all other amounts becoming due to the Lender under this Agreement.

The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this Agreement.

**Representations and
Warranties:**

The Borrower represents and warrants to the Lender that:

- (i) the Borrower is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Ontario or any other jurisdiction where they may carry on business;
- (ii) the execution, delivery and performance by the Borrower and the Guarantor of this Agreement has been duly authorized by all necessary actions and do not violate the constating documents or any Applicable Laws or agreements to which the Borrower and the Guarantor are subject or by which they are bound;
- (iii) the Borrower's financial statements most recently provided to the Lender fairly present their financial positions as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such

financial statements, there has occurred no Material Adverse Change in the Borrower's business or financial condition;

- (iv) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against the Borrower or any or any Guarantor or any of their respective assets or properties before any court or administrative agency which relates to any non-compliance with any environmental law which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any of the Security, and there are no circumstances of which any of them is aware which might give rise to any such proceeding which has not been fully disclosed to the Lender;
- (v) the Borrower and the Guarantor have good and marketable title to all of their properties and assets, free and clear of any Encumbrances, other than Permitted Encumbrances herein;
- (vi) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Agreement or any of the Security given in connection therewith;
- (vii) the Borrower has filed all tax returns which were required to be filed by it, if any, paid or made provision for payment of all taxes and other potential Priority Claims (including interest and penalties) which are due and payable, if any and provided adequate reserves for payment of any tax, the payment of which is being contested, if any; and
- (viii) the Borrower's and Guarantor's obligation to complete this transaction is not dependent upon any condition whatsoever, and that the Lender assumes no obligation to assist them to complete the transaction in any way, except to make available the Facilities as contemplated herein.

**Field Examinations /
Appraisals:**

- (i) In addition to reporting hereunder, the Borrower and the Guarantor acknowledge that the Lender and its examiners shall be permitted to conduct periodic field examinations of the Collateral and operations, such examinations not to exceed four (4) in any calendar year prior to an Event of Default and more frequently as the Lender may determine in its sole discretion thereafter.
- (ii) The Borrower and the Guarantor further acknowledge that the

Lender shall be permitted to obtain two (2) equipment and real estate valuations/appraisals and four (4) inventory valuations/appraisals in any calendar year prior to an Event of Default and more frequently as the Lender may determine in its sole discretion thereafter.

Environmental:

In relation to the Borrower's business, assets and projects: the Borrower and the Guarantor are operating and will continue to operate in conformity with all environmental laws; there are no contaminants, pollutants or other hazardous substances (including, without limitation, asbestos, products containing urea formaldehyde or polychlorinated biphenyl or any radioactive substances) have been or are now stored or located at any property from which they operate their business (collectively, the "**Properties**") and no order, approval, direction or other governmental or regulatory notice relating to the environment has been threatened against, is pending or has been issued with respect to the Properties or the operations of the business being conducted at the Properties; they are not aware of any pending or threatened action, suit or proceedings relating to any actual or alleged environmental violation from or at the Properties, nor have any proceedings been or are being instituted to make them or any other owner of the subject property comply with environmental laws and regulations; they will ensure that all of its property and assets comply with existing legislation and will remain free of any environmental problem; they will inform the Lender immediately upon becoming aware of any environmental problem or issue and will provide the Lender with copies of all communications with environmental authorities and all studies or assessments prepared on their behalf, all as soon as received by them; they also agree to pay the cost of any external environmental consultant engaged by the Lender to effect an environmental audit and the cost of any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the assets, including any fine or penalty the Lender is obligated to incur by reason of any statute, order or directive by a competent authority. The Borrower agrees to indemnify the Lender for any liability arising from an environmental problem including, without limitation, for all decontamination and decommissioning costs or for damages incurred by the Lender or its agents as a result of such contamination. For the purposes of this Agreement, an "environmental problem" means an act of non-compliance to a law, regulation, etc. or soil and/or underground water that contains one or many pollutants (contaminants) in levels of concentration that exceed parameters or norms applicable for the present use and intended use of any of their personal or real property including leased property.

In the event any environmental report shows that decontamination is required the Borrower undertakes to forthwith carry out

decontamination at its own expense should this be required or requested.

Confidentiality:

The Borrower and the Guarantor agree to keep all of the information and terms related to this Agreement highly confidential. In particular, the existence of this Agreement or the discussions surrounding this Agreement cannot be disclosed to any party, including other creditors, without the Lender's prior written consent.

General:

Credit: The Borrower and the Guarantor authorize the Lender, hereinafter, to obtain such factual and investigative information regarding the Borrower or the Guarantor from others as permitted by law, to furnish other consumer credit grantors and credit bureaus such information. The Lender, after completing credit investigations, which it will make from time to time concerning the Borrower and the Guarantor, must in its absolute discretion be satisfied with all information obtained, prior to any advance being made under any Facility.

The Borrower and the Guarantor further authorize any financial institution, creditor, tax authority, employer or any other person, including any public entity, holding information concerning them or their assets, including any financial information or information with respect to any undertaking or suretyship given by them, to supply such information to the Lender in order to verify the accuracy of all information furnished or to be furnished from time to time to the Lender and to ensure their solvency at all times.

Non-Merger: The provisions of this Agreement shall not merge with any of the Security, but shall continue in full force and effect for the benefit of the parties hereto. In the event of an inconsistency between this Agreement and any of the other Credit Documents, including the Security, the provisions of this Agreement shall prevail.

Further Assurances and Documentation: The Borrower and the Guarantor shall do all things and execute all documents deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the Security granted or to be granted hereunder.

Severability: If any provisions of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Agreement.

Marketing: The Lender shall be permitted to use the name of the

Borrower and the amount of the Facilities for advertising purposes.

Governing Law: This Agreement and all agreements arising hereinafter shall be deemed to have been made and accepted in the City of Toronto, Ontario and shall be construed exclusively (without regard to any rules or principles relating to conflicts of laws) in accordance with and be governed by the laws of the Province of Ontario and of Canada applicable therein and the parties hereto hereby attorn to the courts of such jurisdiction.

Counterparts: This Agreement, the Security and all agreements arising hereinafter may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

Assignment and Syndication: This Agreement and any commitment to advance and the Security in furtherance thereof or any warrant or right may be assigned by the Lender to any person and at any time whatsoever in its sole and absolute discretion, or monies required to be advanced may be syndicated by the Lender in its sole and absolute discretion. For greater certainty, the Lender may assign or grant participation in all or part of this Agreement or in the Facilities made hereunder without notice to and without the Borrower's or Guarantor's consent. The Borrower and the Guarantor may not assign or transfer all or any part of its rights or obligations under this Agreement, any such transfer or assignment being null and void insofar as the Lender is concerned and rendering any balance then outstanding under the Facilities immediately due and payable at the option of the Lender.

Time: Time shall be of the essence in all provisions of this Agreement.

Whole Agreement, Amendments and Waiver: This Agreement, the Security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the whole and entire agreement between the parties in respect of the Facilities. There are no verbal agreements, undertakings or representations in connection with the Facilities. No amendment or waiver of any provision of this Agreement will be effective unless it is in writing signed by the Borrower, the Guarantor and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under any of the Security shall operate as a waiver thereon. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this

Agreement and the Security or the Lender's rights thereunder.

Replacements: This Agreement supersedes and replaces all prior discussions, discussion papers, letters, demand promissory notes and agreements (if any) describing the terms and conditions of any credit facility established in favour of the Borrower.

Reserve Indemnity. If subsequent to the date of this Agreement any change in or introduction of any Applicable Law, or compliance by Lender with any request or directive by any central bank, superintendent of financial institutions or other comparable authority, shall subject Lender to any tax with respect to the Facilities or change the basis of taxation of payments to Lender of any amount payable under the Facilities (except for changes in the rate of tax on the overall net income of Lender), or impose any capital maintenance or capital adequacy requirement, reserve requirement or similar requirement with respect to the Facilities, or impose on Lender), any other condition or restriction, and the result of any of the foregoing is to increase the cost to Lender of making or maintaining the Facilities or any amount thereunder or to reduce any amount otherwise received by Lender under the Facilities, Lender will promptly notify the Borrower of such event and the Borrower will pay to Lender such additional amount calculated by Lender as is necessary to compensate Lender for such additional cost or reduced amount received. A certificate of Lender as to any such additional amount payable to it and containing reasonable details of the calculation thereof shall be conclusive evidence thereof.

Currency Indemnity. Interest and fees hereunder shall be payable in the same currency as the principal to which they relate. Any payment on account of an amount payable in a particular currency (the "**proper currency**") made to or for the account of Lender in a currency (the "**other currency**") other than the proper currency, whether pursuant to a judgment or order of any court or tribunal or otherwise and whether arising from the conversion of any amount denominated in one currency into another currency for any purpose, shall constitute a discharge of the Borrower's obligation only to the extent of the amount of the proper currency which Lender is able, in the normal course of its business within one Business Day after receipt by it of such payment, to purchase with the amount of the other currency so received. If the amount of the proper currency which Lender is able to purchase is less than the amount of the proper currency due to Lender, the Borrower shall indemnify and save Lender harmless from and against any loss or damage arising as a result of such deficiency.

Notices. All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to

another shall be given in writing by personal delivery or by facsimile transmission addressed to such other party or delivered to such other party as follows:

(i) **to the Borrower and Guarantor at:**

800 Swinbourne Drive
Mississauga, ON L5V1J6
Attention: Santokh Mahaz

(ii) **to the Lender at:**

46 Village Centre Place, 3rd Floor
Mississauga, ON L4Z 1V9
Attention: President
Facsimile: 905-272-1905

or at such other address or facsimile number as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered, or, if sent by facsimile transmission, on the date of transmission unless sent on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient) on a Business Day, in which case it shall be deemed to have been received on the next Business Day following the day of such transmission.

Anti-Money Laundering Legislation: Each of the Borrower and the Guarantor acknowledge that, pursuant to the *Proceeds of Crime Money Laundering and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, under the laws of Canada (collectively, including any guidelines or orders thereunder, “**AML Legislation**”), Lender may be required to obtain, verify and record information regarding each of them, its respective directors, authorized signing officers, direct or indirect shareholders or other persons in control of any of them, and the transactions contemplated hereby. Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by Lender, or any prospective assign or participant of Lender, necessary in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

Deemed Re Investment Principle. For the purpose of the *Interest Act* (Canada) and any other purpose, the principle of deemed re-investment of interest is not applicable to any calculation under this Agreement, and the rates of interest and fees specified in this

Agreement are intended to be nominal rates and not effective rates or yields.

LIMITATION OF LIABILITY. NO CLAIM MAY BE MADE BY ANY PARTY HERETO AGAINST THE LENDER, OR THE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS OF LENDER OR ANY ASSIGNEE OF LENDER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH PARTY HERETO HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOUR.

[2 SIGNATURE PAGES FOLLOW]

If the terms and conditions of this Agreement are acceptable to you, please sign in the space indicated below and return the signed copy of this Agreement to us. Acceptance may also be effected by facsimile or scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Agreement.

Yours truly,

SKYMARK FINANCE INC.

Per: _____

Name: **Michael Slattery**

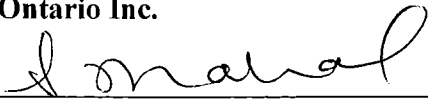
Title: **President**

I have authority to bind the Corporation.

[ACCEPTANCE SIGNATURE PAGE FOLLOWS]

Each of the undersigned hereby executes and delivers this Agreement under their respective seals by their duly authorized signing officers with effect as of this 7th day of July, 2017.

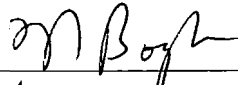
Borrower:
2581150 Ontario Inc.

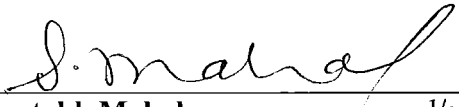
By: 

Name: **Santokh Mahal**

Title: **President**

I have authority to bind the Corporation.


Witness Signature
Print Name: M. BOYKO
Address: 3300 DUFFERIN ST
SUITE 303

)
)
)
) 
) **Santokh Mahal** 1/s

SCHEDULE "A"
DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"Applicable Laws" means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction, including without limitation the *Canadian Food Inspection Agency, the Consumer Packaging and Labelling Act* (Canada), the *Canada Agricultural Products Act* (Canada), the *Farm Products Marketing Act* and the *Competition Act* (Canada).



"BMO" means Bank of Montreal.

"Business Day" means any day other than a Saturday or a Sunday or any other day on which Canadian chartered banks are closed for business in Toronto, Ontario.

"Collateral" means all of the Borrower's property, assets and undertakings and any shares held by such Guarantor in the capital of the Borrower.

"Credit Documents" collectively means this Agreement, the Security and any and all other documents, instruments and agreements contemplated herein and/or ancillary thereto.

"Disbursement Accounts" means specifically the following account / transit numbers at BMO from which the Borrower shall make all of its payments and disbursements:

Borrower (Cdn\$) - BMO:	
Borrower (US\$) - BMO:	

[NTD: Borrower to advise]

"Encumbrances" means any mortgage, Lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress or other claim in respect of property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with option to buy-back or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the PPSA or Uniform Commercial Code (or equivalent statutes) of any jurisdiction. The inclusion of Permitted Encumbrances in this Agreement is not intended to subordinate and shall not subordinate any Lien created by any of the Security contemplated by this Agreement and the other Credit Documents to any Permitted Encumbrances.

"GAAP" means those accounting principles which are recognized as being generally accepted in Canada from time to time as set out in the handbook published by the Canadian institute of chartered accountants.

“Lien” means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien or adverse right or claim or deemed trust (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

“Material Adverse Change” means any change, condition or event which, when considered individually or together with other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect.

“Material Adverse Effect” means, in the determination of the Lender, a material adverse effect on (i) the business, revenues, operations, assets, liabilities (contingent or otherwise), financial condition or prospects of the Borrower or the Guarantor; (ii) on the rights and remedies of the Lender under this Agreement and the security; (iii) on the ability of the Borrower or the Guarantor to perform its obligations under the Credit Documents; or (iv) on the Liens created by the security.

“Permitted Encumbrances” means, at any time, the following:

- (i) Liens for taxes not overdue, or which are being contested if adequate reserves with respect thereto are maintained in accordance with GAAP and the enforcement of any related Lien is stayed;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business which relate to obligations not overdue or a claim for which has not been filed or registered pursuant to Applicable Law;
- (iii) carriers’, warehousemens’, mechanics’, materialmens’, repairmens’ or other similar Liens arising in the ordinary course of business which relate to obligations not overdue;
- (iv) easements, rights of way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of business;
- (v) zoning and building by-laws and ordinances and municipal by laws and regulations so long as the same are complied with;
- (vi) statutory Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security legislation;
- (vii) the reservations and exceptions contained in, or implied by statute in, the original disposition from the Crown and grants made by the Crown of interests so reserved or excepted;

- (viii) equipment and/or vehicle leases in effect as of the date hereof, but for greater certainty, not any future purchase money security interests; and
- (ix) Liens created by the Security.

“**person**” includes a natural person, a partnership, a joint venture, a trust, a fund, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.

“**PPSA**” means the *Personal Property Security Act* (Ontario) or any other similar applicable personal property security statute in any other applicable jurisdiction, as the same may be amended, supplemented or replaced from time to time.

“**Prime**” means the rate of interest announced from time to time by BMO as its reference rate then in effect for determining rates of interest on Canadian dollar loans to its customers in Canada and designated as its prime rate.

“**Priority Claims**” means the aggregate of any amounts accrued or payable which under any law may rank prior to or pari passu with any of the Security or otherwise in priority to any claim by the Lender for payment or repayment of any amounts owing under this Agreement, including: (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian pension plan contributions and employee employment insurance premiums, additional amounts payable on account of employer Canada pension plan contributions and employer employment Insurance premiums; (v) harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers’ Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes; (ix) rent and other amounts payable in respect of the use of real property; provided that a rent reserve of three months will be taken for each leased or rented location where a landlord/warehouse waiver satisfactory to the Lender has not been obtained); (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable Lien; (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the Bankruptcy and Insolvency Act (Canada); (xii) WEPPA Claims; and (xiii) farmers’ rights under the Farm Debt Mediation Act or any other Applicable Laws.

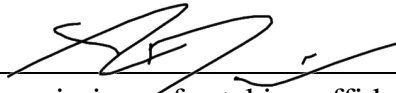
“**Real Property**” means, collectively, the properties municipally known as 320-326, 346 and 372 South Talbot Road, Midland, Ontario and 3782 Maidstone Townline Road, Maidstone, Ontario.

“**Statutory Encumbrances**” means any Encumbrances arising by operation of Applicable Laws, including, without limitation, for carriers, warehousemen, repairers’, taxes, assessments, statutory obligations and government charges and levies for amounts not yet due and payable or which may be past due but which are being contested in good faith by appropriate proceedings (and as to which the Lender has established a reserve as to which there are no other enforcement proceedings being taken and no Liens being registered and they shall have been effectively and immediately stayed).

“WEPPA Claims” means any claims made pursuant to the Wage Earner Protection Program Act, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

This is Exhibit "G" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

Subject:

FW: 258 Ont Inc / Skymark [IMAN-CLIENT.FID183480]

----- Forwarded message -----

From: Graham Marr <GMarr@bridgingfinance.ca>**Date:** Mon, Aug 9, 2021 at 11:51 AM**Subject:** RE: 258 Ont Inc / Skymark**To:** Christine Sinclair (CA) <christine.l.sinclair@pwc.com>, Paul Millar <paul@yorklondon.com>**Cc:** Kevin Moreau <kmoreau@bridgingfinance.ca>

Christine, note that in the "Security" section of the Credit Agreement between Bridging and Skymark and page 13 that the reference to any GSA has been intentionally deleted (as compared to the same section in the Credit Agreement between Skymark and 258) with the only remaining items in the "Security" section being items that reflected this 'pass-through' nature of the deal i.e. (iii) a postponement and subordination of all directors etc.. (vi) collateral assignment of contracts and (vii) catchall.

I'm still not sure why, notwithstanding this point, there is a General Security Agreement document between Skymark and Bridging as part of the transaction materials but certainly the intention of the parties was that the arrangement did not require Skymark to take on any financial risk or cover any shortfall that may ultimately arise through the transaction.

We can discuss further and perhaps there is a legal reason why there was still a GSA drafted that I'm not aware of.

Thank you

Graham Marr, CPA, CA, CFA

President | **Bridging Finance Inc.**

77 King St W, Suite 2925 | Toronto | ON | M5K 1K7

T: (416) 777-1794 | **C:** (416) 906-0395

E: gmarr@bridgingfinance.ca

From: Christine Sinclair (CA) <christine.l.sinclair@pwc.com>**Sent:** August 9, 2021 11:34 AM**To:** Paul Millar <paul@yorklondon.com>**Cc:** Graham Marr <GMarr@bridgingfinance.ca>; Kevin Moreau <kmoreau@bridgingfinance.ca>**Subject:** Re: 258 Ont Inc / Skymark

Thank Paul

Please see attached for all documents I have been provided for Skymark/258 Ont Inc. It appears the transaction was between Bridging and Skymark, and then Skymark and 258 Ont. I am looking for a doc that assigns the debt between Skymark/Bridging to 258/Bridging to remove Skymark from the equation.

Thanks!

On Mon, Aug 9, 2021 at 11:21 AM Paul Millar <paul@yorklondon.com> wrote:

Hi Christine:

I'm in the office and will review.

Can you provide us a copy of the Skymark guarantee on this that you reference?

Thank you.

Pm

Sent from my iPhone

On Aug 8, 2021, at 16:52, Christine Sinclair (CA) <christine.l.sinclair@pwc.com> wrote:

Hi Paul/Graham

Hope you are having a great weekend.

I discussed with both of you on separate occasions the security on the 258 transaction - based on the documents I have seen, Skymark provided guarantees to 258 and 258 provided guarantees to Skymark. I understand based on conversations with both of you that everything was assigned to 258, and Skymark was "removed" from the relationship, but I have not been able to track down anything that shows this. Can you please send me the document that was executed to remove Skymark and assign all liability to 258? Copying Kevin as well in the event he knows where to find this.

Thanks so much!

Christine

--

Christine Sinclair, CPA, CA

PwC | Director, Corporate Advisory & Restructuring

T: +1 416 687 8938

Email: christine.l.sinclair@pwc.com

PricewaterhouseCoopers Inc. LIT

PwC Tower, 18 York Street, Suite 2600, Toronto ON M5J 0B2

<http://www.pwc.com/ca>

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--

Christine Sinclair, CPA, CA

PwC | Director, Corporate Advisory & Restructuring

T: +1 416 687 8938

Email: christine.l.sinclair@pwc.com

PricewaterhouseCoopers Inc. LIT

PwC Tower, 18 York Street, Suite 2600, Toronto ON M5J 0B2

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--

Christine Sinclair, CPA, CA

PwC | Director, Corporate Advisory & Restructuring

T: +1 416 687 8938

Email: christine.l.sinclair@pwc.com

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addressee as a result of decisions made or actions taken based on this communication or otherwise. If you received this in error, please contact the sender and destroy all copies of this e-mail.

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Subject: FW: Bridging/Skymark Loan Agreement [IMAN-CLIENT.FID183480]

----- Forwarded message -----

From: **Graham Marr** <GMarr@bridgingfinance.ca>

Date: Tue, Aug 10, 2021 at 1:31 PM

Subject: Fwd: Bridging/Skymark Loan Agreement

To: christine.l.sinclair@pwc.com <christine.l.sinclair@pwc.com>, Kevin Moreau <kmoreau@bridgingfinance.ca>

fyi

Graham Marr, CPA, CA, CFA

President | Bridging Finance Inc.

77 King St W, Suite 2925 | Toronto ON | M5K 1K7

T: (416) 777-1794 | C: (416) 906-0395

E: gmarr@bridgingfinance.ca

www.bridgingfinance.ca

Canada's Premier Private Debt Provider

From: Paul Millar <paul@yorklondon.com>

Sent: Tuesday, August 10, 2021 12:41:42 PM

To: Graham Marr <GMarr@bridgingfinance.ca>

Subject: Fwd: Bridging/Skymark Loan Agreement

Per previous emails. Pm

Sent from my iPhone

Begin forwarded message:

From: Michael Slattery <msslattery@skylarkmortgages.ca>

Date: August 10, 2021 at 17:26:13 GMT+1

To: Paul Millar <paul@yorklondon.com>

Subject: FW: Bridging/Skymark Loan Agreement

From: Alyssa Gebert <agebert@airdberlis.com>

Sent: Thursday, July 6, 2017 11:53 AM

To: Michael Slattery <msslattery@skylarkmortgages.ca>; 'Paul Millar (paul@yorklondon.com)' <paul@yorklondon.com>

Cc: 'Graham Marr' <GMarr@bridgingfinance.ca>; Ken Rosenstein <krosenstein@airdberlis.com>

Subject: Bridging/Skymark Loan Agreement

Skymark team, Please find attached the revised letter credit agreement, removing reference to the GSA in favour of Bridging. I have also attached a blackline of the changes made.

Please confirm that we are authorized to attach your executed signature page to this revised agreement.

Thanks,

Alyssa

Alyssa Gebert

T 416.865.3067

F 416.863.1515

E agebert@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com



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This is Exhibit "H" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tkf i gt"

*NUQ%994; 8H+

ASSIGNMENT AND ASSUMPTION AGREEMENT
(the “Agreement”)

THIS AGREEMENT is dated as of February 15, 2024.

CONTEXT:

- A. Bridging Finance Inc. (“**BFI**”), as agent for Bridging Income Fund LP (formerly, Sprott Bridging Income Fund LP) (the “**Bridging Lender**”) made certain credit facilities available to 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) (the “**230 Lender**”) pursuant to a letter agreement dated as of July 7, 2017 (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**Bridging Credit Agreement**”).
- B. The 230 Lender used funds advanced pursuant to the Bridging Credit Agreement to make certain credit facilities available to 2581150 Ontario Inc. (the “**Borrower**”) pursuant to the terms of a letter agreement dated as of July 7, 2017 (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**230 Credit Agreement**”), which credit facilities were in the same principal amounts and advanced on substantially similar terms as the facilities made available to the 230 Lender under the Bridging Credit Agreement.
- C. The Borrower and Santokh Mahal (the “**Guarantor**”, and together with the Borrower, the “**Obligors**”) delivered a number of other documents in connection with the 230 Credit Agreement including, without limitation, a promissory note dated as of June 2, 2017 made by the Guarantor in favour of the 230 Lender (as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, the “**230 Promissory Note**”) and certain security documents including, without limitation, those set forth on **Exhibit “A”** hereto (as each may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof, collectively, the “**230 Security Documents**”, and together with the 230 Credit Agreement and 230 Promissory Note, the “**Assigned Documents**”).
- D. Pursuant to the orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021, May 3, 2021, and May 14, 2021 (the “**Bridging Appointment Orders**”), PricewaterhouseCoopers Inc. was appointed as the receiver and manager (in such capacity, the “**Bridging Receiver**”) of BFI and certain related entities and investment funds (collectively, “**Bridging**”), including the Bridging Lender.
- E. Pursuant to an order of the Court dated March 6, 2023, made on the application of the Bridging Receiver, Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as receiver and manager (in such capacity, the “**230 Receiver**”) of the 230 Lender and an affiliated entity.
- F. The Bridging Receiver understands from: (i) discussions with Paul Millar (the sole director of the Borrower and a director of the 230 Lender) and certain former employees of BFI; (ii) the books and records of Bridging; and (iii) the course of conduct of the Bridging Lender, the 230 Lender, and the Borrower, including the historical payments made by the

Borrower directly to the Bridging Lender under the 230 Credit Agreement, that the Assigned Documents were assigned by the 230 Lender to the Bridging Lender prior to the appointment of the Bridging Receiver, with the result that the Assigned Documents and all indebtedness evidenced thereby constitute Property (as defined in the Bridging Appointment Orders) of Bridging, the Borrower is directly indebted to the Bridging Lender under the Assigned Documents (not the 230 Lender) and the 230 Lender has no continuing indebtedness or obligations to the Bridging Lender under the Bridging Credit Agreement or the Assigned Documents (the “**Original Assignment**”).

- G. According to the books and records of the Bridging Lender, as of February 14, 2024, the Borrower is indebted to the Bridging Lender in the aggregate principal amount of CAD\$21 million under the Assigned Documents.
- H. The books and records of Bridging and the 230 Lender do not contain a written agreement reflecting the Original Assignment. As such, the Bridging Receiver and the 230 Receiver have agreed to enter into this Agreement to document the terms of the Original Assignment, including, without limitation, the assignment by the 230 Receiver, and the assumption by the Bridging Receiver, of all of the 230 Lender’s rights and obligations under the Assigned Documents, and a release by the Bridging Receiver in favour of the 230 Receiver of all of the 230 Lender’s indebtedness and obligations under the Bridging Credit Agreement and related documents as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for the sum of CAD \$1.00 paid to the Assignor (as defined below), and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto agree as follows:

- 1. The 230 Receiver as the assignor hereunder (in such capacity, the “**Assignor**”) hereby sells and assigns to the Bridging Receiver as the assignee hereunder (in such capacity, the “**Assignee**”), and the Assignee hereby purchases and assumes from the Assignor (collectively, the “**Assigned Assets**”):
 - (a) a one-hundred percent (100%) interest in and to all of the Assignor’s rights and obligations under the 230 Credit Agreement and the 230 Promissory Note as of the Effective Date (as defined below); and
 - (b) a one-hundred percent (100%) interest in and to all of the Assignor’s rights and obligations under the 230 Security Documents and each of the liens granted in favour of the Assignor in connection therewith as being secured thereby (collectively, the “**230 Liens**”) including, without limitation, each of the liens set forth on **Exhibit “B”** hereto.
- 2. The Assignor (i) represents and warrants that this Agreement constitutes a legal, valid, and binding obligation on its part which is enforceable by the Assignee against the Assignor in accordance with its terms; (ii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Obligors or the performance or observance by the Obligors of any of their respective obligations under the Assigned Documents or any other instrument or document furnished pursuant thereto; (iii) represents and warrants that, subject to obtaining the 230 Approval Order (as defined below), it has

full power and authority, and has taken all necessary action, to execute and deliver this Agreement and to consummate the transactions contemplated hereby; (iv) covenants and agrees that, upon and after the Effective Date, if the Assignor receives any payments of principal, interest or other amounts from the Obligors or any other party on behalf of the Obligors in respect of the Assigned Assets, it will hold such amounts in trust for the benefit of the Assignee and remit such amounts to the Assignee as soon as practicable.

