

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

TANKHOUSE DEVELOPMENTS INC.

Respondent

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

APPLICATION RECORD

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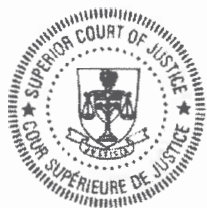
Lawyers for the Applicant

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TAB 1



CV-22-00089649-0000
Court File No.

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Rules 3 and 14.05(2), (3) (g) and (h) of the *Rules of Civil Procedure*

NOTICE OF APPLICATION

TO THE RESPONDENT

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

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- In person
- By telephone conference
- By video conference

On August 24, 2022 at 9:00 a.m.

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date 07/08/2022

Issued by


Local Registrar

Address of

court office: 161 Elgin Street, Ottawa, Ontario, K2P 2K1

TO: See attached Service List

SERVICE LIST

1. **Tankhouse Developments Inc.**
c/o Matthew Gemmell
O'Flynn Weese LLP
65 Bridge Street East
Belleville, ON K8N 1L8
Email: mgemmell@owtlaw.com

2. **The Estate of the Late Richard Courneyea**
c/o Matthew Gemmell
O'Flynn Weese LLP
65 Bridge Street East
Belleville, ON K8N 1L8
Email: mgemmell@owtlaw.com

3. **Sean Hibbert**
c/o Todd J. Burke / Aweis Osman
Gowling WLG (Canada) LLP
2600-160 Elgin Street
Ottawa, ON K1P 1C3
Email: todd.burke@gowlingwlg.com / aweis.osman@gowlingwg.com

4. **Canada Revenue Agency, Legal Services**
555 McKenzie Road
Ottawa, ON K1A 0L5
Email: collections@justice.gc.ca

5. **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED
BY THE MINISTER OF FINANCE**
P.O. Box 620
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9
Email: Insolvency.Unit@ontario.ca

6. **Wright Law**
220 Front Street
Belleville, ON K8N 2Z2
Attention: Jessica Hodder
Email: jhodder@wrightlawyers.ca
Lawyers for Shawna Courneyea

7. Farm Credit Canada

200-1133 St-George Boulevard
Moncton, NB E1E 4E1
Attention: Dale Snider
Email: dale.snider@fcc-fac.ca
c/o Harrison Pensa LLP
130 Dufferin Avenue, Suite 1101
London, ON N6A 5R2
Attention: Tom Robson
Email: trobson@harrisonpensa.com
Lawyers for Farm Credit Canada

8. Trenval Business Development Corporation

284B Wallbridge-Loyalist Road, P.O. Box 610
Belleville, ON K8N 5B3
Attention: Eileen Brown
Email: ebrown@trenval.ca

9. MNP Ltd.

1600 Carling Avenue, Suite 800
Ottawa, ON K1Z 1G3
Attention: John Haralovich
Email: john.haralovich@mnp.ca

10. City of Belleville – Tax Department

183 Pinnacle Street
Belleville, ON K8N 3A5
Email: tax.info@belleville.ca

11. North Kegs Corp.

216-2222 S Sheridan Way
Mississauga, ON L5J 2M4
Attention: Matthew Wowchuk, Managing Director and Co-Founder
Email: sales@northkeg.com

12. CLE Capital Inc.

3390 South Service Road, Suite 301
Burlington, ON L7N 3J5

APPLICATION

1. The Applicant, Business Development Bank of Canada (the “**Bank**”), makes application for:

- (a) an Order, if necessary, dispensing with service and filing of the within Application, declaring that service of this Application has been validly effected on all necessary parties and declaring that this Application is properly returnable on _____, 2022 at _____ a.m. in Ottawa, Ontario, or as soon thereafter as this Application can be heard;
- (b) an Order pursuant to s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 (the “**CJA**”) and/or s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 (the “**BIA**”) and/or ss. 67(1) (a) and (e) of the *Personal Property Security Act* R.S.O. 1990 c.P.10 (the “**PPSA**”) appointing MNP Ltd. (“**MNP**”) as Court-Appointed Receiver (in such capacity, the “**Receiver**”), without security, over all of the assets, undertakings and property of the Respondent;
- (c) an Order ancillary to the Receivership requested above in the form of the draft Order annexed hereto as Schedule “A”, as a result of the circumstances described in the Affidavit filed in support of this Application;
- (d) costs of the Application on a substantial indemnity basis; and
- (e) such further and other Relief as this Honourable Court may deem just.

2. The grounds for the application are:

The Parties

- (a) The Bank is a Crown corporation which provides, among other services, financing to small and medium-sized businesses and is constituted as a secured creditor of the Company pursuant to the Loan Agreements and the Security (as these terms are defined below).

- (b) The Respondent, Tankhouse Developments Inc. (the “**Company**”), is a corporation incorporated pursuant to the laws of Ontario and is indebted to the Bank pursuant to the Loan Agreements and the Security.
- (c) The Company is the registered owner of the property municipally known as 86 - 93 River Road, Corbyville, Ontario (the “**River Road Property**”) and operates a restaurant and brewery from that location. The Bank’s loans to the Company are secured in part by a mortgage registered against title to the River Road Property.
- (d) The Late Richard Courneyea (the “**Late Mr. Courneyea**”) is an individual who resided in the City of Belleville, Ontario. At all material times, he was a principal of the Company and personally guaranteed part of the Company’s indebtedness to the Bank.
- (e) Sean Hibbert (“**Mr. Hibbert**”) is an individual who resides in Corbyville, Ontario. At all material times, he was a principal of the Company and personally guaranteed part of the Company’s indebtedness to the Bank.
- (f) The Bank was informed in December 2021 that the Late Mr. Courneyea had passed away, and understands that since that time, his spouse, Shawna Courneyea (“**Ms. Courneyea**”), has been operating the Company. The Bank also understands that Mr. Hibbert recently resigned as a director of the Company.

The Bank’s Loans and Security

- (g) Between November 2016 and December 2017, the Bank entered into two separate loan agreements with the Company that remain outstanding (collectively, the “**Loan Agreements**”).
- (h) In accordance with the terms of a letter of offer of credit dated November 29, 2016, as amended from time to time (the “**First Agreement**”), the Bank granted a loan to the Company in the amount of \$1,300,000.00, which provides for the following security:
 - (i) A first-ranking mortgage in the principal amount of \$1,500,000.00 (the “**Mortgage**”) encumbering title to the River Road Property. The parcel

registers for the River Road