3. The Assignee (i) represents and warrants that this Agreement constitutes a legal, valid, and binding obligation on its part which is enforceable by the Assignor against the Assignee in accordance with its terms, (ii) represents and warrants that, pursuant to the Bridging Appointment Orders, it has full power and authority, and has taken all necessary action, to execute and deliver this Agreement and to consummate the transactions contemplated hereby, and (iii) represents and warrants that the Assignee has relied on its own diligence and has satisfied itself with respect to all things relating to the Assigned Assets, subject to the Assignor's representations and warranties contained in paragraph 2 of this Agreement.
4. The effective date of this Agreement (the "**Effective Date**") shall be the date on which both of the following events have occurred:
 - (a) a fully executed copy of this Agreement has been delivered to the Assignor and the Assignee; and
 - (b) the Court in the receivership proceedings concerning the 230 Lender and bearing court file number CV-22-00692309-00CL shall have issued an order approving this Agreement, which order shall have been issued and entered, and the operation and effect of such order shall not have been stayed, amended, modified, reversed, waived, dismissed or appealed (or any such appeal shall have been dismissed with no further appeal therefrom or the applicable appeal periods shall have expired) and no notices of the foregoing shall have been filed (the "**230 Approval Order**").
5. As of the Effective Date (i) the Assignee shall, in addition to any rights and obligations under the Assigned Documents held by it immediately prior to the Effective Date, have the rights and obligations under the Assigned Documents that have been assigned to it pursuant to this Agreement and (ii) the Assignor shall, to the extent provided in this Agreement, relinquish its rights and be released from its obligations under the Assigned Documents in accordance with paragraph 7 of this Agreement.
6. The Assignee hereby agrees that (i) the sale and assignment of Assignor's right, title, estate and interest in and to the Assigned Assets are and shall be without recourse to the Assignor; (ii) the Assignor is assigning, and the Assignee is accepting, the Assigned Assets on an "as is, where is" basis as they exist on the Effective Date and, with the exception of the representations and warranties contained in paragraph 2, the Assignor is not making, and the Assignee is not relying on, any representations, warranties or other statements of any kind whatsoever, whether oral or written, express or implied, statutory or otherwise, as to any matter concerning the Assignor, the 230 Lender or its business, the Assigned Assets, the Assigned Documents, the 230 Liens, this Agreement, or the accuracy or completeness of any information provided to (or otherwise acquired by) the Assignee or any of its officers, directors, partners, members, shareholders, employees, advisors, representatives or agents and, without limiting the generality of the foregoing, any and all conditions or

warranties, expressed or implied, pursuant to any legislation or law of any applicable jurisdiction concerning the sale of goods generally will not apply and are hereby waived by the Assignee to the fullest extent permitted by applicable law.

7. As of the Effective Date, the Assignee hereby releases and forever discharges the Assignor and A&M and its affiliates, successors, and assigns, and all officers, directors, partners, members, shareholders, employees, advisors, representatives and agents of each of them, and the estate of the 230 Lender (collectively, the “**Released Parties**”), from all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, actual or potential, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing (collectively, the “**Claims**”) which Assignee had, has or may in the future have relating to:
- (a) the Assigned Documents;
 - (b) the Assigned Assets;
 - (c) the 230 Liens;
 - (d) the Bridging Credit Agreement and any other document delivered pursuant to or in connection with the Bridging Credit Agreement including, without limitation, those set forth on Exhibit “C” (collectively, the “**Bridging Documents**”);

provided that, notwithstanding anything else set out in this Agreement, nothing herein shall in any way release: (i) any of the parties hereto from their respective obligations under this Agreement; (ii) any of the Obligors from any of their respective obligations under the Assigned Documents; (iii) any of the affiliates, successors, and assigns, and all officers, directors, partners, members, shareholders, employees, advisors, representatives and agents of any of the Obligors; (iv) any of Bridging’s or the Bridging Receiver’s claims against the Borrower including, without limitation, the Borrower’s obligations under that certain Assumption Agreement Re: Bridging Indebtedness dated as of July 7, 2017 and any related security or other documents; or (v) the 230 Lender or any of its affiliates, successors, and assigns, and all officers, directors, partners, members, shareholders, employees, advisors, representatives and agents of each of them from any of their respective obligations or liabilities other than the release of the estate of the 230 Lender and its successors and assigns as expressly set forth in Section 7(a)-(d) of this Agreement, including, without limitation, any such obligations arising under the Loan Agreement, the Loans, the Skymark GSA, the Merk GSA, or the Guarantees (each as defined in the Affidavit of Christine Sinclair sworn December 30, 2022).

8. The Assignor and Assignee shall make all appropriate adjustments in payments (if any) under the 230 Credit Agreement and the 230 Promissory Note for periods prior to the Effective Date directly between themselves.

9. Time is of the essence of each provision of this Agreement.
10. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein except for any choice of law principles which would refer such matters to another jurisdiction.
11. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same agreement, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this Agreement by facsimile transmission or e-mail in portable document format (PDF) by parties hereto, shall be as effective as delivery of an original manually executed counterpart hereof to each other party hereto.

[Remainder of Page Intentionally Left Blank]

TO WITNESS THEIR AGREEMENT, the parties have duly executed this Agreement on the date first written above.

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as court-appointed receiver
and manager of 2305145 Ontario Inc. (formerly,
Skymark Finance Corporation) and not in any
personal or other capacity

Per: DocuSigned by:

0C8B73192A3A446...

Name: Greg Karpel

Title: Senior Vice-President

*Signing as an authorized signatory of
Alvarez & Marsal Canada Inc. and not in
my personal capacity*

PRICEWATERHOUSECOOPERS INC.,
solely in its capacity as court-appointed receiver
and manager of Bridging Finance Inc. and
certain related entities and investment funds and
not in any personal or other capacity

Per: DocuSigned by:

D52F80006B7F4CB...

Name: Christine Sinclair

Title: Vice-President

*Signing as an authorized signatory of
PricewaterhouseCoopers Inc. and not in
my personal capacity*

EXHIBIT “A”
230 SECURITY DOCUMENTS

1. General security agreement dated as of July 7, 2017, made by 2581150 Ontario Inc. in favour of 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
2. Limited recourse guarantee agreement dated as of July 7, 2017, made by Santokh Mahal in favour of 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
3. Securities pledge agreement dated as of July 7, 2017, made by Santokh Mahal in favour of 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
4. Assignment of insurance policies agreement dated July 7, 2017, made by 2581150 Ontario Inc. in favour of 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
5. Mortgage/charge dated July 7, 2017, made by 2581150 Ontario Inc. in favour of 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
6. Assignment of rents dated July 7, 2017, made by 2581150 Ontario Inc. in favour of 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
7. Notice of security interest in intellectual property dated July 7, 2017, made by 2581150 Ontario Inc. in favour of 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
8. Postponement of interest, as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.

EXHIBIT "B"
230 LIENS

Personal Property Liens:

JURISDICTION	DEBTOR NAME	SECURED PARTY NAME(S)	FILE NUMBER/REGISTRATION NUMBERS	EXPIRY DATE
Ontario	2581150 ONTARIO INC.	2305145 ONTARIO INC.	502370991/ 20240131 1719 1590 8948	January 31, 2029

Real Property Liens:

JURISDICTION	DEBTOR NAME	SECURED PARTY NAME(S)	REGISTRATION NUMBER	REGISTRATION DATE
LRO 12 (Essex)	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	Charge/Mortgage CE780575	July 7, 2017
LRO 12 (Essex)	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	Notice Of Assignment Of Rents-General CE780582 (relates to registration number(s)CE780575)	July 7, 2017

EXHIBIT “C”
BRIDGING DOCUMENTS

1. Credit agreement dated as of July 7, 2017 made between Bridging Finance Inc., as agent for Bridging Income Fund LP (formerly, Sprott Bridging Income Fund LP), and 2305145 Ontario Inc. (formerly, Skymark Finance Corporation), as borrower, as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
2. Promissory note dated as of June 5, 2017 made by 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) in favour of Bridging Finance Inc., as agent for Bridging Income Fund LP (formerly, Sprott Bridging Income Fund LP), as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
3. General security agreement dated as of July 7, 2017 made by 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) in favour Bridging Finance Inc., as agent for Bridging Income Fund LP (formerly, Sprott Bridging Income Fund LP), as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.
4. Collateral assignment agreement dated as of July 7, 2017 made by 2305145 Ontario Inc. (formerly, Skymark Finance Corporation) in favour Bridging Finance Inc., as agent for Bridging Income Fund LP (formerly, Sprott Bridging Income Fund LP), as may have been amended, supplemented, restated, replaced or otherwise modified prior to the date hereof.

This is Exhibit "I" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

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

THE HONOURABLE) THURSDAY, THE 22ND
)
JUSTICE STEELE) DAY OF FEBRUARY, 2024

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.
(solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and
certain related entities and investment funds)

Applicant

- and -

2305145 ONTARIO INC. and MERK INVESTMENTS LTD.

Respondents

**ORDER
(Settlement Approval and Ancillary Relief)**

THIS MOTION, made by Alvarez & Marsal Canada Inc. (“**A&M**”), in its capacity as the court-appointed receiver and manager (in such capacity, the “**230 Receiver**”), without security, of all of the assets, undertakings, and properties of each of 2305145 Ontario Inc. (formerly Skymark Finance Corporation) (“**230**”) and Merk Investments Ltd. (“**Merk**”, and together with 230, the “**Companies**”), for an order, among other things, authorizing and approving:

- a) the settlement agreement dated as of January 24, 2024 between 7539088 Canada Inc. and 1989474 Ontario Inc. (together, the “**Orr Plaintiffs**”) and the 230 Receiver on behalf of the Companies (the “**Orr Settlement Agreement**”);
- b) the assignment agreement dated as of February 15, 2024 between PricewaterhouseCoopers Inc., in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds (in such capacity, the “**Bridging Receiver**”) and the 230 Receiver on behalf of 230 (the “**Bridging Assignment Agreement**”); and
- c) the settlement agreement dated as of February 14, 2024 between FIJ Law LLP and Quinn Ryan Hanna (together, the “**FIJ Parties**”), and the 230 Receiver on behalf of 230 (the “**FIJ Settlement Agreement**”), and collectively with the Orr Settlement Agreement and the Bridging Assignment Agreement, the “**Settlement Agreements**”),

was heard this day by video conference at the courthouse, 330 University Avenue, Toronto Ontario.

ON READING the Motion Record of the 230 Receiver dated February 15, 2024, the third report of the 230 Receiver dated February 15, 2024 (the “**Third Report**”), together with the confidential appendices to the Third Report (the “**Confidential Appendices**”), and on hearing the submissions of counsel for the 230 Receiver and counsel for the other parties listed on the participation information form, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Connie Deng sworn February 15, 2024, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that any capitalized terms used but not defined herein have the meanings given to them in the Third Report.

APPROVAL OF SETTLEMENT AGREEMENTS

3. **THIS COURT ORDERS** that:
 - (a) the Orr Settlement Agreement is hereby authorized and approved, and the 230 Receiver and the Orr Plaintiffs are authorized and directed to take all steps necessary to give effect to the terms of the Orr Settlement Agreement. The Orr Plaintiffs are specifically authorized and directed as follows:
 - (i) the Orr Plaintiffs' claim for any damages, compensation, or other amounts against the non-settling defendants with claims for contribution and indemnity against one or both of the Companies in Court File No. CV-22-00686234-00CL, CV-23-00702641-00CL, or any related proceeding shall be limited to the percentage of fault, or share of the liability, if any, that is found at trial, or another merits determination, to be severally attributable to such non-settling defendants; and
 - (ii) the Orr Plaintiffs shall promptly amend the statement of claim in Court File No. CV-22-00686234-00CL and CV-23-00702641-00CL to address the limitation in paragraph 3(a)(i);

- (b) the Bridging Assignment Agreement is hereby authorized and approved, and the 230 Receiver and the Bridging Receiver are authorized and directed to take all steps necessary to give effect to the terms of the Bridging Assignment Agreement; and
- (c) the FIJ Settlement Agreement is hereby authorized and approved, and the 230 Receiver and the FIJ Parties are authorized and directed to take all steps necessary to give effect to the terms of the FIJ Settlement Agreement.

4. **THIS COURT ORDERS** that no claim by the non-settling defendant, Paul Millar, against 230 for indemnity pursuant to section 136(1) of the OBCA or 230's articles and by-laws (if any such claim exists) shall be barred, released or precluded by this Order or as a result of the Orr Settlement Agreement and Orr Release.

5. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Companies and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Companies,

the approval of the Settlement Agreements pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial

legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SEALING

6. **THIS COURT ORDERS** that the Confidential Appendices shall be sealed, kept confidential and shall not form part of the public record, but shall be placed separate and apart from all other contents of the Court file in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order subject to further order of this Court.

REPORT AND ACTIVITIES OF THE 230 RECEIVER

7. **THIS COURT ORDERS** that the Third Report, the Confidential Appendices, and the conduct and activities of the 230 Receiver as described therein, be and are hereby approved, provided, however, that only the 230 Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.


STATEMENT OF RECEIPTS AND DISBURSEMENTS

8. **THIS COURT ORDERS** that the 230 Receiver's statement of receipts and disbursements for the period March 6, 2023 to February 5, 2024, as set out in Section 12.0 of the Third Report, be and is hereby approved.

FEES AND DISBURSEMENTS

9. **THIS COURT ORDERS** that the fees and disbursements of the 230 Receiver for the period from September 1, 2023 to January 31, 2024 in the total amount of \$259,979.69 (inclusive of fees, disbursements and HST), as set out in the Third Report and the Karpel Affidavit attached as Appendix "F" thereto, be and are hereby approved.

10. **THIS COURT ORDERS** that the fees and disbursements of the 230 Receiver's legal counsel, Fasken Martineau DuMoulin LLP, for the period from September 1, 2023 to January 31, 2024 in the total amount of \$354,088.92 (inclusive of fees, disbursements and HST), as set out in the Chochla Affidavit, attached as Appendix "G" to the Third Report, be and are hereby approved.

 Digitally signed
by Jana Steele
Date:
2024.02.28
11:38:20 -05'00'

PRICEWATERHOUSECOOPERS INC. (solely in its capacity as
court-appointed receiver and manager of Bridging Finance Inc. and
certain related entities and investment funds)

-and- **2305145 ONTARIO INC. et al.**

Applicant

Respondents

Court File No. CV-22-00692309-00CL

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

**Proceeding commenced at
Toronto**

**ORDER
(Settlement Approval and Ancillary Relief)**

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto ON M5H 2T6

Dylan Chochla (LSO: 62137I)
dchochla@fasken.com
Tel: 416 868 3425

Mitch Stephenson (LSO: 73064H)
mstephenson@fasken.com
Tel: 416 868 3502

Montana Licari (LSO: 85097G)
mlicari@fasken.com
Tel: 416 868 3450

Lawyers for the Receiver,
Alvarez & Marsal Canada Inc.

This is Exhibit "J" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tkf i gt"

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GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as the same may be amended, restated, supplemented or replaced, from time to time, this “**Agreement**”) is dated with effect as of this 7th day of July, 2017 and executed and delivered by **2581150 ONTARIO INC.** (the “**Debtor**”) to and in favour of **SKYMARK FINANCE CORPORATION** in its capacity as Lender under the Loan Agreement (as defined below) (the “**Lender**”).

RECITALS:

- A. The Debtor is or is about to become indebted to the Lender pursuant to a letter credit agreement among, *inter alios*, the Debtor and the Lender dated with effect as of the date hereof (as further amended, supplemented, replaced or restated from time to time, the “**Loan Agreement**”); and
- B. As security for the obligations of the Debtor under the Loan Agreement, the Lender has required the Debtor to grant to the Lender and to create a security interest in all personal property of the Debtor, as hereinafter provided as security for the payment and performance of the obligations and liabilities of the Debtor to the Lender.

NOW THEREFORE, in consideration of the extension of credit by the Lender to the Debtor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor covenants and agrees to and in favour of the Lender as follows:

ARTICLE 1 - DEFINITIONS; INTERPRETATION

1.1 Defined Terms

Except as otherwise expressly provided herein, capitalized terms used in this Agreement but not defined herein shall have the meanings assigned to such terms in the Loan Agreement. In this Agreement, unless the context expressly or by necessary implication otherwise requires, the following terms shall have the meanings set forth below:

“**Event of Default**” shall mean: (a) the occurrence of any Event of Default (as such term is defined in the Loan Agreement); or (b) the issuance of a demand for repayment by the Lender.

“**Person**” means a “person” as defined in the Loan Agreement.

1.2 Terms Defined in Ontario Personal Property Security Act

Where applicable and except as defined herein, terms used herein shall have the meanings assigned to them in the *Personal Property Security Act* as the same may, from time to time, be in effect in the Province of Ontario (the “**PPSA**”). Such terms include: “**accounts**”, “**chattel paper**”, “**documents of title**”, “**equipment**”, “**intangibles**”, “**instruments**”, “**inventory**”, “**investment property**”, “**money**”, “**proceeds**” and “**security**”.

ARTICLE 2 - GRANT OF SECURITY INTEREST; COLLATERAL

2.1 Grant of Security Interest

As security for the payment and performance of the Secured Obligations (as defined in Section 3), the Debtor hereby grants to the Lender a security interest in, to and under all of its personal property, wherever located and whether now existing or hereafter acquired or arising, including, without limitation, the following property (collectively and severally, the “**Collateral**”):

- (a) all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefore, and subject to Section 6.3, dividends and income derived therefrom, all of which are herein called the “**Pledged Collateral**”;
- (b) all accounts and book debts of the Debtor, chattel paper, documents of title, instruments, and intangibles of the Debtor, including all debts, dues, claims choses in action and demands of every nature and kind, howsoever arising or secured, including letters of credit, guarantees and advices of credit that are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all supporting obligations of any or all of the forgoing (“**Accounts**”);
- (c) all inventory of the Debtor, including all merchandise, goods and other personal property that are held for sale or lease or that have been leased by the Debtor or that are to be furnished under a contract of service, all raw materials, work in process, materials used or consumed in the Debtor’s business and finished goods, all goods in which the Debtor has an interest in mass or a joint or other interest or gifts of any kind (including goods in which the Debtor has an interest or right as consignee), and all goods which are returned to or repossessed by the Debtor, together with all additions and accessions thereto and replacements therefor and products thereof and documents therefor (“**Inventory**”);
- (d) all equipment of the Debtor and all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor, including, all machinery, tools, dies, blueprints, catalogues, computer hardware and software, furniture, furnishings, vehicles and fixtures (“**Equipment**”);
- (e) all Intellectual Property Collateral (as defined in Section 7.3);
- (f) all money maintained in a deposit or other account in the Debtor’s name with any financial institution, and all certificates, instruments and other writings, if any,

from time to time representing, evidencing or deposited into such accounts, and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;

- (g) all now existing and hereafter arising contracts and agreements to which the Debtor is party (each, an “**Assigned Agreement**”), including, without limitation, all rights of the Debtor to receive moneys due and to become due under or pursuant to the Assigned Agreements, all rights of the Debtor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements, all claims of the Debtor for damages arising out of or for breach of or default under the Assigned Agreements, and all rights of the Debtor to terminate, amend, supplement or modify the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder; *provided, however*, that with respect to any such contract or agreement where the grant of a security interest in the Debtor’s right, title and interest therein is prohibited by the terms thereof, or would give any other party the right to terminate its obligations thereunder, or is not permitted because any necessary consent to such grant has not been obtained, the Collateral shall include only the rights of the Debtor to receive moneys due and to become due, if any, under or pursuant to such contract or agreement;
- (h) all books, records, writings, databases, information and other property relating to, used or useful in connection with, embodying, incorporating or referring to, any of the foregoing Collateral;
- (i) all cash and cash equivalents held by the Debtor not otherwise included in the foregoing Collateral; and
- (j) all products and proceeds of the foregoing Collateral (with the term “**proceeds**” having the meaning provided in the PPSA and also including any voluntary or involuntary disposition, and all rights to payment, including return premiums, with respect to any insurance).

2.2 Excluded Collateral

Notwithstanding Section 2.1, the Collateral shall not include: (a) any property held in trust by the Debtor and lawfully belonging to others, (b) the last day of the term of any lease of real property, provided that the Debtor shall stand possessed of such last day and shall assign and transfer such interest as instructed by the Lender; (c) the interests described in the proviso to Section 2.1(g); or with respect to Section 2.1(c), any consumer goods used as such by the Debtor.

2.3 Debtor Remains Liable

Anything herein to the contrary notwithstanding, (a) the Debtor shall remain liable under all Assigned Agreements, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed,

(b) the exercise by the Lender of any of the rights hereunder shall not release the Debtor from any of its duties or obligations under such Assigned Agreements, and (c) the Lender shall not have any obligation or liability under any Assigned Agreements by reason of this Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

2.4 Continuing Security Interest

The Debtor agrees that this Agreement shall create a general collateral continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 10.14.

2.5 Attachment

The Debtor and the Lender intend that the security interest created hereby attaches to existing Collateral upon the execution of this Agreement and that the security interest will attach to Collateral acquired after the date of execution of this Agreement at the time that the Debtor acquires rights in that Collateral. The Debtor and the Lender agree that value has been given. The Debtor represents and warrants that it has rights in the existing Collateral.

ARTICLE 3 - SECURED OBLIGATIONS

3.1 Secured Obligations

The obligations secured by this Agreement shall consist of all indebtedness, obligations and liabilities of the Debtor to the Lender, including, without limitation, those arising under, in connection with, and relating to the Credit Documents, whether now existing or hereafter arising, as principal or surety, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred, together with all expenses (including reasonable legal fees on a solicitor and client basis) incurred by the Lender, any receiver, receiver-manager or Lender in the preparation, perfection and enforcement of security and other agreements held by the Lender in respect of such obligations and liabilities and interest thereon (all of which obligations, liabilities, expenses and interest are referred to collectively as the "Secured Obligations").

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

In addition to all representations and warranties of the Debtor set forth in the Credit Documents, which are incorporated herein by this reference, the Debtor hereby represents and warrants that:

4.1 Sole Owner

The Debtor is the sole owner of and has good and marketable title to the Collateral (or will be the sole owner of and will have good and marketable title to, in the case of after-acquired Collateral).

4.2 No Adverse Claim

No Person has (or, in the case of after-acquired Collateral, at the time the Debtor acquires rights therein, will have) any right, title, claim or interest (by way of security interest or other Encumbrance, adverse rights or claims or other encumbrances) in, against or to the Collateral other than Permitted Encumbrances.

4.3 Full Disclosure

All information herein supplied to the Lender by or on behalf of the Debtor with respect to the Collateral is accurate and complete in all material respects as of the date hereof.

4.4 Delivery of Collateral

The Debtor has delivered to the Lender all instruments and chattel paper and other items of Collateral in which a security interest is or may be perfected by possession, together with such additional writings, including assignments, with respect thereto as the Lender shall request.

4.5 Intellectual Property

All of the patents, trade-marks, and copyrights of the Debtor have been registered or applied to be registered with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office, as appropriate.

4.6 Chief Executive Office; Trade Names; Collateral Location; Records Location

The Debtor's chief executive office is in the Province of Ontario; the only trade name(s) or style(s) used by the Debtor are listed on **Schedule "A"**; and, the Debtor's records concerning the Collateral are located at its chief executive office. The Debtor has not, except as disclosed on **Schedule "A"** hereto, at any time in the past: (a) been known as or used any other corporate, trade or fictitious name; (b) changed its name; (c) been the surviving or resulting corporation in a merger or consolidation; or (d) acquired through asset purchase or otherwise any business of any Person.

4.7 Enforceability; Priority of Security Interest

(a) This Agreement creates a security interest which is enforceable against the Collateral in which the Debtor now has rights and will create a security interest which is enforceable against the Collateral in which the Debtor hereafter acquires rights at the time the Debtor acquires any such rights; and (b) other than Permitted Encumbrances, the Lender has a perfected and first priority security interest in the

Collateral, in which the Debtor now has rights, and will have a perfected and first priority security interest in the Collateral in which the Debtor hereafter acquires rights at the time the Debtor acquires any such rights, in each case securing the payment and performance of the Secured Obligations.

4.8 Rights to Payment

- (a) The Accounts and any and all of the Debtor's rights and claims to the payment or receipt of money or other forms of consideration of any kind in, to and under or with respect to its chattel paper, documents of title, intangibles, instruments, proceeds and supporting obligations (collectively, "**Rights to Payment**") represent valid, binding and enforceable obligations of the account debtors or other Persons obligated thereon, representing undisputed, *bona fide* transactions completed in accordance with the terms and provisions contained in any documents related thereto, and are genuine, free from any Lien and not subject to any adverse claims, counterclaims, setoffs, defaults, disputes, defenses, discounts, retainages, holdbacks or conditions precedent of any kind of character, except to the extent reflected by the Debtor's reserves for uncollectible Rights to Payment or to the extent, if any, that such account debtors or other Persons may be entitled to normal and ordinary course trade discounts, returns, adjustments and allowances in accordance with Section 5.13 or as otherwise disclosed to the Lender in writing;
- (b) to the best of the Debtor's knowledge, all account debtors and other obligors on the Rights to Payment are solvent and generally paying their debts as they come due;
- (c) all Rights to Payment comply with all applicable laws concerning form, content and manner of preparation and execution, including where applicable any federal or state consumer credit laws;
- (d) the Debtor has not assigned any of its rights under the Rights to Payment other than Permitted Encumbrances as provided in this Agreement or as set forth in the other Credit Documents;
- (e) all statements made, all unpaid balances and all other information in the Debtor's books and other documentation relating to the Rights to Payment are true and correct and in all respects what they purport to be; and
- (f) the Debtor has no knowledge of any fact or circumstance which would impair the validity or collectibility of any of the Rights to Payment.

4.9 Inventory

No inventory is stored with any bailee, warehouseman or similar Person or on any premises leased to the Debtor, nor has any inventory been consigned to the Debtor or consigned by the Debtor to any Person or is held by the Debtor for any Person under any "bill and hold" or other arrangement, except as disclosed to the Lender in writing.

4.10 Equipment

- (a) none of the Equipment or other Collateral is affixed to real property except Collateral with respect to which the Debtor has supplied the Lender with all information and documentation necessary to make all fixture filings required to perfect and protect the priority of the Lender's security interest in all such Collateral which may be fixtures as against all Persons having an interest in the premises to which such property may be affixed; and
- (b) none of the Equipment is leased from or to any Person, except as otherwise disclosed to the Lender.

4.11 Valid Issuance of Pledged Collateral

All the Pledged Collateral have been, and upon issuance any Pledged Collateral will be, duly and validly issued, and are and will be fully paid and non assessable.

4.12 Capitalization of the Pledged Subsidiary

The Pledged Collateral constitutes 100% of the issued and outstanding shares of capital stock and other ownership interests of the various issuers owned by the Debtor (which, as of the date hereof, constitutes 100% of the issued and outstanding shares of capital stock and other ownership interests of each issuer).

4.13 Options, Warrants, Etc.

Other than pursuant to the Credit Documents, no securities convertible into or exchangeable for any shares of capital stock or other ownership interests of any issuer, or any options, warrants or other commitments entitling any Person to purchase or otherwise acquire any shares of capital stock or other ownership interests of any issuer, are issued and outstanding.

4.14 Transfer Restrictions

Subject to Permitted Encumbrances, there are no restrictions on the transferability of the Pledged Collateral to the Lender or with respect to the foreclosure, transfer or disposition thereof by the Lender.

4.15 Shareholders Agreements

Subject to Permitted Encumbrances, there are no shareholders, partners or members agreements, voting trusts, proxy agreements or other agreements or understandings which affect or relate to the voting or giving of written consents with respect to any of the Pledged Collateral.

4.16 Pledged Collateral

The Debtor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which the Debtor is a party relating to the Pledged Collateral pledged by it, and the Debtor is not in violation of any other provisions of any such agreement to which the Debtor is a party, or otherwise in default or violation thereunder. No Pledged Collateral pledged by the Debtor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against the Debtor by any Person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the organizational documents and certificates, if any, delivered to the Lender and the Lenders) which evidence any Pledged Collateral of the Debtor.

4.17 No Violation of Securities Laws

None of the shares in the capital of the Debtor or the Pledged Collateral has been issued, converted or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which they may be subject.

4.18 Control Agreements

No control agreements exist with respect to any Collateral other than any control agreements in favour of the Lender.

4.19 Leases

The Debtor is not and will not become a lessee under any real property lease or enter into any customer agreement or other agreement governing the location of Collateral at the premises of another Person pursuant to which the lessor or such other Person may obtain any rights in any of the Collateral, and no such lease or other such agreement now prohibits, restrains, impairs or will prohibit, restrain or impair such Debtor's right to remove any Collateral from the premises at which such Collateral is situated, except for the usual and customary restrictions contained in such leases of real property.

ARTICLE 5 - COVENANTS AND AGREEMENTS

In addition to all covenants and agreements of the Debtor set forth in the Credit Documents, which are incorporated herein by this reference, the Debtor hereby agrees, at no cost or expense to the Lender:

5.1 Preservation of Security Interest

To do all acts (other than acts which are required to be done by the Lender) that may be necessary to maintain, preserve and protect the Collateral and the first (subject to Permitted Encumbrances) priority, perfected security interest of the Lender therein.

5.2 Actions and Proceedings

To appear in and defend any action or proceeding which may affect its title to or the Lender's interest in the Collateral.

5.3 Use of Collateral

Not to use any Collateral, or permit any Collateral to be used, unlawfully or in violation of any provision of this Agreement, any other agreement with the Lender related hereto, or any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Debtor or affecting any of the Collateral or any contractual obligation affecting any of the Collateral.

5.4 Shareholders Agreements

Except for the shareholders agreement existing as of the date hereof and disclosed to the Lender in writing, the Debtor has not entered and will not enter into any shareholders, partners or members agreement, voting trust, proxy agreement or other agreement or understanding which affects or relates to the voting or giving of written consents with respect to any of the shares in the capital of the Debtor or the Pledged Collateral without the prior written consent of the Lender.

5.5 Issuance of Additional Shares

The Debtor will not consent to or approve, or allow any subsidiary to consent to or approve, of the issuance to any person or entity of any additional shares of any class of capital stock or other ownership interests of the Debtor or any of its subsidiaries, or of any securities convertible into or exchangeable for any such shares or other ownership interests, or any warrants, options or other rights to purchase or otherwise acquire any such shares or other ownership interests, except as approved in writing by the Lender.

5.6 Transfer of Collateral; Liens

Not to surrender or lose possession of (other than to the Lender), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein except as expressly provided herein and in the Credit Documents, and to keep the Collateral free of all Liens except Permitted Encumbrances and as expressly permitted by the Credit Documents or otherwise approved in writing by the Lender; *provided, however*, that, unless an Event of Default shall have occurred under any of the Credit Documents, the Debtor may, in the ordinary course of business, sell or lease (provided it registers and perfects any primary lease or conditional sale agreement in accordance with applicable law) any Collateral consisting of inventory.

5.7 Delivery of Collateral

To account fully for and promptly deliver to the Lender, in the form received, all documents, chattel paper, all certificated securities with respect to investment property, instruments and agreements constituting Collateral hereunder, and all proceeds of the

Collateral received, all endorsed to the Lender or in blank, as requested by the Lender, and accompanied by such stock powers as appropriate and until so delivered all such documents, instruments, agreements and proceeds shall be held by the Debtor in trust for the Lender, separate from all other property of the Debtor.

5.8 Records

To keep separate, accurate and complete records of the Collateral and to provide the Lender with such records and such other reports and information relating to the Collateral as the Lender may reasonably request from time to time. To keep the records concerning the Collateral at the location(s) referred to in Section 4.6 and not to remove such records from such location(s) without the prior written consent of the Lender.

5.9 Chief Executive Office; Names

To give the Lender thirty (30) days' prior written notice of any change in the Debtor's chief executive office or legal name or trade name(s) or style(s).

5.10 Location of Collateral

To keep the Collateral at its current location(s) and not to remove the Collateral from such locations (other than disposals of Collateral expressly permitted by the Credit Documents).

5.11 Maintenance of Collateral

To keep the Collateral in good condition and repair (normal wear and tear excepted) and not to cause or permit any waste or unusual or unreasonable depreciation of the Collateral.

5.12 Leased Premises

At the Lender's request, to use commercially reasonable efforts to obtain from each Person from whom the Debtor leases any premises or supplies any customer at which any Collateral is at any time present such collateral access, subordination, waiver, consent and estoppel agreements as the Lender may require, in form and substance satisfactory to the Lender.

5.13 Rights to Payment

To:

- (a) with such frequency as the Lender may reasonably require, furnish to the Lender full and complete reports, in form and substance satisfactory to the Lender, with respect to the Accounts, including information as to concentration, aging, identity of account debtors, letters of credit securing Accounts, disputed Accounts and other matters, as the Lender shall request;

- (b) give only normal discounts, allowances and credits as to Accounts and other Rights to Payment, in the ordinary course of business, according to normal trade practices utilized by the Debtor in the past, and enforce all Accounts and other Rights to Payment strictly in accordance with their terms, and take all such action to such end as may from time to time be reasonably requested by the Lender, except that the Debtor may grant any extension of the time for payment or enter into any agreement to make a rebate or otherwise to reduce the amount owing on or with respect to, or compromise or settle for less than the full amount thereof, any Account or other Right to Payment, in the ordinary course of business, according to normal trade practices utilized by the Debtor in the past;
- (c) if any discount, allowance, credit, extension of time for payment, agreement to make a rebate or otherwise to reduce the amount owing on, or compromise or settle, an Account or other Right to Payment exists or occurs, or if, to the knowledge of the Debtor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to an Account or other Right to Payment, disclose such fact fully to the Lender in the books relating to such Account or other Right to Payment and in connection with any invoice or report furnished by the Debtor to the Lender relating to such Account or other Right to Payment;
- (d) if any Accounts arise from contracts with the United States or any department, agency or instrumentality thereof, or the government of Canada, immediately notify the Lender thereof and execute any documents and instruments and take any other steps requested by the Lender in order that all monies due and to become due thereunder shall be assigned to the Lender and notice thereof given to the appropriate authorities under the *Federal Assignment of Claims Act* of the United States of America or the *Financial Administration Act* of Canada;
- (e) in accordance with its sound business judgment, perform and comply in all material respects with its obligations in respect of the Accounts and other Rights to Payment;
- (f) upon the request of the Lender (i) at any time, notify all or any designated portion of the account debtors and other obligors on the Rights to Payment of the security interest hereunder, and (ii) upon the occurrence of an Event of Default, notify the account debtors and other obligors on the Rights to Payment or any designated portion thereof that payment shall be made directly to the Lender or to such other Person or location as the Lender shall specify; and
- (g) upon the occurrence of any Event of Default, establish such lockbox or similar arrangements for the payment of the Accounts and other Rights to Payment as the Lender shall require.

5.14 Inventory

To:

- (a) at such times as the Lender shall request or as may be required under the Credit Documents, prepare and deliver to the Lender a report of all Inventory, in form and substance satisfactory to the Lender;
- (b) upon the request of the Lender, take a physical listing of the Inventory and promptly deliver a copy of such physical listing to the Lender; and
- (c) not store any Inventory with a bailee, warehouseman or similar Person or on premises leased to the Debtor, nor dispose of any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or similar basis, nor acquire any Inventory from any Person on any such basis, without in each case giving the Lender prior written notice thereof.

5.15 License Agreement and Other Assigned Agreements

To:

- (a) deliver to the Lender, promptly upon request therefrom (i) copies of the Assigned Agreements and (ii) all material notices, requests and other documents received by the Lender in respect of the Assigned Agreements; *provided, however*, that the Debtor shall deliver to the Lender copies of all material notices, requests and other documents received by the Debtor in respect of the Assigned Agreements promptly upon receipt thereof and without the need for a specific request therefor from the Lender;
- (b) perform and observe, in all material respects, all terms and provisions of the Assigned Agreements to be performed or observed by it and enforce the Assigned Agreements in accordance with their terms; and
- (c) without the prior written consent of the Lender, not take any action to amend or terminate, or waive compliance with any of the terms of the Assigned Agreements.

ARTICLE 6 - AUTHORIZED ACTION BY THE LENDER; RIGHTS TO PAYMENT

6.1 Authorized Action by the Lender

The Debtor hereby agrees that following the occurrence of an Event of Default, without presentment, notice or demand, and without affecting or impairing in any way the rights of the Lender with respect to the Collateral, the obligations of the Debtor hereunder or the Secured Obligations, the Lender may, but shall not be obligated to and shall incur no liability to the Debtor or any third party for failure to, take any action that the Debtor is obligated by this Agreement to do and to exercise such rights and powers as the Debtor might exercise with respect to the Collateral, and the Debtor hereby irrevocably appoints the Lender as its attorney-in-fact to exercise such rights and powers, including, without limitation, the power and authority to:

- (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral;
- (b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral;
- (c) insure, process and preserve the Collateral;
- (d) transfer the Collateral to its own or its nominee's name;
- (e) make any compromise or settlement, and take any action it deems advisable, with respect to the Collateral; and
- (f) notify any obligor on any Collateral to make payment directly to the Lender.

The foregoing power of attorney is coupled with an interest and irrevocable so long as the Lender has any obligation to make any credit facility available or the Secured Obligations have not been indefeasibly paid and performed in full. The Debtor hereby ratifies, to the extent permitted by law, all that the Lender shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 6.1. The Debtor agrees to reimburse the Lender upon demand for any costs and expenses, including reasonable legal fees, the Lender may incur while acting as the Debtor's attorney-in-fact hereunder, all of which costs and expenses are included in the Secured Obligations.

6.2 Collection of Rights to Payment

Until the Lender exercises its rights hereunder to collect Rights to Payment, the Debtor shall endeavor in the first instance diligently to collect all amounts due or to become due on or with respect to the Rights to Payment. At the request of the Lender, upon and after the occurrence of any Event of Default, all remittances received by the Debtor shall be and shall be deemed to be held separate and apart and in trust exclusively for the Lender and, in accordance with the Lender's instructions, remitted to the Lender in the form received (with any necessary endorsements or instruments of assignment or transfer).

6.3 Investment Property and Instruments

Upon and after the occurrence of any Event of Default, the Lender shall be entitled to receive all distributions and payments of any nature with respect to any investment property or instruments, and all such distributions or payments received by the Debtor shall be and shall be deemed to be held separate and apart and in trust exclusively for the Lender and, in accordance with the Lender's instructions, remitted to the Lender in the form received (with any necessary endorsements or instruments of assignment or transfer). Following the occurrence of an Event of Default any such distributions and payments with respect to any investment property held in any securities account shall be held and retained in such securities account, in each case as part of the Collateral hereunder. Additionally, the Lender shall have the right, upon the occurrence of an Event

of Default, following prior written notice to the Debtor, to vote and to give consents, ratifications and waivers with respect to any investment property and instruments of the Debtor, and to exercise all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining thereto, as if the Lender were the absolute owner thereof; *provided* that the Lender shall have no duty to exercise any of the foregoing rights afforded to it and shall not be responsible to the Debtor or any other Person for any failure to do so or delay in doing so.

ARTICLE 7 - ADDITIONAL PROVISIONS REGARDING INTELLECTUAL PROPERTY

7.1 Additional Representations and Warranties

The Debtor represents and warrants to the Lender as follows:

- (a) Except as disclosed to the Lender in the Credit Documents, the Debtor (directly or through any subsidiary) does not own, possess or use under any licensing arrangement any patents, copyrights, trade-marks, service marks or trade names, nor is there currently pending before any governmental authority any application for registration of any patent, copyright, trade-mark, service mark or trade name;
- (b) all patents, copyrights, trade-marks, service marks and trade names are subsisting and have not been adjudged invalid or unenforceable in whole or in part;
- (c) all maintenance fees required to be paid on account of any patents have been timely paid for maintaining such patents in force, and, to the best of the Debtor's knowledge, each of the patents is valid and enforceable and the Debtor has notified the Lender in writing of all prior disputes, sales and licenses (including public uses and sales) of which it is aware;
- (d) to the best of the Debtor's knowledge after due inquiry, no material infringement or unauthorized use presently is being made of any Intellectual Property Collateral by any Person;
- (e) the Debtor is the sole and exclusive owner of the Intellectual Property Collateral and the past, present and contemplated future use of such Intellectual Property Collateral by the Debtor has not, does not and will not infringe or violate any right, privilege or license agreement of or with any other Person; and
- (f) the Debtor owns, has material rights under, is a party to, or an assignee of a party to all material licenses, patents, patent applications, copyrights, service marks, trade-marks, trade-mark applications, trade names and all other Intellectual Property Collateral necessary to continue to conduct its business as heretofore conducted.

7.2 Additional Covenants

The Debtor will:

- (a) not allow or suffer any Intellectual Property Collateral to become abandoned, nor any registration thereof to be terminated, forfeited, expired or dedicated to the public, except as shall be reasonable and appropriate in accordance with prudent business practice;
- (b) promptly give the Lender notice of any rights the Debtor may obtain to any new patentable inventions, copyrightable works or other new Intellectual Property Collateral, prior to the filing of any application for registration thereof;
- (c) without limiting the generality of clause (b), not register with the U.S. Copyright Office or the Canadian Intellectual Property Office any unregistered copyrights (whether in existence on the date hereof or thereafter acquired, arising, or developed) unless the Debtor provides the Lender with written notice of its intent to register such copyrights not less than thirty (30) days prior to the date of the proposed registration; and
- (d) diligently prosecute all applications for patents, copyrights and trade-marks, and file and prosecute any and all continuations, continuations-in-part, applications for reissue, applications for certificate of correction and like matters as shall be reasonable and appropriate in accordance with prudent business practice, and promptly and timely pay any and all maintenance, license, registration and other fees, taxes and expenses incurred in connection with any Intellectual Property Collateral.

7.3 Additional Definition

As used in this Agreement, “**Intellectual Property Collateral**” means the following properties and assets owned or held by the Debtor or in which the Debtor otherwise has any interest, now existing or hereafter acquired or arising:

- (a) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;
- (b) all copyrights and applications for copyright, domestic or foreign, together with the underlying works of authorship (including titles), whether or not the underlying works of authorship have been published and whether said copyrights are statutory or arise under the common law, and all other rights and works of authorship, all computer programs, computer databases, computer program flow diagrams, source codes, object codes and all tangible property embodying or incorporating any copyrights, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, and all other rights, claims and demands in any way relating to any such copyrights or works, including royalties and rights to sue for past, present or future infringement, and all rights of renewal and extension of copyright;

- (c) all state and provincial (including common law), federal and foreign trade-marks, service marks and trade names, and applications for registration of such trade-marks, service marks and trade names, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;
- (d) all trade secrets, trade dress, trade styles, logos, other source of business identifiers, mask-works, mask-work registrations, mask-work applications, software, confidential information, customer lists, license rights, advertising materials, operating manuals, methods, processes, know-how, algorithms, formulae, databases, quality control procedures, product, service and technical specifications, operating, production and quality control manuals, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs;
- (e) the entire goodwill of or associated with the businesses now or hereafter conducted by the Debtor connected with and symbolized by any of the aforementioned properties and assets; and
- (f) all accounts, all intangible intellectual or other similar property and other general intangibles associated with or arising out of any of the aforementioned properties and assets and not otherwise described above.

ARTICLE 8 - REMEDIES; NOTICE OF SALE; RECEIVERS

8.1 Remedies

Upon the occurrence of an Event of Default, the Lender may at its option, without notice to or demand on the Debtor and in addition to all rights and remedies available to the Lender with respect to the Secured Obligations, at law, in equity or otherwise, do any one or more of the following:

- (a) foreclose or otherwise enforce the Lender's security interest in any manner permitted by law or provided for in this Agreement;
- (b) sell, lease or otherwise dispose of any Collateral at one or more public or private sales at the Lender's place of business or any other place or places, including any broker's board or securities exchange, whether or not such Collateral is present at the place of sale, for cash or credit or future delivery, on such terms and in such manner as the Lender may determine;
- (c) use or transfer the Debtor's rights and interests in any Intellectual Property Collateral by license, by sublicense (to the extent permitted by an applicable license), assignment or otherwise, on such conditions and in such manner as the Lender may determine;

- (d) recover from the Debtor all costs and expenses, including reasonable legal fees and disbursements, incurred or paid by the Lender in exercising any right, power or remedy provided by this Agreement;
- (e) require the Debtor to assemble the Collateral and make it available to the Lender at a place to be designated by the Lender;
- (f) enter onto property where any Collateral is located and take possession thereof with or without judicial process; and
- (g) prior to the disposition of the Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Lender deems appropriate and in connection with such preparation and disposition, without charge, use any trade-mark, tradename, copyright, patent or technical process used by the Debtor.

8.2 Notice of Sale

The Debtor shall be given ten (10) Business Days prior notice of the time and place of any public sale or of the time after which any private sale or other intended disposition of Collateral is to be made, which notice the Debtor hereby agrees shall be deemed reasonable notice thereof. Upon any sale or other disposition pursuant to this Agreement, the Lender shall have the right to deliver, assign and transfer to the purchaser thereof, the Collateral or portion thereof so sold or disposed of. The Lender shall have the right upon any public sale, and, to the extent permitted by law, upon any private sale, to purchase the whole or any part of the Collateral so sold. Each purchaser at any such sale or other disposition (including the Lender) shall hold the Collateral free from any claim or right of whatever kind, including any equity or right of redemption of the Debtor and the Debtor specifically waives (to the extent permitted by applicable law) all rights of redemption, stay or appraisal which it has or may have under any rule of law or statute now existing or hereafter adopted.

8.3 License

For the purpose of enabling the Lender to exercise its rights and remedies under Section 8.1 or otherwise in connection with this Agreement, the Debtor hereby grants to the Lender an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to the Debtor) or (to the extent permitted by the applicable license) sublicense to use, license or sublicense any Intellectual Property Collateral, subject with respect to trade-marks to reasonable and appropriate quality control provisions.

8.4 Appointment of Receiver

The Lender may, in addition to any other rights it may have, appoint by instrument in writing a receiver, monitor, consultant, liquidator or receiver and manager (all of which are herein called a “**Receiver**”) of all or any part of the Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a

Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Lender has under this Agreement, at law or in equity. In exercising any such powers, any such Receiver shall, to the extent permitted by applicable law, act as and for all purposes be deemed to be the Lender of the Debtor, and the Lender shall not be responsible for any act or default of any such Receiver. The Lender may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Lender. A court need not appoint, ratify the appointment by the Lender of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice from the Lender of the taking of possession of the Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of the Debtor and, to the extent permitted by applicable law, its directors and officers with respect to the Collateral shall cease, unless specifically continued by the written consent of the Lender.

8.5 Carrying on Business

The Lender may carry on, or concur in the carrying on of, all or any part of the business or undertaking of the Debtor, may, subject to the rights and liens of third parties but to the exclusion of the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertakings of or occupied or used by the Debtor and may use all or any of the tools, machinery, equipment and intangibles of the Debtor for such time as the Lender sees fit, free of charge, to carry on the business of the Debtor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product.

8.6 Dealing with Collateral

The Lender may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable, all without notice to the Debtor except as otherwise required by any applicable law. The Lender may demand, sue for and receive any Accounts with or without notice to the Debtor, give such receipts, discharges and extensions of time and make such compromises in respect of any Accounts which may, in the Lender's absolute discretion, seem bad or doubtful. The Lender may charge on its own behalf and pay to others, sums for costs and expenses incurred including, without limitation, legal fees and expenses on a solicitor and his own client scale and Receivers' and accounting fees, in or in connection with seizing, collecting, realizing, disposing, enforcing or otherwise dealing with the Collateral and in connection with the protection and enforcement of the rights of the Lender hereunder including, without limitation, in connection with advice with respect to any of the foregoing. The amount of such sums shall be deemed advanced to the Debtor by the Lender, shall become part of the Secured Obligations, shall bear interest at the highest rate per annum charged by the Lender on the Secured Obligations or any part thereof and shall be secured by this Agreement.

8.7 Right to Use

The Debtor hereby grants to the Lender a license or other right to use, without charge, all of the Debtor's present and future property, whether real or personal, including, without limitation, labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trade-marks, services marks, and advertising matter, or any other property of any nature or of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling of any Collateral and the Debtor's rights under all licenses and all franchise agreements shall inure to the Lender.

8.8 Retention of Collateral

Upon notice to the Debtor and subject to any obligation to dispose of any of the Collateral, as provided in the PPSA, the Lender may elect to retain all or any part of the Collateral in satisfaction of the Secured Obligations or any of them.

8.9 Pay Liens

The Lender may pay any Liens that may exist or be threatened against the Collateral. In addition, the Lender may borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business or undertaking of the Debtor and may grant further security interests in the Collateral in priority to the security interest created hereby as security for the money so borrowed. In every such case the amounts so paid or borrowed together with costs, charges and expenses incurred in connection therewith shall be deemed to have been advanced to the Debtor by the Lender, shall become part of the Secured Obligations, shall bear interest at the highest rate per annum charged by the Lender on the Secured Obligations or any part thereof and shall be secured by this Agreement.

8.10 Application of Payments

Any and all payments made in respect of the Secured Obligations from time to time and moneys realized on the Collateral may be applied to such part or parts of the Secured Obligations as the Lender may see fit. The Lender shall, at all times and from time to time, have the right to change any appropriation as it may see fit. Any insurance moneys received by the Lender pursuant to this Agreement may, at the option of the Lender, be applied against the Secured Obligations as the Lender thinks fit.

8.11 Set-off

The Secured Obligations will be paid by the Debtor without regard to any equities between the Debtor and the Lender or any right of set-off or cross-claim. If an Event of Default exists, any indebtedness owing by the Lender to the Debtor may be set-off and applied by the Lender against the Secured Obligations either before or after maturity, without demand upon or notice to anyone and regardless of the currency in which the indebtedness is denominated.

8.12 Deficiency

If the proceeds of the realization of the Collateral are insufficient to repay to the Lender all amounts owing to it, the Debtor shall forthwith pay such deficiency or cause such deficiency to be paid to the Lender.

8.13 Lender Not Liable

The Lender shall not be liable or accountable for any failure to seize, collect, realize, dispose of, enforce or otherwise deal with the Collateral, shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Lender, the Debtor or any other person, firm or corporation in respect of the Collateral and shall not be liable or responsible for any loss, cost or damage whatsoever which may arise in respect of any such failure including, without limitation, resulting from the negligence of the Lender or any of its officers, servants, Lenders, solicitors, attorneys, Receivers or otherwise unless arising from gross negligence or wilful misconduct. Neither the Lender nor its officers, servants, Lenders, or Receivers shall be liable by reason of any entry into possession of the Collateral or any part thereof, to account as a mortgagee in possession, for anything except actual receipts, for any loss on realization, for any act or omission for which a mortgagee in possession might be liable, for any negligence in the carrying on or occupation of the business or undertaking of the Debtor or for any loss, cost, damage or expense whatsoever which may arise in respect of any such actions, omissions or negligence unless arising from gross negligence or wilful misconduct.

8.14 Extensions of Time

The Lender may grant renewals, extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, perfect or fail to perfect any securities, release any part of the Collateral to third parties and otherwise deal or fail to deal with the Debtor, subsidiaries of the Debtor, guarantors, sureties and others and with the Collateral and other securities as the Lender may see fit, all without prejudice to the liability of the Debtor to the Lender or the Lender's rights and powers under this Security Agreement.

8.15 Rights in Addition

The rights and powers conferred by this Section are in supplement of and in addition to and not in substitution for any other rights or powers the Lender may have from time to time under this Agreement or under applicable law. The Lender may proceed by way of any action, suit, remedy or other proceeding at law or in equity and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy. Any one or more of such remedies may from time to time be exercised separately or in combination.

ARTICLE 9 - PERFECTION AND PRIORITY

9.1 Financing Statements, Etc.

The Debtor hereby authorizes the Lender to file at any time and from time to time any financing statements describing the Collateral, and the Debtor shall execute and deliver to the Lender, and the Debtor hereby authorizes the Lender to file (with or without the Debtor's signature), at any time and from time to time, all amendments to financing statements, continuation financing statements, termination statements, security agreements relating to the Intellectual Property Collateral, assignments, fixture filings, affidavits, reports, notices and all other documents and instruments, in form satisfactory to the Lender, as the Lender may request, to perfect and continue perfected, maintain the priority of or provide notice of the Lender's security interest in the Collateral and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, the Debtor ratifies and authorizes the filing by the Lender of any financing statements filed prior to the date hereof.

9.2 Bailees

Any Person (other than the Lender) at any time and from time to time holding all or any portion of the Collateral shall be deemed to, and shall, hold the Collateral as the Lender of, and as pledge holder for, the Lender. At any time and from time to time, the Lender may give notice to any such Person holding all or any portion of the Collateral that such Person is holding the Collateral as the Lender and bailee of, and as pledge holder for, the Lender, and obtain such Person's written acknowledgment thereof. Without limiting the generality of the foregoing, the Debtor will join with the Lender in notifying any Person who has possession of any Collateral of the Lender's security interest therein and obtaining an acknowledgment from such Person that it is holding the Collateral for the benefit of the Lender.

9.3 Control

If any of the Collateral consists of Investment Property, (a) the Debtor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Lender shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be

necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in any applicable statute similar in application to the *Securities Transfer Act* (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgement and discretion, including, without limitation, an agreement by an issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by the Lender, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

ARTICLE 10 - MISCELLANEOUS

10.1 Amendments and Waivers

Except to the extent otherwise provided herein or in any other Credit Document, (a) no amendment to any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the Debtor and the Lender and (b) no waiver of any provision of this Agreement, or consent to any departure by the Debtor or other party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10.2 Notices

All notices required or permitted under this Agreement shall be given in the manner and to the addresses specified in the Loan Agreement.

10.3 No Waiver; Cumulative Remedies

No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Lender.

10.4 Binding Effect

This Agreement shall be binding upon the Debtor and its successors and assigns, including any successor by reason of amalgamation, and inure to the benefit of and be enforceable by the Lender and its successors, endorsees, transferees, participants and assigns.

10.5 Assignment

The Debtor may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender, and any attempted assignment in violation of this provision shall be null and void. The Lender may assign this Agreement

in whole or in part to any Person acquiring an interest in the Secured Obligations in accordance with the provisions of the Loan Agreement.

10.6 Costs and Expenses

The Debtor agrees to pay on demand all reasonable costs and expenses of the Lender, any Receiver, or the Lenders of the Lender or any Receiver, and reasonable legal fees and disbursements in connection with the perfection, enforcement, or preservation of any rights under, this Agreement and the other Credit Documents.

10.7 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation, it shall be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement.

10.8 Governing Law

This Agreement is to be exclusively construed in accordance with and governed by the internal laws of the Province of Ontario and the federal laws of Canada applicable therein without giving effect to any choice of law rule or principle that would cause the application of the laws of any jurisdiction other than the internal laws of the Province of Ontario and the federal laws of Canada applicable therein to the rights and duties of the Debtor and the Lender.

10.9 Submission to Jurisdiction

The Debtor hereby (a) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario sitting in Toronto for the purpose of any action or proceeding arising out of or relating to this Agreement and the other Credit Documents, (b) agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts, (c) irrevocably waives (to the extent permitted by applicable law) any objection which it now or hereafter may have to the laying of venue of any such action or proceeding brought in any of the foregoing courts, and any objection on the ground that any such action or proceeding in any such court has been brought in an inconvenient forum and (d) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner permitted by law.

10.10 Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with practices of the Lender could

purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Debtor in respect of any such sum due from it to the Lender hereunder or under the other Credit Documents shall, notwithstanding any judgment in a currency (the “**Judgment Currency**”) other than that in which such sum is denominated in accordance with the applicable provisions of the Credit Documents or other relevant document (the “**Agreement Currency**”), be discharged only to the extent that on the Business Day following receipt by the Lender of any sum adjudged to be so due in the Judgment Currency, the Lender may in accordance with normal practices purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Lender from the Debtor in the Agreement Currency, the Debtor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Lender in such currency, the Lender agrees to return the amount of any excess to the Debtor (or to any other Person who may be entitled thereto under applicable law). The agreements in this Section 10.10 shall survive the repayment of all Secured Obligations.

10.11 Entire Agreement

This Agreement and the other Credit Documents constitutes the entire agreement of the parties hereto with respect to the matters set forth herein and supersede any prior agreements, commitments, drafts, communications, discussions and understandings, oral or written, with respect thereto.

10.12 Counterparts

This Agreement may be executed in several counterparts and delivered by facsimile or other electronic transmission, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement.

10.13 Termination

Upon indefeasible payment and performance in full of all Secured Obligations, the security interests created by this Agreement shall terminate and the Lender shall execute and deliver to the Debtor, at the Debtor’s sole cost and expense, such documents and instruments reasonably requested by the Debtor as shall be necessary to evidence termination of all security interests given by the Debtor to the Lender hereunder.

10.14 Indemnity

The Debtor hereby agrees to indemnify the Lender, and its successors, assigns, Lenders and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all reasonable expenses of litigation or preparation therefor whether or not the Lender is a party thereto) imposed on, incurred by or asserted against the Lender, or its successors, assigns, Lenders and employees, in any way relating to or arising out of this Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use,

operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Lender or the Debtor, and any claim for patent, trade-mark or copyright infringement), except for the gross negligence or wilful misconduct of the Lender.

10.15 Acknowledgement of Receipt

The Debtor acknowledges receipt of a copy of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF the undersigned has executed and delivered this Agreement under seal with effect as of the date first written above.

2581150 ONTARIO INC.

By: 
Name: 
Authorized Signing Officer

Signature page to General Security Agreement

SCHEDULE "A"
TRADE NAMES, AMALGAMATIONS AND PRIOR NAMES

Trade Names or Styles

1. **Thomas' Utopia Brand**
2. **www.thomasutopiabrand.com and www.thomascanning.com**

Amalgamations

3. **Nil.**

Other Prior Names

4. **Nil.**

This is Exhibit "K" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

Properties

<i>PIN</i>	75228 - 0009 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 28-29 CON 9 MAIDSTONE AS IN R305027, PT 2 12R9420; T/W R1042854; S/T MB18413; LAKESHORE; SUBJECT TO AN EASEMENT IN GROSS OVER PT. 1 12R24775 AS IN CE502602		
<i>Address</i>	MAIDSTONE		
<i>PIN</i>	75228 - 0005 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE		
<i>Address</i>	MAIDSTONE		
<i>PIN</i>	75228 - 0067 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686,		
<i>Address</i>	MAIDSTONE		
<i>PIN</i>	75016 - 0010 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3, 4 R423541; S/T MB18404; LAKESHORE		
<i>Address</i>	MAIDSTONE		
<i>PIN</i>	75016 - 0009 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355; LAKESHORE		
<i>Address</i>	372 SOUTH TALBOT RD MAIDSTONE		
<i>PIN</i>	75016 - 0021 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273 & PT 1 12R376; S/T R389219; LAKESHORE		
<i>Address</i>	3782 MAIDSTONE TOWNLINE RD MAIDSTONE		
<i>PIN</i>	75016 - 0019 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY) EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964; LAKESHORE		
<i>Address</i>	346 SOUTH TALBOT RD MAIDSTONE		

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 2581150 ONTARIO INC.
Address for Service 800 Swinbourne Drive
 Mississauga. ON L5V1J6
 Attention: Santokh Mahal

I, Santokh Mahal, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name SKYMARK FINANCE CORPORATION
Address for Service 46 Village Centre Place, 3rd Floor
 Mississauga, ON L4Z 1V9
 Attention: President

Statements

Schedule: See Schedules

Provisions

Principal \$3,005,000.00 *Currency* CDN
Calculation Period
Balance Due Date On Demand
Interest Rate

Provisions

Payments

Interest Adjustment Date

Payment Date

First Payment Date

Last Payment Date

Standard Charge Terms 200033

Insurance Amount full insurable value

Guarantor

Signed By

Monika Dylag 46 Village Centre Place acting for Signed 2017 07 07
Mississauga
L4Z 1V9
Chargor(s)

Tel 905-272-1900

Fax 905-272-1905

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

Submitted By

MERK INVESTMENTS LTD. 46 Village Centre Place 2017 07 07
Mississauga
L4Z 1V9

Tel 905-272-1900

Fax 905-272-1905

Fees/Taxes/Payment

Statutory Registration Fee \$63.35

Total Paid \$63.35

File Number

Chargor Client File Number : 125237

ADDITIONAL PROVISIONS

The following additional provisions shall be incorporated in the attached Charge/Mortgage of Land (the “**Charge/Mortgage of Land**”) between 2581150 Ontario Inc. (the “**Chargor**”) and Skymark Finance Corporation (the “**Chargee**”).

1. **PROMISE TO PAY**

The Chargor, for value received, hereby acknowledges itself indebted and promises to pay to the Chargee, on demand, all amounts now or hereafter owing by the Chargor to the Chargee, up to the maximum principal amount of Three Million, Five-Thousand Dollars (\$3,005,000) in lawful money of Canada and to pay interest thereon from the date hereof monthly on the first day of each and every month at the rate of twenty-five per cent (25%) per annum, calculated monthly, not in advance, as well after as before demand, and both before and after default, and both before and after judgment, in like money at the same place and to pay interest on overdue interest at the said rate.

2. **COLLATERAL SECURITY**

This Charge/Mortgage of Land is given by the Chargor to the Chargee as security for the payment and performance of all indebtedness, obligations and liabilities of the Chargor to the Chargee, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid or performed by the Chargor to the Chargee, whether incurred prior to, at the time of, or subsequent to the execution hereof, and whether otherwise secured or not and whether arising from agreement or dealings between the Chargor and the Chargee and whether incurred by the Chargor on its own behalf or on behalf of others and any unpaid balance thereof pursuant to:

- (a) credit facilities granted by the Chargee pursuant to a credit facility agreement dated July 7, 2017, among, *inter alia*, the Chargee, the Chargor, and Santokh Mahal (the “**Guarantor**”), as guarantor, as same may be further amended, modified, supplemented or replaced from time to time (collectively, the “**Loan Agreement**”);
- (b) a guarantee dated July 7, 2017 granted by the Guarantor in favour of the Chargee of the obligations of the Chargor under the Loan Agreement; and
- (c) all interest, commissions, legal and other costs, charges and expenses referenced in the Loan Agreement and all security and other instruments delivered pursuant thereto (including without limitation this Charge/Mortgage of Land)

(collectively the “**Secured Obligations**”).

Payment on account of the Loan Agreement and the Guarantee shall constitute payment *pro tanto* on account of this Charge/Mortgage of Land. Demand under the Loan Agreement or the Guarantee shall constitute demand under this Charge/Mortgage of Land without any other or further demand being made hereunder.

3. **INTERPRETATION**

In this Charge/Mortgage of Land:

- (a) “Charge/Mortgage of Land” means the Charge/Mortgage of Land to which this schedule is attached, the set of Standard Charge Terms filed as No. 200033 and this schedule, as the same may be amended, modified, supplemented, extended or replaced from time to time;
- (b) the term “Lands” or “lands” or “the said lands” as used herein, and the term “land” as used in the set of Standard Charge Terms filed as No. 200033, shall mean the fee simple estate of the Chargor in the lands described in the Charge/Mortgage of Land to which this schedule is attached, and shall include all tenements, hereditaments, appurtenances, buildings and structures now or hereafter erected thereon, and all easements and rights of way now or hereafter appurtenant thereto and any interest therein enjoyed by the Chargor;

(c) the term "Person" means an individual, a partnership, a corporation, a government or any department or agency thereof, a trustee, any unincorporated organization and the heirs, executors, administrators or other legal representatives of an individual, and words importing "Person" have similar meanings; and

(d) all headings inserted herein are for convenience of reference only and shall not limit or extend the meaning of the terms and provisions hereof.

4. PAYMENT - CURRENCY

Unless otherwise expressly provided, the Chargor shall make all payments pursuant hereto in Canadian dollars.

5. DEFAULT

Notwithstanding anything herein contained to the contrary, if any default occurs pursuant to this Charge/Mortgage of Land and/or any of the Secured Obligations, as determined by the Chargee, the Chargee may, by notice to Chargor, declare any or all of the Secured Obligations to be immediately due and payable whereupon all such indebtedness shall immediately become and be due and payable without further demand or other notice of any kind, all of which are expressly waived by the Chargor, and all rights and remedies hereunder, in law, in equity or otherwise of the Chargee shall thereupon become enforceable by the Chargee.

The Chargee may, by notice to the Chargor, waive any default of the Chargor on such terms and conditions as the Chargee may determine, but no such waiver shall be taken to affect any subsequent default or the rights resulting therefrom.

6. RIGHTS AND REMEDIES

Upon the rights and remedies of the Chargee hereunder becoming enforceable:

(a) The Chargee may by instrument in writing appoint any person or persons, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver or receivers of all or any part of the lands subject to this Charge/Mortgage of Land and may remove any receiver or receivers so appointed and may appoint another or others in his or their stead. Any such receiver shall, so far as concerns responsibility for his acts, be deemed the Chargee of the Chargor and in no event the Chargee of the Chargee, and the Chargee shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such receiver. Subject to the provisions of the instrument appointing such receiver, any such receiver or receivers so appointed shall have power to take possession of the lands subject to this Charge/Mortgage of Land or any part thereof and to carry on or concur in carrying on the business of the Chargor therein conducted and to sell or concur in selling all or any part of the land subject to this Charge/Mortgage of Land. Except as may be otherwise directed by the Chargee, all moneys from time to time received by such receiver shall be in trust for and paid over to the Chargee. The rights and powers conferred by this paragraph are supplemental to and not in substitution for any rights or powers that the Chargee may from time to time have as the Chargee under this Charge/Mortgage of Land, and every such receiver may in the discretion of the Chargee be vested with all or any of the rights and powers of the Chargee. The term "receiver", as used in this Charge/Mortgage of Land, includes a receiver and manager; and/or

(b) To the extent permitted by law, the Chargee may immediately take possession of the land subject to this Charge/Mortgage of Land and may, either before or after any entry, and either before or after giving any notice, immediately lease the land subject to this Charge/Mortgage of Land or any part thereof and/or sell or otherwise dispose of the land subject to this Charge/Mortgage of Land or any part thereof either as a whole or in separate parcels at public auction or by tender or by private sale at such time or times as the Chargee may determine, and may make such sale, either for cash or credit or part cash and part credit, and with or without advertisement, and with or without a reserve bid, as the Chargee may deem proper, and the Chargee may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the said lands or any part thereof good and sufficient deed or deeds for the same, the Chargee being hereby constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such

deeds, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Chargor and all other persons claiming any interest in the land subject to this Charge/Mortgage of Land or any part thereof by, from, through or under the Chargor. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by any express notice that any sale or lease is improper and to the extent permitted by law no want of notice or publication shall invalidate any sale or lease hereunder; and/or

(c) The Chargee may borrow money on the security of the land subject to this Charge/Mortgage of Land in priority to the security constituted by the Charge/Mortgage of Land for the purpose of maintaining, preserving or protecting the land subject to this Charge/Mortgage of Land or any part thereof or carrying on all or any part of the business of the Chargor relating to the said land; and/or

(d) Upon the Chargor receiving notice from the Chargee of the taking of possession of the land subject to this Charge/Mortgage of Land or the appointment of a receiver, all the powers, functions, rights and privileges of each of the directors and officers of the Chargor with respect to the said lands shall, to the extent permitted by law, cease, unless specifically continued by the written consent of the Chargee; however, all other powers, functions, rights and privileges of such directors shall be unaffected by such events; and/or

(e) For greater certainty, the parties hereto agree that in addition to, and not in substitution for, all the rights and remedies of the Chargee at law or contained herein, the Chargee may, upon the rights and remedies of the Chargee hereunder becoming enforceable, subject to the rights of prior encumbrancers, mortgagees and chargees of the said lands:

- (i) foreclose all the right, title and interest in the equity of redemption of the Chargor to and in the said lands;
- (ii) immediately enter into and take possession of the said lands free from all manner of former conveyances, mortgages, charges or encumbrances without the let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever; and/or

(f) The Chargee or any Chargee or representative thereof may become purchaser at any sale of any of the land subject to this Charge/Mortgage of Land whether made under the power of sale herein contained or pursuant to foreclosure or other judicial proceedings.

(g) The Chargor expressly agrees that the rights and remedies of the Chargee hereunder are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Chargee of any right or remedy for a default or breach of any term, covenant or condition in this Charge/Mortgage of Land does not waive, alter, affect or prejudice any other right or remedy to which the Chargee may be lawfully entitled for the same default or breach. Any waiver by the Chargee of the strict observance, performance or compliance with any term, covenant or condition of this Charge/Mortgage of Land is not a waiver of any subsequent default and any indulgence by the Chargee with respect to any failure to strictly observe, perform or comply with any term, covenant or condition of this Charge/Mortgage of Land is not a waiver of the entire term, covenant or condition or any subsequent default. No delay or omission of the Chargee to exercise any remedy or right hereunder or at law, in equity or otherwise, shall impair any such remedy or shall be construed to be a waiver of any default hereunder or acquiescence therein.

7. MORTGAGE NOT TO BE VOID

In addition to, and not in substitution for, any other provision of this Charge/Mortgage of Land and notwithstanding Subsection 6(2) of the *Land Registration Reform Act (Ontario)*, the parties hereto agree that this Charge/Mortgage of Land shall not be void unless the Chargor shall pay or cause to be paid to the Chargee the Secured Obligations and shall otherwise observe and perform the terms hereof and unless all credit facilities granted in connection with the Secured Obligations shall have been cancelled and terminated.

8. OTHER SECURITY/PAYMENTS RECEIVED

This security is in addition to and not in substitution for any other security now or hereafter held by the Chargee in respect of the Secured Obligations. No rights or remedies of the

transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of transmission. For the purposes of this Charge/Mortgage of Land, "Banking Day" shall mean any day other than a Saturday, Sunday or statutory holiday in Canada, on which banks generally are open for business in Toronto, Ontario. Any communication which is transmitted by facsimile shall on the day of such transmission be mailed by regular mail to the party to whom the communication has been faxed.

12. RESTRICTIVE COVENANTS

The Chargor hereby covenants and agrees with the Chargee as follows:

- (a) **Encumbrances.** The Chargor shall not enter into or grant, create, assume or suffer to exist any mortgage, charge, assignment, pledge, lien or other security interest or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise) that secures the payment of any indebtedness or liability or the observance or performance of any obligations (including any agreement to give any of the foregoing and any filing of or agreement to give any financing statement under the *Personal Property Security Act* of Ontario or any similar action) affecting the land subject to this Charge/Mortgage of Land except as otherwise permitted in accordance with the terms of the Loan Agreement or the Guarantee or any personal property used in connection therewith, which would rank in priority to or *pari passu* with this Charge/Mortgage of Land.
- (b) **Sale.** The Chargor shall not sell and shall not suffer or permit the sale or other disposition of the land subject to this Charge/Mortgage of Land without prior written consent of the Chargee, which consent may be withheld in Chargee's sole discretion. If such consent is not obtained and such transfer occurs, such transfer will be deemed to be a default pursuant to paragraph 5 hereof.

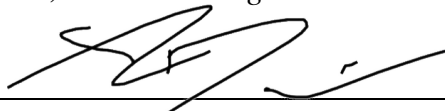
13. GENERAL

- (a) The Secured Obligations shall be paid and shall be assignable free from any right of set-off or counterclaim or equities between the Chargor and the Chargee.
- (b) If for any reason whatsoever any term, covenant or condition of this Charge/Mortgage of Land, or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition:
 - (i) is deemed to be independent of the remainder of this Charge/Mortgage of Land and to be severable and divisible therefrom and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this Charge/Mortgage of Land or any part thereof; and
 - (ii) continues to be applicable to and enforceable to the fullest extent permitted by law against any Person and circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.
- (c) This Charge/Mortgage of Land and all its provisions shall enure to the benefit of the Chargee and its successors and assigns and shall be binding upon the Chargor and its successors and assigns.
- (d) This Charge/Mortgage of Land shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada.
- (e) In the event of any conflict or inconsistency between the provisions of this Schedule and those contained in the Standard Charge Terms filed as No. 200033, the relevant provisions of this Schedule shall prevail and be paramount. In the event of any conflict or inconsistency between the provisions of this Charge/Mortgage of Land and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount. If any

covenant or event of default contained in this Charge/Mortgage of Land is in conflict with or is inconsistent with a provision of the Loan Agreement relating to the same specific matter, such covenant or event of default shall be deemed to be amended to the extent necessary to ensure that it is not in conflict with or inconsistent with the provision of the Loan Agreement relating to the same specific matter.

29677766.2

This is Exhibit "L" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co 'F tkgf i gt'

*NUQ%994; 8H+

RUN NUMBER : 095
RUN DATE : 2024/04/04
ID : 20240404193704.07

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(8095)

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 2581150 ONTARIO INC.

FILE CURRENCY : 03APR 2024

ENQUIRY NUMBER 20240404193704.07 CONTAINS 5 PAGE(S), 2 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THORNTON GROUT FINNIGAN LLP - ROXANA MANEA
100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj6 05/2022)

CONTINUED... 2

Ontario 

RUN NUMBER : 095
RUN DATE : 2024/04/04
ID : 20240404193704.07

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(8096)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2581150 ONTARIO INC.
FILE CURRENCY : 03APR 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
502370991

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20240131 1719 1590 8948	P PPSA	5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME 2581150 ONTARIO INC.

04 ADDRESS 46 VILLAGE CENTRE PLACE, 3RD FLOOR MISSISSAUGA ON L4Z 1V9
ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / 2305145 ONTARIO INC.

09 LIEN CLAIMANT ADDRESS 300-46 VILLAGE CENTRE PLACE MISSISSAUGA ON L4Z 1V9

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

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING FASKEN MARTINEAU DUMOULIN LLP (J.LAW/ N.GATES/285937.00015)

17 AGENT ADDRESS 2400-333 BAY STREET TORONTO ON M5H 2T6

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1iv 05/2022)



RUN NUMBER : 095
RUN DATE : 2024/04/04
ID : 20240404193704.07

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(8097)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2581150 ONTARIO INC.
FILE CURRENCY : 03APR 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF PAGES	TOTAL MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	
01	001	1	20240229 0955 1590 2568		
21	RECORD REFERENCED	FILE NUMBER	502370991		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED D ASSIGNMENT	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	2581150 ONTARIO INC.		
25	OTHER CHANGE REASON/ DESCRIPTION				
02/05	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
03/06	TRANSFEE	BUSINESS NAME			
04/07	ADDRESS	ONTARIO CORPORATION NO.			
29	ASSIGNOR	2305145 ONTARIO INC.			
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	BRIDGING FINANCE INC., AS AGENT			
09	ADDRESS	77 KING STREET WEST, SUITE 2925	TORONTO	ON	M5K 1K7
10	COLLATERAL CLASSIFICATION	CONSUMER GOODS	MOTOR VEHICLE	DATE OF MATURITY	NO FIXED MATURITY DATE
11	MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.
12	GENERAL DESCRIPTION				
13	REGISTERING AGENT OR	THORNTON GROUT FINNIGAN LLP (GBM/AD)			
14	SECURED PARTY/LIEN CLAIMANT	ADDRESS	3200-100 WELLINGTON STREET WEST	TORONTO	ON M5K 1K7

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

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)



RUN NUMBER : 095
RUN DATE : 2024/04/04
ID : 20240404193704.07

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(8098)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2581150 ONTARIO INC.
FILE CURRENCY : 03APR 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
789442668

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	1		20221220 1112 1590 3993	P PPSA	5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME 2581150 ONTARIO INC.

04 ADDRESS 46 VILLAGE CENTRE PLACE, 3RD FLOOR MISSISSAUGA ON L4Z 1V9
ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME
07 ADDRESS
ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT BRIDGING FINANCE INC., AS AGENT

09 ADDRESS 77 KING STREET WEST, SUITE 2925 TORONTO ON M5K 1K7

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

11 MOTOR VEHICLE YEAR MAKE MODEL VIN

13 GENERAL THIS IS A RE-REGISTRATION OF PPSA REGISTRATION NO. 20170628 1205 1793
14 COLLATERAL 7507, FILE NO. 729228348.
15 DESCRIPTION

16 REGISTERING AGENT THORNTON GROUT FINNIGAN LLP (GBM/AD)
17 ADDRESS 3200-100 WELLINGTON STREET WEST TORONTO ON M5K 1K7

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

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crjfv 05/2022)



RUN NUMBER : 095
RUN DATE : 2024/04/04
ID : 20240404193704.07

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(8099)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 2581150 ONTARIO INC.
FILE CURRENCY : 03APR 2024

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
502370991	20240131 1719 1590 8948	20240229 0955 1590 2568		
789442668	20221220 1112 1590 3993			

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

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj6 05/2022)

Ontario 

This is Exhibit "M" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

Properties

PIN 75016 - 0009 LT
Description PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355; LAKESHORE
Address 372 SOUTH TALBOT RD
 ESSEX

PIN 75016 - 0010 LT
Description PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3, 4
 R423541; S/T MB18404; LAKESHORE
Address ESSEX

PIN 75016 - 0019 LT
Description PT LT 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY)
 EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964;
 LAKESHORE
Address 346 SOUTH TALBOT RD
 ESSEX

PIN 75016 - 0021 LT
Description PT LT 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273 & PT 1
 12R376; S/T R389219; LAKESHORE
Address 3782 MAIDSTONE TOWNLINE RD
 ESSEX

PIN 75228 - 0005 LT
Description PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE
Address ESSEX

PIN 75228 - 0067 LT
Description PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686,
Address ESSEX

PIN 75228 - 0095 LT
Description PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; SUBJECT
 TO AN EASEMENT AS IN MB18413; TOGETHER WITH AN EASEMENT AS IN
 R1042854; TOWN OF LAKESHORE
Address ESSEX

PIN 75228 - 0097 LT
Description PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE;
 TOGETHER WITH AN EASEMENT AS IN R1042854; SUBJECT TO AN EASEMENT AS
 IN MB18413; SUBJECT TO AN EASEMENT AS IN CE502602; TOWN OF LAKESHORE
Address ESSEX

Source Instruments

Registration No.	Date	Type of Instrument
CE780575	2017 07 07	Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name 2305145 ONTARIO INC.
Address for Service c/o 200 Bay Street, Suite 2900, Box 22
 Toronto, Ontario, M5J 2J1

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.

Transferee(s) *Capacity* *Share*

Name BRIDGING FINANCE INC.
Address for Service c/o 18 York Street, Suite 2500, Toronto, Ontario, M5J 0B2

Statements

The chargee transfers the selected charge for \$2.00.
 The chargee transfers 100% of the selected charge.
 The party executing this document is one and the same as SKYMARK FINANCE CORPORATION and the document evidencing the change of name was registered as number CE1154149 on October 2, 2023.
 This document relates to registration number(s)CE780575, CE780582, and CE780712.

Signed By

Laurel Deland 1500-151 Yonge St. acting for Signed 2024 04 10
Toronto Transferor(s)
M5C 2W7

Tel 416-863-1188

Fax 416-863-0305

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

Laurel Deland 1500-151 Yonge St. acting for Signed 2024 04 10
Toronto Transferee(s)
M5C 2W7

Tel 416-863-1188

Fax 416-863-0305

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

Submitted By

TORKIN MANES LLP 1500-151 Yonge St. 2024 04 10
Toronto
M5C 2W7

Tel 416-863-1188

Fax 416-863-0305

Fees/Taxes/Payment

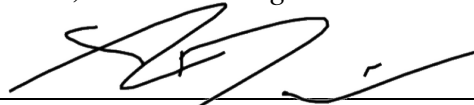
Statutory Registration Fee \$69.95

Total Paid \$69.95

File Number

Transferor Client File Number : 28955-07

This is Exhibit "N" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co 'F tkgf i gt'

*NUQ%994; 8H+

PROPERTY DESCRIPTION: PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355; LAKESHORE

PROPERTY REMARKS: RECENTLY 01417-0002.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK & PIN

PIN CREATION DATE:
2002/04/29

OWNERS' NAMES
2581150 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/04/26 **</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: 2002/04/29 **</p>						
MB18355	1948/11/23	TRANSFER EASEMENT			BELL TELEPHONE CO. OF CANADA	C
		REMARKS: SKETCH ATTACHED.				
R1042301	1988/04/07	NOTICE OF CLAIM				C
R1119864	1990/02/26	TRANSFER		*** COMPLETELY DELETED ***	692194 ONTARIO LIMITED	
LT350740	2002/06/03	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	ROYAL BANK OF CANADA	
CE216178	2006/05/29	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED	BALL METAL PACKAGING SALES CORP.	
CE271497	2007/05/07	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	FARM CREDIT CANADA	

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE272375	2007/05/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	REMARKS: RE: LT350740					
CE493535	2011/10/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.		
	REMARKS: CE216178.					
CE629634	2014/09/29	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	CALLIDUS CAPITAL CORPORATION	
CE632110	2014/10/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
	REMARKS: CE271497.					
CE665518	2015/07/03	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
CE665523	2015/07/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
	REMARKS: CE665518.					
CE665619	2015/07/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALLIDUS CAPITAL CORPORATION		
	REMARKS: CE629634.					
CE780572	2017/07/07	APL VESTING ORDER	\$3,005,000	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	2581150 ONTARIO INC.	C
CE780575	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780576	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780582	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
	REMARKS: CE780575					
CE780583	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
	REMARKS: CE780576					
CE780712	2017/07/10	POSTPONEMENT		BRIDGING FINANCE INC.	SKYMARK FINANCE CORPORATION	C
	REMARKS: CE780576 TO CE780582					

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE1060994	2022/02/10	CAUTION-NOTICE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
		REMARKS: EXPIRES 60 DAYS FROM 2022/02/10. (CE1060994 DELETED BY J.D. 2022/04/14)				
CE1115276	2022/12/12	CERTIFICATE		THOMAS CANNING (MAIDSTONE) LIMITED		C
		REMARKS: PENDING LITIGATION				
CE1133216	2023/05/05	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	ALVAREZ & MARSAL CANADA INC.	C
CE1154149	2023/10/02	APL CH NAME INST		SKYMARK FINANCE CORPORATION	2305145 ONTARIO INC.	C
		REMARKS: CE780575.				
CE1176474	2024/04/10	TRANSFER OF CHARGE		2305145 ONTARIO INC.	BRIDGING FINANCE INC.	
		REMARKS: CE780575.				

PROPERTY DESCRIPTION: PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3, 4 R423541; S/T MB18404; LAKESHORE

PROPERTY REMARKS: RECENTLY 01417-0002.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK & PIN

PIN CREATION DATE:
2002/04/29

OWNERS' NAMES
2581150 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/04/26 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/04/29 **						
MB18404	1949/01/21	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA	C
R305027	1964/06/09	TRANSFER		*** COMPLETELY DELETED ***	THOMAS CANNING (MAIDSTONE) LIMITED	
R1020280	1987/08/14	CHARGE		*** COMPLETELY DELETED ***	CANADIAN IMPERIAL BANK OF COMMERCE	
R1032831	1987/12/15	AGR AM CH		*** COMPLETELY DELETED ***		
REMARKS: R1020280						
R1073182	1989/01/09	NOTICE OF CLAIM				C
REMARKS: MB18404						
LT350740	2002/06/03	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	ROYAL BANK OF CANADA	

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
LT356347	2002/07/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
		REMARKS: RE: R1020280				
CE216188	2006/05/29	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED	BALL METAL PACKAGING SALES CORP.	
CE271497	2007/05/07	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	FARM CREDIT CANADA	
CE271498	2007/05/07	NO SEC INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
CE271499	2007/05/07	POSTPONEMENT		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.	FARM CREDIT CANADA	
		REMARKS: CE216188 TO CE271497				
CE272375	2007/05/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		REMARKS: RE: LT350740				
CE493534	2011/10/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.		
		REMARKS: CE216188.				
CE629634	2014/09/29	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	CALLIDUS CAPITAL CORPORATION	
CE632110	2014/10/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
		REMARKS: CE271497.				
CE632115	2014/10/16	DISCHARGE INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
		REMARKS: CE271498.				
CE665518	2015/07/03	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
CE665523	2015/07/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED ***		

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.

LAND
REGISTRY
OFFICE #12

75016-0010 (LT)

PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:40:01

* 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
				THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
		REMARKS: CE665518.				
CE665619	2015/07/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALLIDUS CAPITAL CORPORATION		
		REMARKS: CE629634.				
CE780572	2017/07/07	APL VESTING ORDER	\$3,005,000	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	2581150 ONTARIO INC.	C
CE780575	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780576	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780582	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
		REMARKS: CE780575				
CE780583	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
		REMARKS: CE780576				
CE780712	2017/07/10	POSTPONEMENT		BRIDGING FINANCE INC.	SKYMARK FINANCE CORPORATION	C
		REMARKS: CE780576 TO CE780582				
CE1060994	2022/02/10	CAUTION-NOTICE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
		REMARKS: EXPIRES 60 DAYS FROM 2022/02/10. (CE1060994 DELETED BY J.D. 2022/04/14)				
CE1115276	2022/12/12	CERTIFICATE		THOMAS CANNING (MAIDSTONE) LIMITED		C
		REMARKS: PENDING LITIGATION				
CE1133216	2023/05/05	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	ALVAREZ & MARSAL CANADA INC.	C
CE1154149	2023/10/02	APL CH NAME INST		SKYMARK FINANCE CORPORATION	2305145 ONTARIO INC.	C
		REMARKS: CE780575.				
CE1176474	2024/04/10	TRANSFER OF CHARGE		2305145 ONTARIO INC.	BRIDGING FINANCE INC.	
		REMARKS: CE780575.				

LAND
REGISTRY
OFFICE #12

75016-0019 (LT)

PAGE 1 OF 4
PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:40:44

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

PROPERTY DESCRIPTION: PT LT 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY) EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964; LAKESHORE

PROPERTY REMARKS: RECENTLY 01417-0002 TO 01417-0003. PLANNING ACT CONSENT AS IN R304214.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK & PIN

PIN CREATION DATE:
2002/04/29

OWNERS' NAMES
2581150 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/04/26 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/04/29 **						
MB18409	1949/01/21	TRANSFER EASEMENT			BELL TELEPHONE CO. OF CAN.	C
MB18414	1949/02/01	TRANSFER EASEMENT			BELL TELEPHONE CO. OF CANADA	C
REMARKS: SKETCH ATTACHED.						
R305027	1964/06/09	TRANSFER		*** COMPLETELY DELETED ***	THOMAS CANNING (MAIDSTONE) LIMITED	
R463774	1970/03/10	TRANSFER		*** COMPLETELY DELETED ***	THOMAS CANNING (MAIDSTONE) LIMITED	
R645962	1975/10/16	TRANSFER		*** COMPLETELY DELETED ***	THOMAS CANNING (MAIDSTONE) LIMITED	
12R7427	1984/01/20	PLAN REFERENCE				C
R902964	1984/03/08	AGR RIGHT OF WAY		*** COMPLETELY DELETED ***		

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
R1020280	1987/08/14	CHARGE		*** COMPLETELY DELETED ***	CANADIAN IMPERIAL BANK OF COMMERCE	
R1032831	1987/12/15	AGR AM CH		*** COMPLETELY DELETED ***		
		REMARKS: R1020280				
R1073173	1989/01/09	NOTICE OF CLAIM				C
		REMARKS: MB18414				
R1073175	1989/01/09	NOTICE OF CLAIM				C
		REMARKS: MB18409				
R1497830	2000/08/21	AGREEMENT		THE TOWN OF LAKESHORE	THOMAS CANNING (MAIDSTONE) LTD	C
LT350740	2002/06/03	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	ROYAL BANK OF CANADA	
LT356347	2002/07/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
		REMARKS: RE: R1020280				
CE164867	2005/08/18	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED	ROYAL BANK OF CANADA	
CE216188	2006/05/29	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED	BALL METAL PACKAGING SALES CORP.	
CE271496	2007/05/07	APL (GENERAL)		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
		REMARKS: DELETE EXECUTION NO. 98-01113				
CE271497	2007/05/07	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	FARM CREDIT CANADA	
CE271498	2007/05/07	NO SEC INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
CE271499	2007/05/07	POSTPONEMENT		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.	FARM CREDIT CANADA	

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		<i>REMARKS: CE216188 TO CE271497</i>				
CE272374	2007/05/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		<i>REMARKS: RE: CE164867</i>				
CE272375	2007/05/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		<i>REMARKS: RE: LT350740</i>				
CE493534	2011/10/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.		
		<i>REMARKS: CE216188.</i>				
CE629634	2014/09/29	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	CALLIDUS CAPITAL CORPORATION	
CE632110	2014/10/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
		<i>REMARKS: CE271497.</i>				
CE632115	2014/10/16	DISCHARGE INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
		<i>REMARKS: CE271498.</i>				
CE665518	2015/07/03	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
CE665523	2015/07/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
		<i>REMARKS: CE665518.</i>				
CE665619	2015/07/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALLIDUS CAPITAL CORPORATION		
		<i>REMARKS: CE629634.</i>				
CE780572	2017/07/07	APL VESTING ORDER	\$3,005,000	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	2581150 ONTARIO INC.	C
CE780575	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C

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

LAND
REGISTRY
OFFICE #12

75016-0019 (LT)

PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:40:44

* 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
CE780576	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780582	2017/07/07	NO ASSGN RENT GEN <i>REMARKS: CE780575</i>		2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780583	2017/07/07	NO ASSGN RENT GEN <i>REMARKS: CE780576</i>		2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780712	2017/07/10	POSTPONEMENT <i>REMARKS: CE780576 TO CE780582</i>		BRIDGING FINANCE INC.	SKYMARK FINANCE CORPORATION	C
CE1060994	2022/02/10	CAUTION-NOTICE <i>REMARKS: EXPIRES 60 DAYS FROM 2022/02/10. (CE1060994 DELETED BY J.D. 2022/04/14)</i>		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
CE1115276	2022/12/12	CERTIFICATE <i>REMARKS: PENDING LITIGATION</i>		THOMAS CANNING (MAIDSTONE) LIMITED		C
CE1133216	2023/05/05	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	ALVAREZ & MARSAL CANADA INC.	C
CE1154149	2023/10/02	APL CH NAME INST <i>REMARKS: CE780575.</i>		SKYMARK FINANCE CORPORATION	2305145 ONTARIO INC.	C
CE1176474	2024/04/10	TRANSFER OF CHARGE <i>REMARKS: CE780575.</i>		2305145 ONTARIO INC.	BRIDGING FINANCE INC.	

PROPERTY DESCRIPTION: PT LT 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273 & PT 1 12R376; S/T R389219; LAKESHORE

PROPERTY REMARKS: RECENTLY 01417-0004.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK & PIN

PIN CREATION DATE:
2002/04/29

OWNERS' NAMES
2581150 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/04/26 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/04/29 **						
R389219	1967/07/20	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA	C
REMARKS: SKETCH ATTACHED.						
RD138	1969/06/27	PLAN REFERENCE				C
R720043	1977/12/22	TRANSFER		*** COMPLETELY DELETED ***	THOMAS CANNING (MAIDSTONE) LIMITED	
R720043Z	1977/12/22	REST COV APL ANNEX		*** COMPLETELY DELETED ***		
LT350740	2002/06/03	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	ROYAL BANK OF CANADA	
CE216188	2006/05/29	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED	BALL METAL PACKAGING SALES CORP.	
CE271497	2007/05/07	CHARGE		*** COMPLETELY DELETED ***		

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE271498	2007/05/07	NO SEC INTEREST		THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED *** COMPLETELY DELETED *** FARM CREDIT CANADA	FARM CREDIT CANADA	
CE271499	2007/05/07	POSTPONEMENT		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.	FARM CREDIT CANADA	
		<i>REMARKS: CE216188 TO CE271497</i>				
CE272375	2007/05/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		<i>REMARKS: RE: LT350740</i>				
CE493534	2011/10/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.		
		<i>REMARKS: CE216188.</i>				
CE629634	2014/09/29	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	CALLIDUS CAPITAL CORPORATION	
CE632110	2014/10/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
		<i>REMARKS: CE271497.</i>				
CE632115	2014/10/16	DISCHARGE INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
		<i>REMARKS: CE271498.</i>				
CE665518	2015/07/03	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
CE665523	2015/07/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
		<i>REMARKS: CE665518.</i>				
CE665619	2015/07/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALLIDUS CAPITAL CORPORATION		
		<i>REMARKS: CE629634.</i>				

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
CE780572	2017/07/07	APL VESTING ORDER	\$3,005,000	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	2581150 ONTARIO INC.	C
CE780575	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780576	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780582	2017/07/07	NO ASSGN RENT GEN <i>REMARKS: CE780575</i>		2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780583	2017/07/07	NO ASSGN RENT GEN <i>REMARKS: CE780576</i>		2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780712	2017/07/10	POSTPONEMENT <i>REMARKS: CE780576 TO CE780582</i>		BRIDGING FINANCE INC.	SKYMARK FINANCE CORPORATION	C
CE1060994	2022/02/10	CAUTION-NOTICE <i>REMARKS: EXPIRES 60 DAYS FROM 2022/02/10. (CE1060994 DELETED BY J.D. 2022/04/14)</i>		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
CE1115276	2022/12/12	CERTIFICATE <i>REMARKS: PENDING LITIGATION</i>		THOMAS CANNING (MAIDSTONE) LIMITED		C
CE1133216	2023/05/05	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	ALVAREZ & MARSAL CANADA INC.	C
CE1154149	2023/10/02	APL CH NAME INST <i>REMARKS: CE780575.</i>		SKYMARK FINANCE CORPORATION	2305145 ONTARIO INC.	C
CE1176474	2024/04/10	TRANSFER OF CHARGE <i>REMARKS: CE780575.</i>		2305145 ONTARIO INC.	BRIDGING FINANCE INC.	

PROPERTY DESCRIPTION: PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE

PROPERTY REMARKS: RECENTLY 01552-0003. PLANNING ACT CONSENT AS IN R442677.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK & PIN

PIN CREATION DATE:
2002/01/28

OWNERS' NAMES
2581150 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/01/25 **</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: 2002/01/28 **</p>						
R442677	1969/06/19	TRANSFER		*** COMPLETELY DELETED ***	THOMAS CANNING (MAIDSTONE) LIMITED	
LT350740	2002/06/03	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	ROYAL BANK OF CANADA	
CE216188	2006/05/29	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED	BALL METAL PACKAGING SALES CORP.	
CE271497	2007/05/07	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	FARM CREDIT CANADA	
CE271498	2007/05/07	NO SEC INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
CE271499	2007/05/07	POSTPONEMENT		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.	FARM CREDIT CANADA	

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.

LAND
REGISTRY
OFFICE #12

75228-0005 (LT)

PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:42:10

* 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
		REMARKS: CE216188 TO CE271497				
CE272375	2007/05/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		REMARKS: RE: LT350740				
CE493534	2011/10/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.		
		REMARKS: CE216188.				
CE629634	2014/09/29	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	CALLIDUS CAPITAL CORPORATION	
CE632110	2014/10/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
		REMARKS: CE271497.				
CE632115	2014/10/16	DISCHARGE INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
		REMARKS: CE271498.				
CE665518	2015/07/03	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
CE665523	2015/07/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
		REMARKS: CE665518.				
CE665619	2015/07/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALLIDUS CAPITAL CORPORATION		
		REMARKS: CE629634.				
CE780572	2017/07/07	APL VESTING ORDER	\$3,005,000	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	2581150 ONTARIO INC.	C
CE780575	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780576	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780582	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
		REMARKS: CE780575				

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.

LAND
REGISTRY
OFFICE #12

75228-0005 (LT)

PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:42:10

* 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
CE780583	2017/07/07	NO ASSGN RENT GEN <i>REMARKS: CE780576</i>		2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780712	2017/07/10	POSTPONEMENT <i>REMARKS: CE780576 TO CE780582</i>		BRIDGING FINANCE INC.	SKYMARK FINANCE CORPORATION	C
CE1060994	2022/02/10	CAUTION-NOTICE <i>REMARKS: EXPIRES 60 DAYS FROM 2022/02/10. (CE1060994 DELETED BY J.D. 2022/04/14)</i>		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
CE1115276	2022/12/12	CERTIFICATE <i>REMARKS: PENDING LITIGATION</i>		THOMAS CANNING (MAIDSTONE) LIMITED		C
CE1133216	2023/05/05	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	ALVAREZ & MARSAL CANADA INC.	C
CE1154149	2023/10/02	APL CH NAME INST <i>REMARKS: CE780575.</i>		SKYMARK FINANCE CORPORATION	2305145 ONTARIO INC.	C
CE1176474	2024/04/10	TRANSFER OF CHARGE <i>REMARKS: CE780575.</i>		2305145 ONTARIO INC.	BRIDGING FINANCE INC.	

LAND
REGISTRY
OFFICE #12

75228-0067 (LT)

PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:42:53

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

PROPERTY DESCRIPTION: PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686,

PROPERTY REMARKS: PLANNING ACT CONSENT AS IN CE52782.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 75228-0004

PIN CREATION DATE:
2004/03/20

OWNERS' NAMES
2581150 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2004/03/18 **</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: 2002/01/28 **</p>						
12R20686	2003/08/13	PLAN REFERENCE				C
CE52782	2004/01/06	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** CHAPMAN, PAMELA JEAN CHAPMAN, RICHARD ALAN	THOMAS CANNING (MAIDSTONE) LIMITED	
CE164867	2005/08/18	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED	ROYAL BANK OF CANADA	
CE216188	2006/05/29	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED	BALL METAL PACKAGING SALES CORP.	
CE271497	2007/05/07	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	FARM CREDIT CANADA	
CE271498	2007/05/07	NO SEC INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		

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.

LAND
REGISTRY
OFFICE #12

75228-0067 (LT)

PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:42:53

* 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
CE271499	2007/05/07	POSTPONEMENT		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.	FARM CREDIT CANADA	
	REMARKS: CE216188 TO CE271497					
CE272374	2007/05/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
	REMARKS: RE: CE164867					
CE493534	2011/10/31	DISCH OF CHARGE		*** COMPLETELY DELETED *** BALL METAL PACKAGING SALES CORP.		
	REMARKS: CE216188.					
CE629634	2014/09/29	CHARGE		*** COMPLETELY DELETED *** 692194 ONTARIO LIMITED THOMAS CANNING (MAIDSTONE) LIMITED	CALLIDUS CAPITAL CORPORATION	
CE632110	2014/10/16	DISCH OF CHARGE		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
	REMARKS: CE271497.					
CE632115	2014/10/16	DISCHARGE INTEREST		*** COMPLETELY DELETED *** FARM CREDIT CANADA		
	REMARKS: CE271498.					
CE665518	2015/07/03	CHARGE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
CE665523	2015/07/03	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED 692194 ONTARIO LIMITED	BRIDGING FINANCE INC.	
	REMARKS: CE665518.					
CE665619	2015/07/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALLIDUS CAPITAL CORPORATION		
	REMARKS: CE629634.					
CE780572	2017/07/07	APL VESTING ORDER	\$3,005,000	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	2581150 ONTARIO INC.	C
CE780575	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780576	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CE780582	2017/07/07	NO ASSGN RENT GEN <i>REMARKS: CE780575</i>		2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780583	2017/07/07	NO ASSGN RENT GEN <i>REMARKS: CE780576</i>		2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780712	2017/07/10	POSTPONEMENT <i>REMARKS: CE780576 TO CE780582</i>		BRIDGING FINANCE INC.	SKYMARK FINANCE CORPORATION	C
CE1060994	2022/02/10	CAUTION-NOTICE <i>REMARKS: EXPIRES 60 DAYS FROM 2022/02/10. (CE1060994 DELETED BY J.D. 2022/04/14)</i>		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
CE1115276	2022/12/12	CERTIFICATE <i>REMARKS: PENDING LITIGATION</i>		THOMAS CANNING (MAIDSTONE) LIMITED		C
CE1133216	2023/05/05	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	ALVAREZ & MARSAL CANADA INC.	C
CE1154149	2023/10/02	APL CH NAME INST <i>REMARKS: CE780575.</i>		SKYMARK FINANCE CORPORATION	2305145 ONTARIO INC.	C
CE1176474	2024/04/10	TRANSFER OF CHARGE <i>REMARKS: CE780575.</i>		2305145 ONTARIO INC.	BRIDGING FINANCE INC.	

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75228-0095 (LT)

PAGE 1 OF 2
PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:43:35

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

PROPERTY DESCRIPTION: PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; SUBJECT TO AN EASEMENT AS IN MB18413; TOGETHER WITH AN EASEMENT AS IN R1042854; TOWN OF LAKESHORE

PROPERTY REMARKS: RECENTLY 01552-0001 TO 01552-0002. PLANNING ACT CONSENT AS IN R1042854. PLANNING ACT CONSENT AS IN R738515. WEST OF PART 1 EXPROPRIATION PLAN CE974512.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 75228-0009

PIN CREATION DATE:
2020/11/13

OWNERS' NAMES
2581150 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2020/11/13 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/01/28 **						
MB18413	1949/02/01	TRANSFER EASEMENT			BELL TELEPHONE CO. OF CANADA	C
R1073171	1989/01/09	NOTICE OF CLAIM				C
REMARKS: MB18413						
CE780572	2017/07/07	APL VESTING ORDER	\$3,005,000	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	2581150 ONTARIO INC.	C
CE780575	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780576	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780582	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
REMARKS: CE780575						
CE780583	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
REMARKS: CE780576						

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REGISTRY
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75228-0095 (LT)

PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:43:35

* 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
CE780712	2017/07/10	POSTPONEMENT		BRIDGING FINANCE INC.	SKYMARK FINANCE CORPORATION	C
		REMARKS: CE780576 TO CE780582				
12R27724	2019/03/14	PLAN REFERENCE				C
CE970375	2020/10/22	APL (GENERAL)		HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO, REPRESENTED BY THE MINISTER OF TRANSPORTATION FOR THE PROVINCE OF ONTARIO		C
		REMARKS: CERTIFICATE OF APPROVAL				
CE1060994	2022/02/10	CAUTION-NOTICE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
		REMARKS: EXPIRES 60 DAYS FROM 2022/02/10. (CE1060994 DELETED BY J.D. 2022/04/14)				
CE1115276	2022/12/12	CERTIFICATE		THOMAS CANNING (MAIDSTONE) LIMITED		C
		REMARKS: PENDING LITIGATION				
CE1167464	2024/01/19	LR'S ORDER		LAND REGISTRAR, ESSEX LAND REGISTRY OFFICE		C
		REMARKS: AMEND DESCRIPTION				
CE1174374	2024/03/21	LR'S ORDER		LAND REGISTRAR, ESSEX LAND REGISTRY OFFICE		C
		REMARKS: ADDS CE780575, CE780576, CE780582, CE780583, CE780712, 12R27724 AND CE970375				
CE1176474	2024/04/10	TRANSFER OF CHARGE		2305145 ONTARIO INC.	BRIDGING FINANCE INC.	
		REMARKS: CE780575.				

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REGISTRY
OFFICE #12

75228-0097 (LT)

PAGE 1 OF 2
PREPARED FOR ROXANA MANEA
ON 2024/04/10 AT 11:44:10

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

PROPERTY DESCRIPTION: PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; TOGETHER WITH AN EASEMENT AS IN R1042854; SUBJECT TO AN EASEMENT AS IN MB18413; SUBJECT TO AN EASEMENT AS IN CE502602; TOWN OF LAKESHORE

PROPERTY REMARKS: RECENTLY 01552-0001 TO 01552-0002. PLANNING ACT CONSENT AS IN R1042854. PLANNING ACT CONSENT AS IN R738515. WEST OF PARTS 2 & 3 EXPROPRIATION PLAN CE974512.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 75228-0009

PIN CREATION DATE:
2020/11/13

OWNERS' NAMES
2581150 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
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**DATE OF CONVERSION TO LAND TITLES: 2002/01/28 **						
MB18413	1949/02/01	TRANSFER EASEMENT			BELL TELEPHONE CO. OF CANADA	C
R1073171	1989/01/09	NOTICE OF CLAIM				C
REMARKS: MB18413						
CE502602	2012/01/11	TRANSFER EASEMENT	\$500	THOMAS CANNING (MAIDSTONE) LIMITED	HYDRO ONE NETWORKS INC.	C
CE780572	2017/07/07	APL VESTING ORDER	\$3,005,000	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST	2581150 ONTARIO INC.	C
CE780575	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
CE780576	2017/07/07	CHARGE	\$3,005,000	2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C
CE780582	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	SKYMARK FINANCE CORPORATION	C
REMARKS: CE780575						
CE780583	2017/07/07	NO ASSGN RENT GEN		2581150 ONTARIO INC.	BRIDGING FINANCE INC.	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
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12R27724	2019/03/14	PLAN REFERENCE				C
CE970375	2020/10/22	APL (GENERAL)		HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO, REPRESENTED BY THE MINISTER OF TRANSPORTATION FOR THE PROVINCE OF ONTARIO		C
CE1060994	2022/02/10	CAUTION-NOTICE		*** COMPLETELY DELETED *** THOMAS CANNING (MAIDSTONE) LIMITED		
CE1115276	2022/12/12	CERTIFICATE		THOMAS CANNING (MAIDSTONE) LIMITED		C
CE1167473	2024/01/19	LR'S ORDER		LAND REGISTRAR, ESSEX LAND REGISTRY OFFICE		C
CE1174374	2024/03/21	LR'S ORDER		LAND REGISTRAR, ESSEX LAND REGISTRY OFFICE		C
CE1176474	2024/04/10	TRANSFER OF CHARGE		2305145 ONTARIO INC.	BRIDGING FINANCE INC.	

This is Exhibit "O" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as the same may be amended, restated, supplemented or replaced, from time to time, this “**Agreement**”) is dated with effect as of this 7th day of July, 2017 and executed and delivered by **2581150 ONTARIO INC.** (the “**Debtor**”) to and in favour of **BRIDGING FINANCE INC.** as agent for **SPROTT BRIDGING INCOME FUND LP** under the Assumption Agreement (as defined below) (the “**Agent**”).

RECITALS:

- A. The Debtor is or is about to become indebted to the Agent pursuant to an assumption agreement among, *inter alios*, the Debtor and the Agent dated with effect as of the date hereof (as further amended, supplemented, replaced or restated from time to time, the “**Assumption Agreement**”); and
- B. As security for the obligations of the Debtor under the Assumption Agreement, the Agent has required the Debtor to grant to the Agent and to create a security interest in all personal property of the Debtor, as hereinafter provided as security for the payment and performance of the obligations and liabilities of the Debtor to the Agent.

NOW THEREFORE, pursuant to the Assumption Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor covenants and agrees to and in favour of the Agent as follows:

ARTICLE 1 - DEFINITIONS; INTERPRETATION

1.1 Defined Terms

Except as otherwise expressly provided herein, capitalized terms used in this Agreement but not defined herein shall have the meanings assigned to such terms in the Assumption Agreement. In this Agreement, unless the context expressly or by necessary implication otherwise requires, the following terms shall have the meanings set forth below:

“**Event of Default**” shall mean the issuance of a demand for repayment by the Agent.

“**Lien**” means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien or adverse right or claim or deemed trust (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

“**Permitted Encumbrances**” means, at any time, the following:

- (i) Liens for taxes not overdue, or which are being contested if adequate reserves with respect thereto are maintained in accordance with GAAP and the enforcement of any related Lien is stayed;

- (ii) undetermined or inchoate Liens arising in the ordinary course of business which relate to obligations not overdue or a claim for which has not been filed or registered pursuant to applicable law;
- (iii) carriers', warehousemens', mechanics', materialmens', repairmens' or other similar Liens arising in the ordinary course of business which relate to obligations not overdue;
- (iv) easements, rights of way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of business;
- (v) zoning and building by-laws and ordinances and municipal by laws and regulations so long as the same are complied with;
- (vi) statutory Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;
- (vii) the reservations and exceptions contained in, or implied by statute in, the original disposition from the Crown and grants made by the Crown of interests so reserved or excepted;
- (viii) equipment and/or vehicle leases in effect as of the date hereof, but for greater certainty, not any future purchase money security interests; and
- (ix) Liens consented to by the Agent and Liens created by the security.

"Person" includes a natural person, a partnership, a joint venture, a trust, a fund, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.

1.2 Terms Defined in Ontario Personal Property Security Act

Where applicable and except as defined herein, terms used herein shall have the meanings assigned to them in the *Personal Property Security Act* as the same may, from time to time, be in effect in the Province of Ontario (the "PPSA"). Such terms include: "accounts", "chattel paper", "documents of title", "equipment", "intangibles", "instruments", "inventory", "investment property", "money", "proceeds" and "security".

ARTICLE 2 - GRANT OF SECURITY INTEREST; COLLATERAL

2.1 Grant of Security Interest

As security for the payment and performance of the Secured Obligations (as defined in Section 3), the Debtor hereby grants to the Agent a security interest in, to and under all of its personal property, wherever located and whether now existing or hereafter acquired or arising, including, without limitation, the following property (collectively and severally, the "**Collateral**"):

- (a) all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefore, and subject to Section 6.3, dividends and income derived therefrom, all of which are herein called the "**Pledged Collateral**";
- (b) all accounts and book debts of the Debtor, chattel paper, documents of title, instruments, and intangibles of the Debtor, including all debts, dues, claims choses in action and demands of every nature and kind, howsoever arising or secured, including letters of credit, guarantees and advices of credit that are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all supporting obligations of any or all of the forgoing ("**Accounts**");
- (c) all inventory of the Debtor, including all merchandise, goods and other personal property that are held for sale or lease or that have been leased by the Debtor or that are to be furnished under a contract of service, all raw materials, work in process, materials used or consumed in the Debtor's business and finished goods, all goods in which the Debtor has an interest in mass or a joint or other interest or gifts of any kind (including goods in which the Debtor has an interest or right as consignee), and all goods which are returned to or repossessed by the Debtor, together with all additions and accessions thereto and replacements therefor and products thereof and documents therefor ("**Inventory**");
- (d) all equipment of the Debtor and all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor, including, all machinery, tools, dies, blueprints, catalogues, computer hardware and software, furniture, furnishings, vehicles and fixtures ("**Equipment**");
- (e) all Intellectual Property Collateral (as defined in Section 7.3);
- (f) all money maintained in a deposit or other account in the Debtor's name with any financial institution, and all certificates, instruments and other writings, if any,

from time to time representing, evidencing or deposited into such accounts, and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;

- (g) all now existing and hereafter arising contracts and agreements to which the Debtor is party (each, an “**Assigned Agreement**”), including, without limitation, all rights of the Debtor to receive moneys due and to become due under or pursuant to the Assigned Agreements, all rights of the Debtor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements, all claims of the Debtor for damages arising out of or for breach of or default under the Assigned Agreements, and all rights of the Debtor to terminate, amend, supplement or modify the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder; *provided, however*, that with respect to any such contract or agreement where the grant of a security interest in the Debtor’s right, title and interest therein is prohibited by the terms thereof, or would give any other party the right to terminate its obligations thereunder, or is not permitted because any necessary consent to such grant has not been obtained, the Collateral shall include only the rights of the Debtor to receive moneys due and to become due, if any, under or pursuant to such contract or agreement;
- (h) all books, records, writings, databases, information and other property relating to, used or useful in connection with, embodying, incorporating or referring to, any of the foregoing Collateral;
- (i) all cash and cash equivalents held by the Debtor not otherwise included in the foregoing Collateral; and
- (j) all products and proceeds of the foregoing Collateral (with the term “**proceeds**” having the meaning provided in the PPSA and also including any voluntary or involuntary disposition, and all rights to payment, including return premiums, with respect to any insurance).

2.2 Excluded Collateral

Notwithstanding Section 2.1, the Collateral shall not include: (a) any property held in trust by the Debtor and lawfully belonging to others, (b) the last day of the term of any lease of real property, provided that the Debtor shall stand possessed of such last day and shall assign and transfer such interest as instructed by the Agent; (c) the interests described in the proviso to Section 2.1(g); or with respect to Section 2.1(c), any consumer goods used as such by the Debtor.

2.3 Debtor Remains Liable

Anything herein to the contrary notwithstanding, (a) the Debtor shall remain liable under all Assigned Agreements, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed,

(b) the exercise by the Agent of any of the rights hereunder shall not release the Debtor from any of its duties or obligations under such Assigned Agreements, and (c) the Agent shall not have any obligation or liability under any Assigned Agreements by reason of this Agreement, nor shall the Agent be obligated to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

2.4 Continuing Security Interest

The Debtor agrees that this Agreement shall create a general collateral continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 10.14.

2.5 Attachment

The Debtor and the Agent intend that the security interest created hereby attaches to existing Collateral upon the execution of this Agreement and that the security interest will attach to Collateral acquired after the date of execution of this Agreement at the time that the Debtor acquires rights in that Collateral. The Debtor and the Agent agree that value has been given. The Debtor represents and warrants that it has rights in the existing Collateral.

ARTICLE 3 - SECURED OBLIGATIONS

3.1 Secured Obligations

The obligations secured by this Agreement shall consist of all indebtedness, obligations and liabilities of the Debtor to the Agent, including, without limitation, those arising under, in connection with, and relating to the Assumption Agreement, whether now existing or hereafter arising, as principal or surety, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred, together with all expenses (including reasonable legal fees on a solicitor and client basis) incurred by the Agent, any receiver, receiver-manager or Agent in the preparation, perfection and enforcement of security and other agreements held by the Agent in respect of such obligations and liabilities and interest thereon (all of which obligations, liabilities, expenses and interest are referred to collectively as the "Secured Obligations").

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

In addition to all representations and warranties of the Debtor set forth in the Assumption Agreement, which are incorporated herein by this reference, the Debtor hereby represents and warrants that:

4.1 Sole Owner

The Debtor is the sole owner of and has good and marketable title to the Collateral (or will be the sole owner of and will have good and marketable title to, in the case of after-acquired Collateral).

4.2 No Adverse Claim

No Person has (or, in the case of after-acquired Collateral, at the time the Debtor acquires rights therein, will have) any right, title, claim or interest (by way of security interest or other Encumbrance, adverse rights or claims or other encumbrances) in, against or to the Collateral other than Permitted Encumbrances.

4.3 Full Disclosure

All information herein supplied to the Agent by or on behalf of the Debtor with respect to the Collateral is accurate and complete in all material respects as of the date hereof.

4.4 Delivery of Collateral

The Debtor has delivered to the Agent all instruments and chattel paper and other items of Collateral in which a security interest is or may be perfected by possession, together with such additional writings, including assignments, with respect thereto as the Agent shall request.

4.5 Intellectual Property

All of the patents, trade-marks, and copyrights of the Debtor have been registered or applied to be registered with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office, as appropriate.

4.6 Chief Executive Office; Trade Names; Collateral Location; Records Location

The Debtor's chief executive office is in the Province of Ontario; the only trade name(s) or style(s) used by the Debtor are listed on **Schedule "A"**; and, the Debtor's records concerning the Collateral are located at its chief executive office. The Debtor has not, except as disclosed on **Schedule "A"** hereto, at any time in the past: (a) been known as or used any other corporate, trade or fictitious name; (b) changed its name; (c) been the surviving or resulting corporation in a merger or consolidation; or (d) acquired through asset purchase or otherwise any business of any Person.

4.7 Enforceability; Priority of Security Interest

(a) This Agreement creates a security interest which is enforceable against the Collateral in which the Debtor now has rights and will create a security interest which is enforceable against the Collateral in which the Debtor hereafter acquires rights at the time the Debtor acquires any such rights; and (b) other than Permitted Encumbrances, the Agent has a perfected and first priority security interest in the

Collateral, in which the Debtor now has rights, and will have a perfected and first priority security interest in the Collateral in which the Debtor hereafter acquires rights at the time the Debtor acquires any such rights, in each case securing the payment and performance of the Secured Obligations.

4.8 Rights to Payment

- (a) The Accounts and any and all of the Debtor's rights and claims to the payment or receipt of money or other forms of consideration of any kind in, to and under or with respect to its chattel paper, documents of title, intangibles, instruments, proceeds and supporting obligations (collectively, "**Rights to Payment**") represent valid, binding and enforceable obligations of the account debtors or other Persons obligated thereon, representing undisputed, *bona fide* transactions completed in accordance with the terms and provisions contained in any documents related thereto, and are genuine, free from any Lien and not subject to any adverse claims, counterclaims, setoffs, defaults, disputes, defenses, discounts, retainages, holdbacks or conditions precedent of any kind of character, except to the extent reflected by the Debtor's reserves for uncollectible Rights to Payment or to the extent, if any, that such account debtors or other Persons may be entitled to normal and ordinary course trade discounts, returns, adjustments and allowances in accordance with Section 5.13 or as otherwise disclosed to the Agent in writing;
- (b) to the best of the Debtor's knowledge, all account debtors and other obligors on the Rights to Payment are solvent and generally paying their debts as they come due;
- (c) all Rights to Payment comply with all applicable laws concerning form, content and manner of preparation and execution, including where applicable any federal or state consumer credit laws;
- (d) the Debtor has not assigned any of its rights under the Rights to Payment other than Permitted Encumbrances as provided in this Agreement or as set forth in the Assumption Agreement;
- (e) all statements made, all unpaid balances and all other information in the Debtor's books and other documentation relating to the Rights to Payment are true and correct and in all respects what they purport to be; and
- (f) the Debtor has no knowledge of any fact or circumstance which would impair the validity or collectibility of any of the Rights to Payment.

4.9 Inventory

No inventory is stored with any bailee, warehouseman or similar Person or on any premises leased to the Debtor, nor has any inventory been consigned to the Debtor or consigned by the Debtor to any Person or is held by the Debtor for any Person under any "bill and hold" or other arrangement, except as disclosed to the Agent in writing.

4.10 Equipment

- (a) none of the Equipment or other Collateral is affixed to real property except Collateral with respect to which the Debtor has supplied the Agent with all information and documentation necessary to make all fixture filings required to perfect and protect the priority of the Agent's security interest in all such Collateral which may be fixtures as against all Persons having an interest in the premises to which such property may be affixed; and
- (b) none of the Equipment is leased from or to any Person, except as otherwise disclosed to the Agent.

4.11 Valid Issuance of Pledged Collateral

All the Pledged Collateral have been, and upon issuance any Pledged Collateral will be, duly and validly issued, and are and will be fully paid and non assessable.

4.12 Capitalization of the Pledged Subsidiary

The Pledged Collateral constitutes 100% of the issued and outstanding shares of capital stock and other ownership interests of the various issuers owned by the Debtor (which, as of the date hereof, constitutes 100% of the issued and outstanding shares of capital stock and other ownership interests of each issuer).

4.13 Options, Warrants, Etc.

Other than pursuant to the Assumption Agreement, no securities convertible into or exchangeable for any shares of capital stock or other ownership interests of any issuer, or any options, warrants or other commitments entitling any Person to purchase or otherwise acquire any shares of capital stock or other ownership interests of any issuer, are issued and outstanding.

4.14 Transfer Restrictions

Subject to Permitted Encumbrances, there are no restrictions on the transferability of the Pledged Collateral to the Agent or with respect to the foreclosure, transfer or disposition thereof by the Agent.

4.15 Shareholders Agreements

Subject to Permitted Encumbrances, there are no shareholders, partners or members agreements, voting trusts, proxy agreements or other agreements or understandings which affect or relate to the voting or giving of written consents with respect to any of the Pledged Collateral.

4.16 Pledged Collateral

The Debtor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which the Debtor is a party relating to the Pledged Collateral pledged by it, and the Debtor is not in violation of any other provisions of any such agreement to which the Debtor is a party, or otherwise in default or violation thereunder. No Pledged Collateral pledged by the Debtor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against the Debtor by any Person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the organizational documents and certificates, if any, delivered to the Agent and the Agents) which evidence any Pledged Collateral of the Debtor.

4.17 No Violation of Securities Laws

None of the shares in the capital of the Debtor or the Pledged Collateral has been issued, converted or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which they may be subject.

4.18 Control Agreements

No control agreements exist with respect to any Collateral other than any control agreements in favour of the Agent.

4.19 Leases

The Debtor is not and will not become a lessee under any real property lease or enter into any customer agreement or other agreement governing the location of Collateral at the premises of another Person pursuant to which the lessor or such other Person may obtain any rights in any of the Collateral, and no such lease or other such agreement now prohibits, restrains, impairs or will prohibit, restrain or impair such Debtor's right to remove any Collateral from the premises at which such Collateral is situated, except for the usual and customary restrictions contained in such leases of real property.

ARTICLE 5 - COVENANTS AND AGREEMENTS

In addition to all covenants and agreements of the Debtor set forth in the Assumption Agreement, which are incorporated herein by this reference, the Debtor hereby agrees, at no cost or expense to the Agent:

5.1 Preservation of Security Interest

To do all acts (other than acts which are required to be done by the Agent) that may be necessary to maintain, preserve and protect the Collateral and the first (subject to Permitted Encumbrances) priority, perfected security interest of the Agent therein.

5.2 Actions and Proceedings

To appear in and defend any action or proceeding which may affect its title to or the Agent's interest in the Collateral.

5.3 Use of Collateral

Not to use any Collateral, or permit any Collateral to be used, unlawfully or in violation of any provision of this Agreement, any other agreement with the Agent related hereto, or any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Debtor or affecting any of the Collateral or any contractual obligation affecting any of the Collateral.

5.4 Shareholders Agreements

Except for the shareholders agreement existing as of the date hereof and disclosed to the Agent in writing, the Debtor has not entered and will not enter into any shareholders, partners or members agreement, voting trust, proxy agreement or other agreement or understanding which affects or relates to the voting or giving of written consents with respect to any of the shares in the capital of the Debtor or the Pledged Collateral without the prior written consent of the Agent.

5.5 Issuance of Additional Shares

The Debtor will not consent to or approve, or allow any subsidiary to consent to or approve, of the issuance to any person or entity of any additional shares of any class of capital stock or other ownership interests of the Debtor or any of its subsidiaries, or of any securities convertible into or exchangeable for any such shares or other ownership interests, or any warrants, options or other rights to purchase or otherwise acquire any such shares or other ownership interests, except as approved in writing by the Agent.

5.6 Transfer of Collateral; Liens

Not to surrender or lose possession of (other than to the Agent), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein except as expressly provided herein and in the Assumption Agreement, and to keep the Collateral free of all Liens except Permitted Encumbrances and as expressly permitted by the Assumption Agreement or otherwise approved in writing by the Agent; *provided, however,* that, unless an Event of Default shall have occurred, the Debtor may, in the ordinary course of business, sell or lease (provided it registers and perfects any primary lease or conditional sale agreement in accordance with applicable law) any Collateral consisting of inventory.

5.7 Delivery of Collateral

To account fully for and promptly deliver to the Agent, in the form received, all documents, chattel paper, all certificated securities with respect to investment property, instruments and agreements constituting Collateral hereunder, and all proceeds of the

Collateral received, all endorsed to the Agent or in blank, as requested by the Agent, and accompanied by such stock powers as appropriate and until so delivered all such documents, instruments, agreements and proceeds shall be held by the Debtor in trust for the Agent, separate from all other property of the Debtor.

5.8 Records

To keep separate, accurate and complete records of the Collateral and to provide the Agent with such records and such other reports and information relating to the Collateral as the Agent may reasonably request from time to time. To keep the records concerning the Collateral at the location(s) referred to in Section 4.6 and not to remove such records from such location(s) without the prior written consent of the Agent.

5.9 Chief Executive Office; Names

To give the Agent thirty (30) days' prior written notice of any change in the Debtor's chief executive office or legal name or trade name(s) or style(s).

5.10 Location of Collateral

To keep the Collateral at its current location(s) and not to remove the Collateral from such locations (other than disposals of Collateral expressly permitted by the Assumption Agreement).

5.11 Maintenance of Collateral

To keep the Collateral in good condition and repair (normal wear and tear excepted) and not to cause or permit any waste or unusual or unreasonable depreciation of the Collateral.

5.12 Leased Premises

At the Agent's request, to use commercially reasonable efforts to obtain from each Person from whom the Debtor leases any premises or supplies any customer at which any Collateral is at any time present such collateral access, subordination, waiver, consent and estoppel agreements as the Agent may require, in form and substance satisfactory to the Agent.

5.13 Rights to Payment

To:

- (a) with such frequency as the Agent may reasonably require, furnish to the Agent full and complete reports, in form and substance satisfactory to the Agent, with respect to the Accounts, including information as to concentration, aging, identity of account debtors, letters of credit securing Accounts, disputed Accounts and other matters, as the Agent shall request;

- (b) give only normal discounts, allowances and credits as to Accounts and other Rights to Payment, in the ordinary course of business, according to normal trade practices utilized by the Debtor in the past, and enforce all Accounts and other Rights to Payment strictly in accordance with their terms, and take all such action to such end as may from time to time be reasonably requested by the Agent, except that the Debtor may grant any extension of the time for payment or enter into any agreement to make a rebate or otherwise to reduce the amount owing on or with respect to, or compromise or settle for less than the full amount thereof, any Account or other Right to Payment, in the ordinary course of business, according to normal trade practices utilized by the Debtor in the past;
- (c) if any discount, allowance, credit, extension of time for payment, agreement to make a rebate or otherwise to reduce the amount owing on, or compromise or settle, an Account or other Right to Payment exists or occurs, or if, to the knowledge of the Debtor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to an Account or other Right to Payment, disclose such fact fully to the Agent in the books relating to such Account or other Right to Payment and in connection with any invoice or report furnished by the Debtor to the Agent relating to such Account or other Right to Payment;
- (d) if any Accounts arise from contracts with the United States or any department, agency or instrumentality thereof, or the government of Canada, immediately notify the Agent thereof and execute any documents and instruments and take any other steps requested by the Agent in order that all monies due and to become due thereunder shall be assigned to the Agent and notice thereof given to the appropriate authorities under the *Federal Assignment of Claims Act* of the United States of America or the *Financial Administration Act* of Canada;
- (e) in accordance with its sound business judgment, perform and comply in all material respects with its obligations in respect of the Accounts and other Rights to Payment;
- (f) upon the request of the Agent (i) at any time, notify all or any designated portion of the account debtors and other obligors on the Rights to Payment of the security interest hereunder, and (ii) upon the occurrence of an Event of Default, notify the account debtors and other obligors on the Rights to Payment or any designated portion thereof that payment shall be made directly to the Agent or to such other Person or location as the Agent shall specify; and
- (g) upon the occurrence of any Event of Default, establish such lockbox or similar arrangements for the payment of the Accounts and other Rights to Payment as the Agent shall require.

5.14 Inventory

To:

- (a) at such times as the Agent shall request or as may be required under the Assumption Agreement, prepare and deliver to the Agent a report of all Inventory, in form and substance satisfactory to the Agent;
- (b) upon the request of the Agent, take a physical listing of the Inventory and promptly deliver a copy of such physical listing to the Agent; and
- (c) not store any Inventory with a bailee, warehouseman or similar Person or on premises leased to the Debtor, nor dispose of any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or similar basis, nor acquire any Inventory from any Person on any such basis, without in each case giving the Agent prior written notice thereof.

5.15 License Agreement and Other Assigned Agreements

To:

- (a) deliver to the Agent, promptly upon request therefrom (i) copies of the Assigned Agreements and (ii) all material notices, requests and other documents received by the Agent in respect of the Assigned Agreements; *provided, however*, that the Debtor shall deliver to the Agent copies of all material notices, requests and other documents received by the Debtor in respect of the Assigned Agreements promptly upon receipt thereof and without the need for a specific request therefor from the Agent;
- (b) perform and observe, in all material respects, all terms and provisions of the Assigned Agreements to be performed or observed by it and enforce the Assigned Agreements in accordance with their terms; and
- (c) without the prior written consent of the Agent, not take any action to amend or terminate, or waive compliance with any of the terms of the Assigned Agreements.

ARTICLE 6 - AUTHORIZED ACTION BY THE AGENT; RIGHTS TO PAYMENT

6.1 Authorized Action by the Agent

The Debtor hereby agrees that following the occurrence of an Event of Default, without presentment, notice or demand, and without affecting or impairing in any way the rights of the Agent with respect to the Collateral, the obligations of the Debtor hereunder or the Secured Obligations, the Agent may, but shall not be obligated to and shall incur no liability to the Debtor or any third party for failure to, take any action that the Debtor is obligated by this Agreement to do and to exercise such rights and powers as the Debtor might exercise with respect to the Collateral, and the Debtor hereby irrevocably appoints the Agent as its attorney-in-fact to exercise such rights and powers, including, without limitation, the power and authority to:

- (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral;
- (b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral;
- (c) insure, process and preserve the Collateral;
- (d) transfer the Collateral to its own or its nominee's name;
- (e) make any compromise or settlement, and take any action it deems advisable, with respect to the Collateral; and
- (f) notify any obligor on any Collateral to make payment directly to the Agent.

The foregoing power of attorney is coupled with an interest and irrevocable so long as the Agent has any obligation to make any credit facility available or the Secured Obligations have not been indefeasibly paid and performed in full. The Debtor hereby ratifies, to the extent permitted by law, all that the Agent shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 6.1. The Debtor agrees to reimburse the Agent upon demand for any costs and expenses, including reasonable legal fees, the Agent may incur while acting as the Debtor's attorney-in-fact hereunder, all of which costs and expenses are included in the Secured Obligations.

6.2 Collection of Rights to Payment

Until the Agent exercises its rights hereunder to collect Rights to Payment, the Debtor shall endeavor in the first instance diligently to collect all amounts due or to become due on or with respect to the Rights to Payment. At the request of the Agent, upon and after the occurrence of any Event of Default, all remittances received by the Debtor shall be and shall be deemed to be held separate and apart and in trust exclusively for the Agent and, in accordance with the Agent's instructions, remitted to the Agent in the form received (with any necessary endorsements or instruments of assignment or transfer).

6.3 Investment Property and Instruments

Upon and after the occurrence of any Event of Default, the Agent shall be entitled to receive all distributions and payments of any nature with respect to any investment property or instruments, and all such distributions or payments received by the Debtor shall be and shall be deemed to be held separate and apart and in trust exclusively for the Agent and, in accordance with the Agent's instructions, remitted to the Agent in the form received (with any necessary endorsements or instruments of assignment or transfer). Following the occurrence of an Event of Default any such distributions and payments with respect to any investment property held in any securities account shall be held and retained in such securities account, in each case as part of the Collateral hereunder. Additionally, the Agent shall have the right, upon the occurrence of an Event of Default,

following prior written notice to the Debtor, to vote and to give consents, ratifications and waivers with respect to any investment property and instruments of the Debtor, and to exercise all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining thereto, as if the Agent were the absolute owner thereof; *provided* that the Agent shall have no duty to exercise any of the foregoing rights afforded to it and shall not be responsible to the Debtor or any other Person for any failure to do so or delay in doing so.

ARTICLE 7 - ADDITIONAL PROVISIONS REGARDING INTELLECTUAL PROPERTY

7.1 Additional Representations and Warranties

The Debtor represents and warrants to the Agent as follows:

- (a) Except as disclosed to the Agent in the Assumption Agreement, the Debtor (directly or through any subsidiary) does not own, possess or use under any licensing arrangement any patents, copyrights, trade-marks, service marks or trade names, nor is there currently pending before any governmental authority any application for registration of any patent, copyright, trade-mark, service mark or trade name;
- (b) all patents, copyrights, trade-marks, service marks and trade names are subsisting and have not been adjudged invalid or unenforceable in whole or in part;
- (c) all maintenance fees required to be paid on account of any patents have been timely paid for maintaining such patents in force, and, to the best of the Debtor's knowledge, each of the patents is valid and enforceable and the Debtor has notified the Agent in writing of all prior disputes, sales and licenses (including public uses and sales) of which it is aware;
- (d) to the best of the Debtor's knowledge after due inquiry, no material infringement or unauthorized use presently is being made of any Intellectual Property Collateral by any Person;
- (e) the Debtor is the sole and exclusive owner of the Intellectual Property Collateral and the past, present and contemplated future use of such Intellectual Property Collateral by the Debtor has not, does not and will not infringe or violate any right, privilege or license agreement of or with any other Person; and
- (f) the Debtor owns, has material rights under, is a party to, or an assignee of a party to all material licenses, patents, patent applications, copyrights, service marks, trade-marks, trade-mark applications, trade names and all other Intellectual Property Collateral necessary to continue to conduct its business as heretofore conducted.

7.2 Additional Covenants

The Debtor will:

- (a) not allow or suffer any Intellectual Property Collateral to become abandoned, nor any registration thereof to be terminated, forfeited, expired or dedicated to the public, except as shall be reasonable and appropriate in accordance with prudent business practice;
- (b) promptly give the Agent notice of any rights the Debtor may obtain to any new patentable inventions, copyrightable works or other new Intellectual Property Collateral, prior to the filing of any application for registration thereof;
- (c) without limiting the generality of clause (b), not register with the U.S. Copyright Office or the Canadian Intellectual Property Office any unregistered copyrights (whether in existence on the date hereof or thereafter acquired, arising, or developed) unless the Debtor provides the Agent with written notice of its intent to register such copyrights not less than thirty (30) days prior to the date of the proposed registration; and
- (d) diligently prosecute all applications for patents, copyrights and trade-marks, and file and prosecute any and all continuations, continuations-in-part, applications for reissue, applications for certificate of correction and like matters as shall be reasonable and appropriate in accordance with prudent business practice, and promptly and timely pay any and all maintenance, license, registration and other fees, taxes and expenses incurred in connection with any Intellectual Property Collateral.

7.3 Additional Definition

As used in this Agreement, “**Intellectual Property Collateral**” means the following properties and assets owned or held by the Debtor or in which the Debtor otherwise has any interest, now existing or hereafter acquired or arising:

- (a) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;
- (b) all copyrights and applications for copyright, domestic or foreign, together with the underlying works of authorship (including titles), whether or not the underlying works of authorship have been published and whether said copyrights are statutory or arise under the common law, and all other rights and works of authorship, all computer programs, computer databases, computer program flow diagrams, source codes, object codes and all tangible property embodying or incorporating any copyrights, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, and all other rights, claims and

demands in any way relating to any such copyrights or works, including royalties and rights to sue for past, present or future infringement, and all rights of renewal and extension of copyright;

- (c) all state and provincial (including common law), federal and foreign trade-marks, service marks and trade names, and applications for registration of such trade-marks, service marks and trade names, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;
- (d) all trade secrets, trade dress, trade styles, logos, other source of business identifiers, mask-works, mask-work registrations, mask-work applications, software, confidential information, customer lists, license rights, advertising materials, operating manuals, methods, processes, know-how, algorithms, formulae, databases, quality control procedures, product, service and technical specifications, operating, production and quality control manuals, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs;
- (e) the entire goodwill of or associated with the businesses now or hereafter conducted by the Debtor connected with and symbolized by any of the aforementioned properties and assets; and
- (f) all accounts, all intangible intellectual or other similar property and other general intangibles associated with or arising out of any of the aforementioned properties and assets and not otherwise described above.

ARTICLE 8 - REMEDIES; NOTICE OF SALE; RECEIVERS

8.1 Remedies

Upon the occurrence of an Event of Default, the Agent may at its option, without notice to or demand on the Debtor and in addition to all rights and remedies available to the Agent with respect to the Secured Obligations, at law, in equity or otherwise, do any one or more of the following:

- (a) foreclose or otherwise enforce the Agent's security interest in any manner permitted by law or provided for in this Agreement;
- (b) sell, lease or otherwise dispose of any Collateral at one or more public or private sales at the Agent's place of business or any other place or places, including any broker's board or securities exchange, whether or not such Collateral is present at the place of sale, for cash or credit or future delivery, on such terms and in such manner as the Agent may determine;

- (c) use or transfer the Debtor's rights and interests in any Intellectual Property Collateral by license, by sublicense (to the extent permitted by an applicable license), assignment or otherwise, on such conditions and in such manner as the Agent may determine;
- (d) recover from the Debtor all costs and expenses, including reasonable legal fees and disbursements, incurred or paid by the Agent in exercising any right, power or remedy provided by this Agreement;
- (e) require the Debtor to assemble the Collateral and make it available to the Agent at a place to be designated by the Agent;
- (f) enter onto property where any Collateral is located and take possession thereof with or without judicial process; and
- (g) prior to the disposition of the Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Agent deems appropriate and in connection with such preparation and disposition, without charge, use any trade-mark, tradename, copyright, patent or technical process used by the Debtor.

8.2 Notice of Sale

The Debtor shall be given ten (10) Business Days prior notice of the time and place of any public sale or of the time after which any private sale or other intended disposition of Collateral is to be made, which notice the Debtor hereby agrees shall be deemed reasonable notice thereof. Upon any sale or other disposition pursuant to this Agreement, the Agent shall have the right to deliver, assign and transfer to the purchaser thereof, the Collateral or portion thereof so sold or disposed of. The Agent shall have the right upon any public sale, and, to the extent permitted by law, upon any private sale, to purchase the whole or any part of the Collateral so sold. Each purchaser at any such sale or other disposition (including the Agent) shall hold the Collateral free from any claim or right of whatever kind, including any equity or right of redemption of the Debtor and the Debtor specifically waives (to the extent permitted by applicable law) all rights of redemption, stay or appraisal which it has or may have under any rule of law or statute now existing or hereafter adopted.

8.3 License

For the purpose of enabling the Agent to exercise its rights and remedies under Section 8.1 or otherwise in connection with this Agreement, the Debtor hereby grants to the Agent an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to the Debtor) or (to the extent permitted by the applicable license) sublicense to use, license or sublicense any Intellectual Property Collateral, subject with respect to trade-marks to reasonable and appropriate quality control provisions.

8.4 Appointment of Receiver

The Agent may, in addition to any other rights it may have, appoint by instrument in writing a receiver, monitor, consultant, liquidator or receiver and manager (all of which are herein called a “**Receiver**”) of all or any part of the Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Agent has under this Agreement, at law or in equity. In exercising any such powers, any such Receiver shall, to the extent permitted by applicable law, act as and for all purposes be deemed to be the Agent of the Debtor, and the Agent shall not be responsible for any act or default of any such Receiver. The Agent may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Agent. A court need not appoint, ratify the appointment by the Agent of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice from the Agent of the taking of possession of the Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of the Debtor and, to the extent permitted by applicable law, its directors and officers with respect to the Collateral shall cease, unless specifically continued by the written consent of the Agent.

8.5 Carrying on Business

The Agent may carry on, or concur in the carrying on of, all or any part of the business or undertaking of the Debtor, may, subject to the rights and liens of third parties but to the exclusion of the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertakings of or occupied or used by the Debtor and may use all or any of the tools, machinery, equipment and intangibles of the Debtor for such time as the Agent sees fit, free of charge, to carry on the business of the Debtor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product.

8.6 Dealing with Collateral

The Agent may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable, all without notice to the Debtor except as otherwise required by any applicable law. The Agent may demand, sue for and receive any Accounts with or without notice to the Debtor, give such receipts, discharges and extensions of time and make such compromises in respect of any Accounts which may, in the Agent’s absolute discretion, seem bad or doubtful. The Agent may charge on its own behalf and pay to others, sums for costs and expenses incurred including, without limitation, legal fees and expenses on a solicitor and his own client scale and Receivers’ and accounting fees, in or in connection with seizing, collecting, realizing, disposing, enforcing or otherwise dealing with the Collateral and in connection with the protection and enforcement of the rights of the Agent hereunder including, without limitation, in connection with advice with respect to any of the

foregoing. The amount of such sums shall be deemed advanced to the Debtor by the Agent, shall become part of the Secured Obligations, shall bear interest at the highest rate per annum charged by the Agent on the Secured Obligations or any part thereof and shall be secured by this Agreement.

8.7 Right to Use

The Debtor hereby grants to the Agent a license or other right to use, without charge, all of the Debtor's present and future property, whether real or personal, including, without limitation, labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trade-marks, services marks, and advertising matter, or any other property of any nature or of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling of any Collateral and the Debtor's rights under all licenses and all franchise agreements shall inure to the Agent.

8.8 Retention of Collateral

Upon notice to the Debtor and subject to any obligation to dispose of any of the Collateral, as provided in the PPSA, the Agent may elect to retain all or any part of the Collateral in satisfaction of the Secured Obligations or any of them.

8.9 Pay Liens

The Agent may pay any Liens that may exist or be threatened against the Collateral. In addition, the Agent may borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business or undertaking of the Debtor and may grant further security interests in the Collateral in priority to the security interest created hereby as security for the money so borrowed. In every such case the amounts so paid or borrowed together with costs, charges and expenses incurred in connection therewith shall be deemed to have been advanced to the Debtor by the Agent, shall become part of the Secured Obligations, shall bear interest at the highest rate per annum charged by the Agent on the Secured Obligations or any part thereof and shall be secured by this Agreement.

8.10 Application of Payments

Any and all payments made in respect of the Secured Obligations from time to time and moneys realized on the Collateral may be applied to such part or parts of the Secured Obligations as the Agent may see fit. The Agent shall, at all times and from time to time, have the right to change any appropriation as it may see fit. Any insurance moneys received by the Agent pursuant to this Agreement may, at the option of the Agent, be applied against the Secured Obligations as the Agent thinks fit.

8.11 Set-off

The Secured Obligations will be paid by the Debtor without regard to any equities between the Debtor and the Agent or any right of set-off or cross-claim. If an Event of Default exists, any indebtedness owing by the Agent to the Debtor may be set-off and

applied by the Agent against the Secured Obligations either before or after maturity, without demand upon or notice to anyone and regardless of the currency in which the indebtedness is denominated.

8.12 Deficiency

If the proceeds of the realization of the Collateral are insufficient to repay to the Agent all amounts owing to it, the Debtor shall forthwith pay such deficiency or cause such deficiency to be paid to the Agent.

8.13 Agent Not Liable

The Agent shall not be liable or accountable for any failure to seize, collect, realize, dispose of, enforce or otherwise deal with the Collateral, shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Agent, the Debtor or any other person, firm or corporation in respect of the Collateral and shall not be liable or responsible for any loss, cost or damage whatsoever which may arise in respect of any such failure including, without limitation, resulting from the negligence of the Agent or any of its officers, servants, Agents, solicitors, attorneys, Receivers or otherwise unless arising from gross negligence or wilful misconduct. Neither the Agent nor its officers, servants, Agents, or Receivers shall be liable by reason of any entry into possession of the Collateral or any part thereof, to account as a mortgagee in possession, for anything except actual receipts, for any loss on realization, for any act or omission for which a mortgagee in possession might be liable, for any negligence in the carrying on or occupation of the business or undertaking of the Debtor or for any loss, cost, damage or expense whatsoever which may arise in respect of any such actions, omissions or negligence unless arising from gross negligence or wilful misconduct.

8.14 Extensions of Time

The Agent may grant renewals, extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, perfect or fail to perfect any securities, release any part of the Collateral to third parties and otherwise deal or fail to deal with the Debtor, subsidiaries of the Debtor, guarantors, sureties and others and with the Collateral and other securities as the Agent may see fit, all without prejudice to the liability of the Debtor to the Agent or the Agent's rights and powers under this Security Agreement.

8.15 Rights in Addition

The rights and powers conferred by this Section are in supplement of and in addition to and not in substitution for any other rights or powers the Agent may have from time to time under this Agreement or under applicable law. The Agent may proceed by way of any action, suit, remedy or other proceeding at law or in equity and no such remedy for the enforcement of the rights of the Agent shall be exclusive of or dependent on any other such remedy. Any one or more of such remedies may from time to time be exercised separately or in combination.

ARTICLE 9 - PERFECTION AND PRIORITY

9.1 Financing Statements, Etc.

The Debtor hereby authorizes the Agent to file at any time and from time to time any financing statements describing the Collateral, and the Debtor shall execute and deliver to the Agent, and the Debtor hereby authorizes the Agent to file (with or without the Debtor's signature), at any time and from time to time, all amendments to financing statements, continuation financing statements, termination statements, security agreements relating to the Intellectual Property Collateral, assignments, fixture filings, affidavits, reports, notices and all other documents and instruments, in form satisfactory to the Agent, as the Agent may request, to perfect and continue perfected, maintain the priority of or provide notice of the Agent's security interest in the Collateral and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, the Debtor ratifies and authorizes the filing by the Agent of any financing statements filed prior to the date hereof.

9.2 Bailees

Any Person (other than the Agent) at any time and from time to time holding all or any portion of the Collateral shall be deemed to, and shall, hold the Collateral as the Agent of, and as pledge holder for, the Agent. At any time and from time to time, the Agent may give notice to any such Person holding all or any portion of the Collateral that such Person is holding the Collateral as the Agent and bailee of, and as pledge holder for, the Agent, and obtain such Person's written acknowledgment thereof. Without limiting the generality of the foregoing, the Debtor will join with the Agent in notifying any Person who has possession of any Collateral of the Agent's security interest therein and obtaining an acknowledgment from such Person that it is holding the Collateral for the benefit of the Agent.

9.3 Control

If any of the Collateral consists of Investment Property, (a) the Debtor authorizes the Agent to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Agent or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Agent shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Agent or its nominee as such record owner, and agrees that no proxy or proxies given by the Agent to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Agent

“control” of such Investment Property, as defined in any applicable statute similar in application to the *Securities Transfer Act* (Ontario), which “control” shall be in such manner as the Agent shall designate in its sole judgement and discretion, including, without limitation, an agreement by an issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by the Agent, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

ARTICLE 10 - MISCELLANEOUS

10.1 Amendments and Waivers

Except to the extent otherwise provided herein or in any other Credit Document, (a) no amendment to any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the Debtor and the Agent and (b) no waiver of any provision of this Agreement, or consent to any departure by the Debtor or other party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10.2 Notices

All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile transmission addressed to such other party or delivered to such other party as follows:

To the Debtor:

46 Village Centre Place, 3rd Floor
Mississauga, ON L4Z 1V9
Attention: Santokh Mahal
Email: s.mahal@rogers.com

To the Agent at:

77 King Street W, Suite 2925
Toronto, ON M5K1K7
Attention: Graham Marr
Email: gmarr@bridgingfinance.ca

or at such other address or facsimile number as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered, or, if sent by facsimile transmission, on the date of transmission unless sent on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient) on a Business Day, in which

case it shall be deemed to have been received on the next Business Day following the day of such transmission.

10.3 No Waiver; Cumulative Remedies

No failure on the part of the Agent to exercise, and no delay in exercising, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Agent.

10.4 Binding Effect

This Agreement shall be binding upon the Debtor and its successors and assigns, including any successor by reason of amalgamation, and inure to the benefit of and be enforceable by the Agent and its successors, endorsees, transferees, participants and assigns.

10.5 Assignment

The Debtor may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent, and any attempted assignment in violation of this provision shall be null and void. The Agent may assign this Agreement in whole or in part to any Person acquiring an interest in the Secured Obligations in accordance with the provisions of the Assumption Agreement.

10.6 Costs and Expenses

The Debtor agrees to pay on demand all reasonable costs and expenses of the Agent, any Receiver, or the Agents of the Agent or any Receiver, and reasonable legal fees and disbursements in connection with the perfection, enforcement, or preservation of any rights under, this Agreement and the other Assumption Agreement.

10.7 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation, it shall be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement.

10.8 Governing Law

This Agreement is to be exclusively construed in accordance with and governed by the internal laws of the Province of Ontario and the federal laws of Canada applicable therein without giving effect to any choice of law rule or principle that would cause the application of the laws of any jurisdiction other than the internal laws of the Province of Ontario and the federal laws of Canada applicable therein to the rights and duties of the Debtor and the Agent.

10.9 Submission to Jurisdiction

The Debtor hereby (a) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario sitting in Toronto for the purpose of any action or proceeding arising out of or relating to this Agreement and the other Assumption Agreement, (b) agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts, (c) irrevocably waives (to the extent permitted by applicable law) any objection which it now or hereafter may have to the laying of venue of any such action or proceeding brought in any of the foregoing courts, and any objection on the ground that any such action or proceeding in any such court has been brought in an inconvenient forum and (d) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner permitted by law.

10.10 Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with practices of the Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Debtor in respect of any such sum due from it to the Agent hereunder or under the other Assumption Agreement shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of the Assumption Agreement or other relevant document (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Agent of any sum adjudged to be so due in the Judgment Currency, the Agent may in accordance with normal practices purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Agent from the Debtor in the Agreement Currency, the Debtor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Agent against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Agent in such currency, the Agent agrees to return the amount of any excess to the Debtor (or to any other Person who may be entitled thereto under applicable law). The agreements in this Section 10.10 shall survive the repayment of all Secured Obligations.

10.11 Entire Agreement

This Agreement and the other Assumption Agreement constitutes the entire agreement of the parties hereto with respect to the matters set forth herein and supersede any prior agreements, commitments, drafts, communications, discussions and understandings, oral or written, with respect thereto.

10.12 Counterparts

This Agreement may be executed in several counterparts and delivered by facsimile or other electronic transmission, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement.

10.13 Termination

Upon indefeasible payment and performance in full of all Secured Obligations, the security interests created by this Agreement shall terminate and the Agent shall execute and deliver to the Debtor, at the Debtor's sole cost and expense, such documents and instruments reasonably requested by the Debtor as shall be necessary to evidence termination of all security interests given by the Debtor to the Agent hereunder.

10.14 Indemnity

The Debtor hereby agrees to indemnify the Agent, and its successors, assigns, Agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all reasonable expenses of litigation or preparation therefor whether or not the Agent is a party thereto) imposed on, incurred by or asserted against the Agent, or its successors, assigns, Agents and employees, in any way relating to or arising out of this Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Agent or the Debtor, and any claim for patent, trade-mark or copyright infringement), except for the gross negligence or wilful misconduct of the Agent.

10.15 Acknowledgement of Receipt

The Debtor acknowledges receipt of a copy of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF the undersigned has executed and delivered this Agreement under seal with effect as of the date first written above.

2581150 ONTARIO INC.

By: S. Mahal
Name: Santokh Mahal
Authorized Signing Officer President

Signature page to General Security Agreement

SCHEDULE "A"
TRADE NAMES, AMALGAMATIONS AND PRIOR NAMES

Trade Names or Styles

2. **Thomas' Utopia Brand**
3. **www.thomasutopiabrand.com and www.thomascanning.com**

Amalgamations

4. **Nil.**

Other Prior Names

5. **Nil.**

This is Exhibit "P" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tkf i gt"

*NUQ%994; 8H+

Properties

<i>PIN</i>	75228 - 0009 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 28-29 CON 9 MAIDSTONE AS IN R305027, PT 2 12R9420; T/W R1042854; S/T MB18413; LAKESHORE; SUBJECT TO AN EASEMENT IN GROSS OVER PT. 1 12R24775 AS IN CE502602		
<i>Address</i>	MAIDSTONE		
<i>PIN</i>	75228 - 0005 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE		
<i>Address</i>	MAIDSTONE		
<i>PIN</i>	75228 - 0067 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686,		
<i>Address</i>	MAIDSTONE		
<i>PIN</i>	75016 - 0010 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3, 4 R423541; S/T MB18404; LAKESHORE		
<i>Address</i>	MAIDSTONE		
<i>PIN</i>	75016 - 0009 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355; LAKESHORE		
<i>Address</i>	372 SOUTH TALBOT RD MAIDSTONE		
<i>PIN</i>	75016 - 0021 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273 & PT 1 12R376; S/T R389219; LAKESHORE		
<i>Address</i>	3782 MAIDSTONE TOWNLINE RD MAIDSTONE		
<i>PIN</i>	75016 - 0019 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY) EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964; LAKESHORE		
<i>Address</i>	346 SOUTH TALBOT RD MAIDSTONE		

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 2581150 ONTARIO INC.
Address for Service Suite 2925, 77 King West
 Toronto, ON M5K 1K7
 Attention: Graham Marr

I, Santokh Mahal, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name BRIDGING FINANCE INC.
Address for Service 77 King Street West
 Suite 2925
 P.O. Box 322
 Toronto, ON M5K 1K7

Statements

Schedule: See Schedules

Provisions

Principal \$3,005,000.00 *Currency* CDN
Calculation Period
Balance Due Date 2021/06/30
Interest Rate See Schedule

Provisions

Payments

Interest Adjustment Date

Payment Date

First Payment Date

Last Payment Date

Standard Charge Terms

Insurance Amount full insurable value

Guarantor

Signed By

Monika Dylag 46 Village Centre Place acting for Signed 2017 07 07
Mississauga Chargor(s)
L4Z 1V9

Tel 905-272-1900

Fax 905-272-1905

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

Submitted By

MERK INVESTMENTS LTD. 46 Village Centre Place 2017 07 07
Mississauga
L4Z 1V9

Tel 905-272-1900

Fax 905-272-1905

Fees/Taxes/Payment

Statutory Registration Fee \$63.35

Total Paid \$63.35

File Number

Chargee Client File Number : 125237

ADDITIONAL PROVISIONS

The following additional provisions shall be incorporated in the attached Charge/Mortgage of Land (the “**Charge/Mortgage of Land**”) between **2581150 ONTARIO INC.** (the “**Chargor**”) and **BRIDGING FINANCE INC.** as agent for **SPROTT BRIDGING INCOME FUND LP** (the “**Chargee**”).

1. PROMISE TO PAY

The Chargor, for value received, hereby acknowledges itself indebted and promises to pay to the Chargee, on demand, all amounts now or hereafter owing by the Chargor to the Chargee, up to the maximum principal amount of Three Million, Five-Thousand Dollars (\$3,005,000.00) in lawful money of Canada, and to pay interest thereon from the date hereof monthly on the first day of each and every month at the rate of twenty-five per cent (25%) per annum, calculated monthly, not in advance, as well after as before demand, and both before and after default, and both before and after judgment, in like money at the same place and to pay interest on overdue interest at the said rate.

2. COLLATERAL SECURITY

This Charge/Mortgage of Land is given by the Chargor to the Chargee as security for the payment and performance of all indebtedness, obligations and liabilities of the Chargor to the Chargee, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid or performed by the Chargor to the Chargee, whether incurred prior to, at the time of, or subsequent to the execution hereof, and whether otherwise secured or not and whether arising from agreement or dealings between the Chargor and the Chargee and whether incurred by the Chargor on its own behalf or on behalf of others and any unpaid balance thereof pursuant to:

- (a) an assumption agreement dated July 7, 2017 among, *inter alia*, the Chargee and the Chargor, as same may be further amended, modified, supplemented or replaced from time to time (collectively, the “**Assumption Agreement**”); and
- (c) all interest, commissions, legal and other costs, charges and expenses referenced in the Assumption Agreement and all security and other instruments delivered pursuant thereto (including without limitation this Charge/Mortgage of Land)

(collectively the “**Secured Obligations**”).

Payment on account of the Assumption Agreement shall constitute payment *pro tanto* on account of this Charge/Mortgage of Land. Demand under the Assumption Agreement shall constitute demand under this Charge/Mortgage of Land without any other or further demand being made hereunder.

3. INTERPRETATION

In this Charge/Mortgage of Land:

- (a) “Charge/Mortgage of Land” means the Charge/Mortgage of Land to which this schedule is attached, the set of Standard Charge Terms filed as No. 200033 and this schedule, as the same may be amended, modified, supplemented, extended or replaced from time to time;
- (b) the term “Lands” or “lands” or “the said lands” as used herein, and the term “land” as used in the set of Standard Charge Terms filed as No. 200033, shall mean the fee simple estate of the Chargor in the lands described in the Charge/Mortgage of Land to which this schedule is attached, and shall include all tenements, hereditaments, appurtenances, buildings and structures now or hereafter erected thereon, and all easements and rights of way now or hereafter appurtenant thereto and any interest therein enjoyed by the Chargor;
- (c) the term “Person” means an individual, a partnership, a corporation, a government or any department or agency thereof, a trustee, any unincorporated organization and the heirs, executors, administrators or other legal representatives of an individual, and words importing “Person” have similar meanings; and

(d) all headings inserted herein are for convenience of reference only and shall not limit or extend the meaning of the terms and provisions hereof.

4. PAYMENT - CURRENCY

Unless otherwise expressly provided, the Chargor shall make all payments pursuant hereto in Canadian dollars.

5. DEFAULT

Notwithstanding anything herein contained to the contrary, if any default occurs pursuant to this Charge/Mortgage of Land and/or any of the Secured Obligations, as determined by the Chargee, and/or a demand for payment by the Chargee, the Chargee may, by notice to Chargor, declare any or all of the Secured Obligations to be immediately due and payable whereupon all such indebtedness shall immediately become and be due and payable without further demand or other notice of any kind, all of which are expressly waived by the Chargor, and all rights and remedies hereunder, in law, in equity or otherwise of the Chargee shall thereupon become enforceable by the Chargee.

The Chargee may, by notice to the Chargor, waive any default of the Chargor on such terms and conditions as the Chargee may determine, but no such waiver shall be taken to affect any subsequent default or the rights resulting therefrom.

6. RIGHTS AND REMEDIES

Upon the rights and remedies of the Chargee hereunder becoming enforceable:

(a) The Chargee may by instrument in writing appoint any person or persons, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver or receivers of all or any part of the lands subject to this Charge/Mortgage of Land and may remove any receiver or receivers so appointed and may appoint another or others in his or their stead. Any such receiver shall, so far as concerns responsibility for his acts, be deemed the Chargee of the Chargor and in no event the Chargee of the Chargee, and the Chargee shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such receiver. Subject to the provisions of the instrument appointing such receiver, any such receiver or receivers so appointed shall have power to take possession of the lands subject to this Charge/Mortgage of Land or any part thereof and to carry on or concur in carrying on the business of the Chargor therein conducted and to sell or concur in selling all or any part of the land subject to this Charge/Mortgage of Land. Except as may be otherwise directed by the Chargee, all moneys from time to time received by such receiver shall be in trust for and paid over to the Chargee. The rights and powers conferred by this paragraph are supplemental to and not in substitution for any rights or powers that the Chargee may from time to time have as the Chargee under this Charge/Mortgage of Land, and every such receiver may in the discretion of the Chargee be vested with all or any of the rights and powers of the Chargee. The term "receiver", as used in this Charge/Mortgage of Land, includes a receiver and manager; and/or

(b) To the extent permitted by law, the Chargee may immediately take possession of the land subject to this Charge/Mortgage of Land and may, either before or after any entry, and either before or after giving any notice, immediately lease the land subject to this Charge/Mortgage of Land or any part thereof and/or sell or otherwise dispose of the land subject to this Charge/Mortgage of Land or any part thereof either as a whole or in separate parcels at public auction or by tender or by private sale at such time or times as the Chargee may determine, and may make such sale, either for cash or credit or part cash and part credit, and with or without advertisement, and with or without a reserve bid, as the Chargee may deem proper, and the Chargee may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the said lands or any part thereof good and sufficient deed or deeds for the same, the Chargee being hereby constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deeds, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Chargor and all other persons claiming any interest in the land subject to this Charge/Mortgage of Land or any part thereof by, from, through or under the Chargor. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or

be affected by any express notice that any sale or lease is improper and to the extent permitted by law no want of notice or publication shall invalidate any sale or lease hereunder; and/or

(c) The Chargee may borrow money on the security of the land subject to this Charge/Mortgage of Land in priority to the security constituted by the Charge/Mortgage of Land for the purpose of maintaining, preserving or protecting the land subject to this Charge/Mortgage of Land or any part thereof or carrying on all or any part of the business of the Chargor relating to the said land; and/or

(d) Upon the Chargor receiving notice from the Chargee of the taking of possession of the land subject to this Charge/Mortgage of Land or the appointment of a receiver, all the powers, functions, rights and privileges of each of the directors and officers of the Chargor with respect to the said lands shall, to the extent permitted by law, cease, unless specifically continued by the written consent of the Chargee; however, all other powers, functions, rights and privileges of such directors shall be unaffected by such events; and/or

(e) For greater certainty, the parties hereto agree that in addition to, and not in substitution for, all the rights and remedies of the Chargee at law or contained herein, the Chargee may, upon the rights and remedies of the Chargee hereunder becoming enforceable, subject to the rights of prior encumbrancers, mortgages and chargees of the said lands:

- (i) foreclose all the right, title and interest in the equity of redemption of the Chargor to and in the said lands;
- (ii) immediately enter into and take possession of the said lands free from all manner of former conveyances, mortgages, charges or encumbrances without the let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever; and/or

(f) The Chargee or any Chargee or representative thereof may become purchaser at any sale of any of the land subject to this Charge/Mortgage of Land whether made under the power of sale herein contained or pursuant to foreclosure or other judicial proceedings.

(g) The Chargor expressly agrees that the rights and remedies of the Chargee hereunder are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Chargee of any right or remedy for a default or breach of any term, covenant or condition in this Charge/Mortgage of Land does not waive, alter, affect or prejudice any other right or remedy to which the Chargee may be lawfully entitled for the same default or breach. Any waiver by the Chargee of the strict observance, performance or compliance with any term, covenant or condition of this Charge/Mortgage of Land is not a waiver of any subsequent default and any indulgence by the Chargee with respect to any failure to strictly observe, perform or comply with any term, covenant or condition of this Charge/Mortgage of Land is not a waiver of the entire term, covenant or condition or any subsequent default. No delay or omission of the Chargee to exercise any remedy or right hereunder or at law, in equity or otherwise, shall impair any such remedy or shall be construed to be a waiver of any default hereunder or acquiescence therein.

7. MORTGAGE NOT TO BE VOID

In addition to, and not in substitution for, any other provision of this Charge/Mortgage of Land and notwithstanding Subsection 6(2) of the *Land Registration Reform Act (Ontario)*, the parties hereto agree that this Charge/Mortgage of Land shall not be void unless the Chargor shall pay or cause to be paid to the Chargee the Secured Obligations and shall otherwise observe and perform the terms hereof and unless all credit facilities granted in connection with the Secured Obligations shall have been cancelled and terminated.

8. OTHER SECURITY/PAYMENTS RECEIVED

This security is in addition to and not in substitution for any other security now or hereafter held by the Chargee in respect of the Secured Obligations. No rights or remedies of the Chargee pursuant to this Charge/Mortgage of Land and such other security shall be exclusive or dependent upon any other, and the Chargee may from time to time exercise any one or more of such rights or remedies independently or in combination, such remedies being cumulative and not in the alternative.

12. RESTRICTIVE COVENANTS

The Chargor hereby covenants and agrees with the Chargee as follows:

- (a) **Encumbrances.** The Chargor shall not enter into or grant, create, assume or suffer to exist any mortgage, charge, assignment, pledge, lien or other security interest or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise) that secures the payment of any indebtedness or liability or the observance or performance of any obligations (including any agreement to give any of the foregoing and any filing of or agreement to give any financing statement under the *Personal Property Security Act* of Ontario or any similar action) affecting the land subject to this Charge/Mortgage of Land except as otherwise permitted in accordance with the terms of the Assumption Agreement are consented to by the Chargee or any personal property used in connection therewith, which would rank in priority to or *pari passu* with this Charge/Mortgage of Land.
- (b) **Sale.** The Chargor shall not sell and shall not suffer or permit the sale or other disposition of the land subject to this Charge/Mortgage of Land without prior written consent of the Chargee, which consent may be withheld in Chargee's sole discretion. If such consent is not obtained and such transfer occurs, such transfer will be deemed to be a default pursuant to paragraph 5 hereof.

13. GENERAL

- (a) The Secured Obligations shall be paid and shall be assignable free from any right of set-off or counterclaim or equities between the Chargor and the Chargee.
- (b) If for any reason whatsoever any term, covenant or condition of this Charge/Mortgage of Land, or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition:
 - (i) is deemed to be independent of the remainder of this Charge/Mortgage of Land and to be severable and divisible therefrom and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this Charge/Mortgage of Land or any part thereof; and
 - (ii) continues to be applicable to and enforceable to the fullest extent permitted by law against any Person and circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.
- (c) This Charge/Mortgage of Land and all its provisions shall enure to the benefit of the Chargee and its successors and assigns and shall be binding upon the Chargor and its successors and assigns.
- (d) This Charge/Mortgage of Land shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada.
- (e) In the event of any conflict or inconsistency between the provisions of this Schedule and those contained in the Standard Charge Terms filed as No. 200033, the relevant provisions of this Schedule shall prevail and be paramount. In the event of any conflict or inconsistency between the provisions of this Charge/Mortgage of Land and the provisions of the Assumption Agreement, the provisions of the Assumption Agreement shall prevail and be paramount. If any covenant or event of default contained in this Charge/Mortgage of Land is in conflict with or is inconsistent with a provision of the Assumption Agreement relating to the same specific matter, such covenant or event of default shall be deemed to be amended to the extent necessary to ensure that it is not in conflict with or inconsistent with the provision of the Assumption Agreement relating to the same specific matter.

29741214.4

This is Exhibit "Q" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

December 22, 2022

PRIVATE & CONFIDENTIAL

VIA EMAIL

2581150 Ontario Inc.
46 Village Centre Place – 3rd Floor
Mississauga, ON
L4Z 1V9

Attention: Paul Millar

Dear Paul:

Re: Indebtedness of 2581150 Ontario Inc. (“258 Ontario”) to Bridging Finance Inc., as agent (in such capacity, the “Agent”) for Bridging Income Fund LP *et al* (collectively, the “Lender”)

We are the lawyers for PricewaterhouseCoopers Inc. in its capacity as receiver and manager (the “**Receiver**”) of all of the property, assets, and undertakings of the Agent, the Lender, and certain related entities and investment funds.

We refer to the following:

- (i) the loan (collectively, the “**Bridging-Skymark Loan**”) made available by the Lender to Skymark Finance Corporation (“**Skymark**”) pursuant to a term sheet dated July 7, 2017 (the “**Bridging-Skymark Loan Agreement**”). Pursuant to the Bridging-Skymark Loan Agreement, the purpose of the Bridging-Skymark Loan was to finance the Skymark-258 Loan (as defined below) in connection with the acquisition by 258 Ontario of certain assets of Thomas Canning (Maidstone) Limited and 692194 Ontario Limited (together, the “**Thomas Canning Entities**”). As security for all of the present and future indebtedness and obligations of Skymark to the Lender under the Bridging-Skymark Loan Agreement, Skymark granted to the Lender, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the “**Skymark GSA**”);
- (ii) the loan (collectively, the “**Skymark-258 Loan**”) made available by Skymark to 258 Ontario pursuant to a term sheet dated July 7, 2017 (the “**Skymark-258 Loan Agreement**”). Pursuant to the Skymark-258 Loan Agreement, the purpose of the

- Skymark-258 Loan was to finance 258 Ontario's acquisition of certain assets of the Thomas Canning Entities. As security for all of the present and future indebtedness and obligations of 258 Ontario to Skymark under the Skymark-258 Loan Agreement, 258 Ontario granted to Skymark, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the "**258 GSA**"); and
- (iii) the Assumption Agreement among the Agent and 258 Ontario dated as of July 7, 2017 (the "**Assumption Agreement**") pursuant to which 258 Ontario assumed the Bridging Indebtedness¹ formerly owing to the Lender by the Thomas Canning Entities. As security for all of the present and future indebtedness and obligations of 258 Ontario to the Lender under the Assumption Agreement, 258 Ontario granted to the Agent, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the "**Additional 258 GSA**") as well as a charge (the "**Maidstone Charge**") over the real property owned by 258 Ontario located in Maidstone, Ontario.

The Receiver has been advised by Skymark that Skymark, the Agent and the Lender intended that the Skymark-258 Loan Agreement, the Skymark-258 Loan and the 258 GSA would be assigned by Skymark to the Agent and/or the Lender (the "**258 Loan Assignment**"). The Receiver has not been provided with a written agreement that confirms the 258 Loan Assignment.

If the 258 Loan Assignment is valid and enforceable against the parties thereto, 258 Ontario is indebted to the Agent and the Lender under the Skymark-258 Loan in the amount of \$23,306,371.30 as at November 30, 2022 as set out at **Schedule "A"** hereto.

In addition, 258 is indebted to the Agent and the Lender under the Assumption Agreement in the amount of \$5,034,491.77 as at November 30, 2022 as set out at **Schedule "A"** hereto. The indebtedness and obligations of 258 Ontario to the Lender under the Skymark-258 Loan and the Assumption Agreement are payable on demand by the Lender.

On behalf of the Receiver, the Agent, and the Lender, we hereby demand payment from 258 Ontario of (i) \$23,306,371.30 with respect to the Skymark-258 Loan, assuming that the 258 Loan Assignment is valid and enforceable; and (ii) \$5,034,491.77 with respect to the Assumption Agreement, in each case together with interest thereon and all costs, including all legal, consultant

¹ The "Bridging Indebtedness" is defined in the Assumption Agreement to have the meaning given to that term in the Asset Purchase Agreement among 258 Ontario and Richter Advisory Group Inc., in its capacity as court-appointed receiver of the Thomas Canning Entities (in such capacity, the "**Thomas Canning Receiver**"), dated as of June 15, 2017 (the "**APA**"). The Bridging Indebtedness is defined in the APA to mean "any and all amounts owing by the [Thomas Canning Entities] to [the Lender] as at the date of the discharge of the Thomas Canning Receiver...".

and other agent fees and disbursements incurred by the Receiver, the Agent, and/or the Lender to the date of payment.

Interest accrues on the Skymark-258 Loan and the amount owing under the Assumption Agreement at 10% per annum until a demand for payment is made by the Lender. After a demand for payment is made by the Lender, interest accrues at the rate of 21% per annum.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada) together with a consent thereto (the “**Consent**”). If 258 Ontario consents to the Receiver, on behalf of the Agent and the Lender, enforcing its rights and remedies without further delay, please date and execute one copy of the Consent and return same to the undersigned by e-mail forthwith.

In the event that 258 Ontario fails to pay the sum indicated, the Receiver, on behalf of the Agent and the Lender, shall pursue all of its rights and remedies against 258 Ontario.

Yours truly,

Thornton Grout Finnigan LLP



Adam Driedger

cc: Michael McTaggart, Christine Sinclair, Tyler Ray – PricewaterhouseCoopers Inc.

Schedule “A”
Indebtedness of 2581150 Ontario Inc. to the Agent and the Lender under
the Skymark-258 Loan and the Assumption Agreement as at November 30, 2022

Facility	Principal Balance	Accrued Interest² & Fees	Total	Approx. Per Diem on Principal
Skymark-258 Loan	\$23,116,463.88	\$37,981.48	\$23,306,371.30	\$6,385.307
Assumption Agreement	\$3,005,000	\$2,029,491.77	\$5,034,491.77	\$1,379.31

² Interest accrues on the amounts owing thereunder at 10% per annum until demand for payment is made. Once demand for payment is made, interest accrues at the rate of 21% per annum.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: 2581150 ONTARIO INC. (“258 Ontario”)

Take notice that:

1. All capitalized terms not expressly defined herein are defined in the demand letter delivered to 258 Ontario dated December 22, 2022.
2. 258 Ontario is indebted to Bridging Finance Inc., as agent (in such capacity, the “**Agent**”) for Bridging Income Fund LP *et al* (collectively, the “**Lender**”) pursuant to the Assumption Agreement. If the 258 Loan Assignment is valid and enforceable against the parties thereto, 258 Ontario is also indebted to the Agent and the Lender under the Skymark-258 Loan.
3. By orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021, May 3, 2021, and May 14, 2021, PricewaterhouseCoopers Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”) of the Agent, the Lender, and certain related entities and investment funds.
4. The Receiver, on behalf of the Agent and the Lender, each a secured creditor of 258 Ontario (together, the “**Secured Creditors**”), intends to enforce the Secured Creditors’ security on 258 Ontario’s property described below:
 - (a) all present and after-acquired personal property of 258 Ontario;
 - (b) the real property owned by 258 Ontario located in Maidstone, Ontario described at Schedule “A” hereto (the “**Maidstone Property**”); and
 - (c) all proceeds of the foregoing collateral.
5. The security that is to be enforced is in the form of the Additional 258 GSA and the Maidstone Charge and, if the 258 Loan Assignment is valid and enforceable against the parties thereto, the 258 GSA (collectively, the “**Security**”).
6. As at November 30, 2022, the total amount of the indebtedness secured by the Security is \$5,034,491.77 under the Assumption Agreement and \$23,306,371.30 under the Skymark-258 Loan if the 258 Loan Assignment is valid and enforceable against the parties thereto (collectively, the “**Indebtedness**”), plus interest accruing thereafter and all costs incurred by or charged to the Agent or the Lender, including, without limitation, legal and consultant fees and disbursements. Interest accrues on the Skymark-258 Loan and the amount owing under the Assumption Agreement at 10% per annum until demand for payment is made.

Once demand for payment is made, interest accrues on the Indebtedness under the Skymark-258 Loan at the rate of 21% per annum.

7. The Receiver, on behalf of the Agent and the Lender, will not have the right to enforce the Security until the expiry of the 10-day period after this notice is sent, unless 258 Ontario consents to an earlier enforcement.

Dated at Toronto, Ontario, this 22nd day of December, 2022.

PRICEWATERHOUSECOOPERS INC., solely in its capacity as court-appointed receiver and manager of the Agent and the Lender (each as defined herein), and not in its personal capacity, by Thornton Grout Finnigan LLP, its solicitors herein



Per:

Adam Driedger

**SCHEDULE "A"
PROPERTY DESCRIPTION**

LRO # 12
PIN: 75228-0005 (LT)
Legal Description: PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE
Address: Essex

LRO # 12
PIN: 75228-0095 (LT)
Legal Description: PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; TOWN OF LAKESHORE
Address: Essex

LRO # 12
PIN: 75228-0097 (LT)
Legal Description: PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; TOWN OF LAKESHORE
Address: Essex

LRO # 12
PIN: 75228-0067 (LT)
Legal Description: PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686
Address: Essex

LRO # 12
PIN: 75016-0010 (LT)
Legal Description: PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3,4 R423541; S/T MB18404; LAKESHORE
Address: Essex

LRO # 12
PIN: 75016-0019 (LT)
Legal Description: PT LE 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY) EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964; LAKESHORE
Address: 346 South Talbot Rd, Essex



Thornton Grout Finnigan LLP

8.

LRO # 12

PIN: 75016-0021 (LT)

Legal Description: PT LE 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273
& PT 1 12R376; S/T R389219; LAKESHORE

Address: 3782 Maidstone Townline Rd, Essex

LRO # 12

PIN: 75016-0009 (LT)

Legal Description: PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355;
LAKESHORE

Address: 372 South Talbot Rd, Essex

CONSENT

TO: PRICEWATERHOUSECOOPERS INC., in its capacity as court-appointed receiver and manager of the Agent, the Lender, and certain related entities and investment funds (the “Receiver”)

FROM: 2581150 ONTARIO INC. (“258 Ontario”)

258 Ontario acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Receiver, on behalf of the Agent and the Lender on December 22, 2022 (the “**Notice**”).

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, 258 Ontario hereby consents to the immediate enforcement by the Receiver of the Security (as defined in the Notice), and for the same consideration waives completely all rights to any delay by or any further notice from the Receiver with respect to the enforcement of the Security and the exercise of any other remedies of the Agent and the Lender against 258 Ontario.

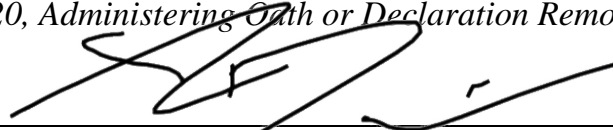
DATED at _____ this _____ day of December, 2022.

2581150 ONTARIO INC.

Per: _____
Name:
Title:

I have the authority to bind the corporation.

This is Exhibit "R" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tkgf i gt"

*NUQ%994; 8H+



January 18, 2024

PRIVATE & CONFIDENTIAL

VIA EMAIL

2581150 Ontario Inc.
46 Village Centre Place – 3rd Floor
Mississauga, ON
L4Z 1V9

Attention: Paul Millar

Dear Paul:

Re: Indebtedness of 2581150 Ontario Inc. (“258 Ontario”) to Bridging Finance Inc., as agent for Bridging Income Fund LP (together, the “Lender”)

By orders of the Ontario Superior Court of Justice (Commercial List) dated April 30, 2021, May 3, 2021, and May 14, 2021, PricewaterhouseCoopers Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”) of all of the property, assets, and undertakings of the Lender and certain related entities and investment funds (collectively, “**Bridging**”).

We refer to the following:

- (i) the loans (collectively, the “**Bridging-Skymark Loans**”) made available by the Lender to Skymark Finance Corporation (“**Skymark**”) pursuant to a term sheet dated July 7, 2017 (the “**Bridging-Skymark Loan Agreement**”). Pursuant to the Bridging-Skymark Loan Agreement, the purpose of the Bridging-Skymark Loans was to finance the Skymark-258 Loans (as defined below) in connection with the acquisition by 258 Ontario of certain assets of Thomas Canning (Maidstone) Limited and 692194 Ontario Limited (together, the “**Thomas Canning Entities**”), including the real property municipally referred to in part as 3782 Maidstone Townline Road, Maidstone, Ontario (the “**Maidstone Property**”). As security for all of the present and future indebtedness and obligations of Skymark to the Lender under the Bridging-Skymark Loan Agreement, Skymark granted to the Lender, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the “**Bridging-Skymark GSA**”);
- (ii) the loans (collectively, the “**Skymark-258 Loans**”) made available by Skymark to 258 Ontario pursuant to a term sheet dated July 7, 2017 (the “**Skymark-258 Loan Agreement**”). Pursuant to the Skymark-258 Loan Agreement, the purpose of the



Skymark-258 Loans was to finance 258 Ontario's acquisition of certain assets of the Thomas Canning Entities, including the Maidstone Property. As security for all of the present and future indebtedness and obligations of 258 Ontario to Skymark under the Skymark-258 Loan Agreement, 258 Ontario granted to Skymark, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the "**Skymark GSA**") as well as a charge (the "**Skymark Charge**") over the Maidstone Property;

- (iii) the Assumption Agreement among the Lender and 258 Ontario dated as of July 7, 2017 (the "**Assumption Agreement**") pursuant to which 258 Ontario assumed the Bridging Indebtedness¹ formerly owing to the Lender by the Thomas Canning Entities. As security for all of the present and future indebtedness and obligations of 258 Ontario to the Lender under the Assumption Agreement, 258 Ontario granted to the Lender, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the "**Bridging-258 GSA**") as well as a charge (the "**Bridging Charge**") over the Maidstone Property;
- (iv) the demand letter (the "**Demand**") and Notice of Intention to Enforce Security ("**BIA Notice**") delivered to 258 Ontario by the Receiver, on behalf of the Lender, each dated December 22, 2022, pursuant to which the Receiver respectively demanded payment from 258 Ontario of all amounts owing under the Skymark-258 Loans and the Assumption Agreement and gave notice of its intention to enforce certain security held by the Lender; and
- (v) the Notice of Action issued by the Receiver on December 30, 2022 and the corresponding Statement of Claim issued by the Receiver on January 27, 2023, pursuant to which the Receiver seeks repayment from 258 Ontario of all amounts owing under the Skymark-258 Loans and the Assumption Agreement.

The Receiver understands based on, among other things, discussions with you, that the Skymark-258 Loans, the Skymark GSA, the Skymark Charge, and all related loan and security documents were assigned by Skymark to the Lender prior to the appointment of the Receiver, with the result that 258 Ontario is directly indebted to the Lender under the Skymark-258 Loans (as well as under the Assumption Agreement) as opposed to Skymark. As a result of that assignment, the Lender holds, among other things, the following as security for all of the indebtedness and obligations of

¹ The "Bridging Indebtedness" is defined in the Assumption Agreement to have the meaning given to that term in the Asset Purchase Agreement among 258 Ontario and Richter Advisory Group Inc., in its capacity as court-appointed receiver of the Thomas Canning Entities (in such capacity, the "**Thomas Canning Receiver**"), dated as of June 15, 2017 (the "**APA**"). The Bridging Indebtedness is defined in the APA to mean "any and all amounts owing by the [Thomas Canning Entities] to [the Lender] as at the date of the discharge of the Thomas Canning Receiver...".



258 Ontario to the Lender: (i) the Skymark GSA; (ii) the Skymark Charge; (iii) the Bridging-258 GSA; and (iv) the Bridging Charge.

Notwithstanding the issuance of the Demand, the BIA Notice and the Statement of Claim, 258 Ontario has not paid any amount to the Receiver or the Lender in reduction of the amount outstanding under the Skymark-258 Loans or the Assumption Agreement.

Pursuant to the Skymark-258 Loan Agreement, 258 Ontario is expressly prohibited from disposing of any of its assets (including the Maidstone Property) outside of the ordinary course of business. Further, pursuant to section 12(b) of each of the Skymark Charge and the Bridging Charge, 258 Ontario shall not sell and shall not suffer or permit the sale or other disposition of the Maidstone Property without the prior written consent of the Lender, which may be withheld in the Lender's sole discretion.

The Receiver understands that 258 Ontario recently listed the Maidstone Property for sale and has retained CBRE as its agent.

Please provide us with copies of the following: (i) the listing agreement between 258 Ontario (or any other party) and CBRE (or any other agent) with respect to the sale of the Maidstone Property; and (ii) all offers or agreements (whether in draft form or otherwise) purportedly entered into, accepted, received, or prepared by or on behalf of 258 Ontario regarding the sale of the Maidstone Property, or the conveyance of the interest of 258 Ontario in the Maidstone Property. The Receiver first requested the foregoing information from 258 Ontario by telephone call with Paul Millar dated January 11, 2024, and followed up by emails dated January 12, 2024 and January 16, 2024. Notwithstanding the Receiver's multiple requests, the foregoing information has not been provided. The Receiver requires that you provide the requested documents and/or information by no later than **5:00 p.m. (ET) on January 22, 2024**.

The Receiver has not consented to the listing or sale of the Maidstone Property. In accordance with the terms of the Skymark-258 Loan Agreement, the Skymark Charge and the Bridging Charge, we confirm that 258 Ontario may not sell, or enter into any agreement to sell, the Maidstone Property or any interest of 258 Ontario therein without the prior written consent of the Receiver, on behalf of the Lender. The Receiver reserves all of its rights and remedies in connection with the listing of the Maidstone Property and any attempt to sell the Maidstone Property or the any interest of 258 Ontario therein without the prior consent of the Receiver on behalf of the Lender including, without limitation, the right to immediately take steps to enforce the security granted by 258 Ontario to the Lender.

Finally, we understand that Lax O'Sullivan Lisus Gottlieb LLP is no longer counsel for 258 Ontario in relation to this matter. Please confirm whether 258 Ontario has retained alternative legal counsel. If so, please provide us with the applicable contact information.



Yours truly,

PricewaterhouseCoopers Inc., solely
in its capacity as court-appointed
receiver and manager of Bridging (as
defined herein) and not in its personal
capacity

DocuSigned by:

A handwritten signature in cursive script that reads "Tyler Ray".

7C3ED508CD4B44B...

Tyler Ray, LIT
Vice President

This is Exhibit "S" referred to in the
Affidavit of TYLER RAY sworn by TYLER RAY at the City
of Toronto, in the Province of Ontario, before me
this 10th day of April, 2024 in accordance with
O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

Cf co "F tlgf i gt"

*NUQ%994; 8H+

Court File No. _____

BRIDGING FINANCE INC.

Applicant

and

2581150 ONTARIO INC.

Respondents


APPLICATION UNDER SECTION 243(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

CONSENT

MNP Ltd. hereby consents to act as receiver and manager over all of the assets, undertakings and properties of 2581150 Ontario Inc. in accordance with an order substantially in the form of the receivership order sought and included in the Application Record of Bridging Finance Inc.

Dated at London this 28th day of February, 2024.

MNP LTD.

Per: 
Name: Rob Smith
Title: Senior Vice-President

<p>PRICEWATERHOUSECOOPERS INC. (solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds)</p> <p>Plaintiff</p>	<p>- and -</p>	<p>2581150 ONTARIO INC.</p> <p>Defendant</p>
<p>Court File No. CV-24-00718057-00CL</p>		
<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceedings commenced at Toronto, Ontario</p>		
<p>AFFIDAVIT OF TYLER RAY</p>		
<p>Thornton Grout Finnigan LLP TD West Tower, Toronto-Dominion Centre 3200 –100 Wellington Street West Toronto, ON M5K 1K7</p> <p>John L. Finnigan (LSO# 24040L) Email: jfinnigan@tgf.ca</p> <p>Grant B. Moffat (LSO# 32380L) Email: gmoffat@tgf.ca</p> <p>Adam Driedger (LSO# 77296F) Email: adriedger@tgf.ca</p> <p>Tel: 416-304-1616</p> <p>Lawyers for the Bridging Receiver</p>		

Tab 3

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

THE HONOURABLE

)

THURSDAY, THE 18TH

)

JUSTICE BLACK

)

DAY OF APRIL, 2024

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Plaintiff

- and -

2581150 ONTARIO INC.

Defendant

**ORDER
(Appointing Receiver)**

THIS MOTION made by PricewaterhouseCoopers Inc., in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds (in such capacity, the “**Bridging Receiver**”) 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. (“**MNP**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of 2581150 Ontario Inc. (“**258 Ontario**”), including,

without limitation, the real properties registered in the name of 258 Ontario located in the municipality of Lakeshore – Maidstone, County of Essex, Ontario, as more particularly described in Schedule “A” hereto (collectively, the “**Maidstone Property**”), was heard this day by videoconference in Toronto, Ontario, in accordance with the Guidelines to Determine Mode of Proceeding in Civil Proceedings, effective April 19, 2022.

ON READING the Affidavit of Tyler Ray sworn April 10, 2024 (the “**Ray Affidavit**”) and the Exhibits thereto, and on hearing the submissions of counsel for the Bridging Receiver, counsel for the proposed Receiver, and such other parties listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of ► sworn ►, 2024, and on reading the consent of MNP to act as the Receiver, filed

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated such that this Motion is properly returnable today, hereby dispenses with further service thereof, and authorizes substituted service thereof via electronic mail.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP is hereby appointed Receiver, without security, of all of the present and future assets, undertakings, and properties of 258 Ontario acquired for, or used in relation to the business carried on by 258 Ontario and all proceeds thereof, including, without limitation, the Maidstone Property (collectively, 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 258 Ontario and 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 of the Property, accessing and taking control of 258 Ontario's bank accounts and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of 258 Ontario (the "**Business**"), 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 disclaim or cease to perform any contracts of 258 Ontario or in respect of the Property, including, without limitation, the Unauthorized APA and the Second Offer (each as defined in the Ray Affidavit) and any other offers or agreements that were accepted or entered into by 258 Ontario on or prior to the date hereof regarding the sale of the Maidstone Property or the conveyance of any interest of 258 Ontario in the Maidstone Property;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, insurance brokers, 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 258 Ontario or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to 258 Ontario and to exercise all remedies of 258 Ontario in collecting such monies, including, without limitation, to enforce any security held by 258 Ontario;
- (g) to settle, extend or compromise any indebtedness owing to 258 Ontario;
- (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 258 Ontario, 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 258 Ontario, 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 the Maidstone Property), including by carrying out a sale process on such terms as the Receiver in its discretion

considers appropriate, or by otherwise 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; provided that any sale or disposition of the Maidstone Property shall be subject to the approval of this Court;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business as follows:

(i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the

receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of 258 Ontario;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of 258 Ontario, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any Property owned or leased by 258 Ontario;
- (q) to exercise any shareholder, partnership, joint venture or other rights which 258 Ontario 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, including 258 Ontario, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that: (i) 258 Ontario; (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel, financial advisors, and shareholders, and all other persons acting on their instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of

the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Business, the Property, or the affairs of 258 Ontario, 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 258 ONTARIO OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of 258 Ontario 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 258 Ontario 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 258 Ontario, 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 258 Ontario to carry on any business which 258 Ontario is not lawfully entitled to carry on; (ii) exempt the Receiver or 258 Ontario 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 258 Ontario, 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 258 Ontario 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

258 Ontario 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 258 Ontario'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 258 Ontario 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 any employees of 258 Ontario shall remain the employees of 258 Ontario until such time as the Receiver, on 258 Ontario's behalf, may terminate the employment of any 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 may 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 258 Ontario, 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 and any funds held by the Receiver on account of the Receiver's Borrowings (as defined below), 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 (collectively, "**Encumbrances**"), 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 their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

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 (the "**Receiver's Borrowings**"), provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures and the fees and

expenses of the Receiver and its counsel. 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 Receiver’s Borrowings, together with interest and charges thereon, in priority to all Encumbrances, 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 the Receiver’s 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 “B” hereto (the “**Receiver’s Certificates**”) for any Receiver’s Borrowings pursuant to this Order.

24. **THIS COURT ORDERS** that the Receiver’s Borrowings 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 Guide Concerning Commercial List E-Service (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 at the following URL: www.mnpdebt.ca/en/corporate/corporate-engagements.

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 email, ordinary mail, courier, personal delivery or facsimile transmission to 258 Ontario's creditors or other interested parties at their respective addresses as last shown on the records of 258 Ontario 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 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. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of 258 Ontario.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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. **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. **THIS COURT ORDERS** that the Bridging Receiver shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Bridging Receiver's security or, if not so provided by the Bridging Receiver's security, then on a substantial indemnity basis to be paid by the Receiver from 258 Ontario's estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver, the Bridging 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.

33. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Bridging Receiver may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the creditors or any other stakeholders or other interested

parties of 258 Ontario and its advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

REGISTRATION ON TITLE

34. **THIS COURT ORDERS AND DIRECTS** that, as soon as practicable, the Land Registry Office for the Land Titles Division of Essex (LRO #12) accept this Order for registration on title to the Maidstone Property described in Schedule "A" hereto.

SCHEDULE "A"

Maidstone Property

PIN75016-0009 (LT): PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355; LAKESHORE;

PIN75016-0010 (LT): PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3, 4 R423541; S/T MB18404; LAKESHORE;

PIN75016-0019 (LT): PT LT 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY) EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964; LAKESHORE;

PIN75016-0021 (LT): PT LT 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273 & PT 1 12R376; S/T R389219; LAKESHORE;

PIN75228-0005 (LT): PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE;

PIN75228-0067 (LT): PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686;

PIN75228-0095 (LT): PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; SUBJECT TO AN EASEMENT AS IN MB18413; TOGETHER WITH AN EASEMENT AS IN R1042854; TOWN OF LAKESHORE; and

PIN75228-0097 (LT): PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; TOGETHER WITH AN EASEMENT AS IN R1042854; SUBJECT TO AN EASEMENT AS IN MB18413; SUBJECT TO AN EASEMENT AS IN CE502602; TOWN OF LAKESHORE.

SCHEDULE “B”
Receiver’s Certificate

CERTIFICATE NO. _____

AMOUNT \$_____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of 2581150 Ontario Inc. (“**258 Ontario**”), acquired for, or used in relation to a business carried on by 258 Ontario (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 proceeding having Court File No. CV-24-00718057-00CL, 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 MONTH, 2024.

MNP Ltd., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:

Name:

Title:

<p>PRICEWATERHOUSECOOPERS INC. (solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds)</p> <p>Plaintiff</p>	<p>- and -</p>	<p>2581150 ONTARIO INC.</p> <p>Defendant</p>
<p>Court File No. CV-24-00718057-00CL</p>		
<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p>		
<p>Proceedings commenced at Toronto, Ontario</p>		
<p>ORDER (Appointing Receiver)</p>		
<p>THORNTON GROUT FINNIGAN LLP 100 Wellington Street West Suite 3200, TD West Tower Toronto, ON M5K 1K7</p> <p>John L. Finnigan (LSO# 24040L) Tel: (416) 304-0558 Email: jfinnigan@tgf.ca</p> <p>Grant B. Moffat (LSO# 32380L) Tel: (416) 304-0599 Email: gmoffat@tgf.ca</p> <p>Adam Driedger (LSO# 77296F) Tel: (416) 304-1152 Email: adriedger@tgf.ca</p> <p>Lawyers for the Bridging Receiver</p>		

Tab 4

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. CV-24-00718057-00CL

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

THE HONOURABLE)	WEEKDAY <u>THURSDAY</u> , THE #
JUSTICE-)	DAY OF MONTH, 20YR <u>18TH</u>
)	
<u>JUSTICE BLACK</u>)	<u>DAY OF APRIL, 2024</u>

B E T W E E N:

~~PLAINTIFF~~[†]

PRICEWATERHOUSECOOPERS INC.
(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Plaintiff

- and -

~~DEFENDANT~~

2581150 ONTARIO INC.

Defendant

[†]~~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.~~

ORDER
(~~appointing~~ Appointing Receiver)

THIS MOTION made by ~~the Plaintiff~~² PricewaterhouseCoopers Inc., in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds (in such capacity, the “Bridging Receiver”) 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 ~~[RECEIVER'S NAME]~~ MNP Ltd. (“MNP”) as receiver ~~[and manager]~~ (in such ~~capacities~~ capacity, the “Receiver”), without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME] (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor~~ 2581150 Ontario Inc. (“258 Ontario”), including, without limitation, the real properties registered in the name of 258 Ontario located in the municipality of Lakeshore – Maidstone, County of Essex, Ontario, as more particularly described in Schedule “A” hereto (collectively, the “Maidstone Property”), was heard this day ~~at 330 University Avenue,~~ by videoconference in Toronto, Ontario, in accordance with the Guidelines to Determine Mode of Proceeding in Civil Proceedings, effective April 19, 2022.

ON READING the ~~affidavit~~ Affidavit of ~~[NAME]~~ Tyler Ray sworn ~~[DATE]~~ April 10, 2024 (the “Ray Affidavit”) and the Exhibits thereto, and on hearing the submissions of counsel for ~~[NAMES]~~ the Bridging Receiver, counsel for the proposed Receiver, and such other parties listed on the counsel slip, no one else appearing ~~for [NAME]~~ although duly served as appears

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

from the ~~affidavit~~Affidavit of ~~service~~Service of ~~[NAME]~~[NAME] sworn ~~[DATE]~~[DATE], 2024, and on reading the consent of ~~[RECEIVER'S NAME]~~[RECEIVER'S NAME] to act as the Receiver, filed

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated³~~so~~ such that this ~~motion~~Motion is properly returnable today~~and~~, hereby dispenses with further service thereof, and authorizes substituted service thereof via electronic mail.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~[RECEIVER'S NAME] is hereby appointed Receiver, without security, of all of the present and future assets, undertakings, and properties of ~~the Debtor~~258 Ontario acquired for, or used in relation to the business carried on by ~~the Debtor, including~~258 Ontario and all proceeds thereof~~(, including, without limitation, the Maidstone Property (collectively, 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 258 Ontario and the Property and, without in any way

³~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

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 of the Property, accessing and taking control of 258 Ontario's bank accounts and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of 258 Ontario (the ~~Debtor~~ "Business"), 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~~, Business, or disclaim or cease to perform any contracts of ~~the Debtor~~ 258 Ontario or in respect of the Property, including, without limitation, the Unauthorized APA and the Second Offer (each as defined in the Ray Affidavit) and any other offers or agreements that were accepted or entered into by 258 Ontario on or prior to the date hereof regarding the sale of the Maidstone Property or the conveyance of any interest of 258 Ontario in the Maidstone Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, insurance brokers, 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~~Business of ~~the Debtor~~258 Ontario or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to ~~the Debtor~~258 Ontario and to exercise all remedies of ~~the Debtor~~258 Ontario in collecting such monies, including, without limitation, to enforce any security held by ~~the Debtor~~258 Ontario;
- (g) to settle, extend or compromise any indebtedness owing to ~~the Debtor~~258 Ontario;
- (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~~258 Ontario, 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~~258 Ontario, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or

~~⁴This 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.~~

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 the Maidstone Property), including by carrying out a sale process on such terms as the Receiver in its discretion considers appropriate, or by otherwise 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; provided that any sale or disposition of the Maidstone Property shall be subject to the approval of this Court;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, as follows:

(i) without the approval of this Court in respect of any transaction not exceeding \$~~100,000~~, provided that the aggregate consideration for all such transactions does not exceed \$~~500,000~~; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~f~~or section 31 of the Ontario *Mortgages Act*, as the case

may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply;~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the 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~~ 258 Ontario;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of ~~the Debtor~~ 258 Ontario, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any ~~property~~ Property owned or leased by ~~the Debtor~~ 258 Ontario;

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

(q) to exercise any shareholder, partnership, joint venture or other rights which ~~the Debtor~~258 Ontario 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~~258 Ontario, 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~~258 Ontario; (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel, financial advisors, and shareholders, and all other persons acting on ~~its~~their instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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~~Business, the Property, or the affairs of ~~the Debtor~~258 Ontario, 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~~258 ONTARIO OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of ~~the Debtor~~258 Ontario 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~~258 Ontario 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~~258 Ontario, 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~~258 Ontario to carry on any business which ~~the Debtor~~258 Ontario is not lawfully entitled to carry on; (ii) exempt the Receiver or ~~the Debtor~~258 Ontario 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~~258 Ontario, 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~~258 Ontario 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~~258 Ontario 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~~258 Ontario'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~~258 Ontario 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~~any employees of ~~the Debtor~~258 Ontario shall remain the employees of ~~the Debtor~~258 Ontario until such time as the Receiver, on ~~the Debtor~~258

Ontario's behalf, may terminate the employment of any 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~~may 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~~258 Ontario, 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 and any funds held by the Receiver on account of the Receiver's Borrowings (as defined below), 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 (collectively, "Encumbrances"), but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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

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

~~⁶Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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 (the “Receiver’s Borrowings”), provided that the outstanding principal amount does not exceed \$~~_____~~500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures and the fees and expenses of the Receiver and its counsel. 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~~Receiver’s Borrowings, 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~~Encumbrances, 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~~the Receiver’s 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" "B" hereto (the "Receiver's Certificates") for any ~~amount borrowed by it~~ Receiver's Borrowings pursuant to this Order.

24. **THIS COURT ORDERS** that the ~~monies~~ Receiver's Borrowings 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~~ Guide Concerning Commercial List E-Service (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~~ at the following URL: ~~www.mnpdebt.ca/en/corporate/corporate-engagements~~.

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~~email, ordinary mail, courier, personal delivery or facsimile transmission to ~~the Debtor~~258 Ontario's creditors or other interested parties at their respective addresses as last shown on the records of ~~the Debtor~~258 Ontario 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 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. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of ~~the Debtor~~258 Ontario.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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. **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. **THIS COURT ORDERS** that the ~~Plaintiff~~Bridging Receiver shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~Bridging Receiver's security or, if not so provided by the ~~Plaintiff~~Bridging Receiver's security, then on a substantial indemnity basis to be paid by the Receiver from ~~the Debtor~~258 Ontario's estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver, the Bridging 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.

33. THIS COURT ORDERS that the Receiver, its counsel and counsel for the Bridging Receiver may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the creditors or any other stakeholders or other interested parties of 258 Ontario and its advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and

notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

REGISTRATION ON TITLE

34. **THIS COURT ORDERS AND DIRECTS** that, as soon as practicable, the Land Registry Office for the Land Titles Division of Essex (LRO #12) accept this Order for registration on title to the Maidstone Property described in Schedule "A" hereto.

SCHEDULE "A"
Maidstone Property

RECEIVER CERTIFICATE

PIN75016-0009 (LT): PT LT 289 CON STR MAIDSTONE AS IN R1119864; S/T MB18355; LAKESHORE;

PIN75016-0010 (LT): PT LT 289 CON STR MAIDSTONE AS IN R305027 (THIRDLY) EXCEPT PTS 3, 4 R423541; S/T MB18404; LAKESHORE;

PIN75016-0019 (LT): PT LT 289-290 CON STR MAIDSTONE AS IN R645962, R463774 & R305027 (FIRSTLY) EXCEPT PT 1 12R2096 & PTS 9, 10 R423541; S/T MB18409, MB18414, R902964; LAKESHORE;

PIN75016-0021 (LT): PT LT 291 CON STR MAIDSTONE PTS 1, 2 RD138 EXCEPT PT 1 RD273 & PT 1 12R376; S/T R389219; LAKESHORE;

PIN75228-0005 (LT): PT LT 27 CON 10 MAIDSTONE AS IN R442677; LAKESHORE;

PIN75228-0067 (LT): PT LT 27 CON 10; LAKESHORE DESIGNATED AS PT 2 12R20686;

PIN75228-0095 (LT): PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; SUBJECT TO AN EASEMENT AS IN MB18413; TOGETHER WITH AN EASEMENT AS IN R1042854; TOWN OF LAKESHORE; and

PIN75228-0097 (LT): PART LOT 29 CONCESSION 9 GEOGRAPHIC TOWNSHIP OF MAIDSTONE; TOGETHER WITH AN EASEMENT AS IN R1042854; SUBJECT TO AN EASEMENT AS IN MB18413; SUBJECT TO AN EASEMENT AS IN CE502602; TOWN OF LAKESHORE.

SCHEDULE "B"
Receiver's Certificate

CERTIFICATE NO. _____
AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ MNP Ltd., the receiver and manager (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of 2581150 Ontario Inc. ("258 Ontario"), acquired for, or used in relation to a business carried on by ~~the Debtor, including all proceeds thereof (collectively, 258 Ontario~~ (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~~ proceeding having Court ~~file number~~ File No. CV-24-00718057-00CL_____, 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 _____ MONTH, ~~20~~ 2024.

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

~~24~~

24



Per
:

Name:

Title:

<p align="center"><u>PRICEWATERHOUSECOOPERS INC.</u> <u>(solely in its capacity as court-appointed receiver and manager of</u> <u>Bridging Finance Inc. and certain related entities and investment funds)</u></p> <p align="right"><u>Plaintiff</u></p>	<p align="center"><u>- and -</u></p>	<p align="center"><u>2581150 ONTARIO INC.</u></p> <p align="right"><u>Defendant</u></p>
		<p align="right"><u>Court File No. CV-24-00718057-00CL</u></p>
		<p align="center"><u>ONTARIO</u> <u>SUPERIOR COURT OF JUSTICE</u> <u>(COMMERCIAL LIST)</u></p> <p align="center"><u>Proceedings commenced at Toronto, Ontario</u></p>
		<p align="center"><u>ORDER</u> <u>(Appointing Receiver)</u></p>
		<p><u>THORNTON GROUT FINNIGAN LLP</u> <u>100 Wellington Street West</u> <u>Suite 3200, TD West Tower</u> <u>Toronto, ON M5K 1K7</u></p> <p><u>John L. Finnigan (LSO# 24040L)</u> <u>Tel: (416) 304-0558</u> <u>Email: jfinnigan@tgf.ca</u></p> <p><u>Grant B. Moffat (LSO# 32380L)</u> <u>Tel: (416) 304-0599</u> <u>Email: gmoffat@tgf.ca</u></p> <p><u>Adam Driedger (LSO# 77296F)</u> <u>Tel: (416) 304-1152</u> <u>Email: adriedger@tgf.ca</u></p> <p><u>Lawyers for the Bridging Receiver</u></p>

Document comparison by Workshare Compare on Wednesday, April 10, 2024 1:36:47 PM

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Document 1 ID	file://C:\Users\adamd\Desktop\receivership-order-EN (1).doc
Description	receivership-order-EN (1)
Document 2 ID	file://C:\Users\adamd\Desktop\Draft 258 Ontario Receivership Order.docx
Description	Draft 258 Ontario Receivership Order
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
<u>Moved to</u>	
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Format change	
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Moved cell	
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Padding cell	

Statistics:

	Count
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Deletions	209
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	469

<p>PRICEWATERHOUSECOOPERS INC. (solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds)</p> <p>Plaintiff</p>	<p>- and -</p>	<p>2581150 ONTARIO INC.</p> <p>Defendant</p>
<p>Court File No. CV-24-00718057-00CL</p>		
<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p>		
<p>Proceedings commenced at Toronto, Ontario</p>		
<p>MOTION RECORD</p>		
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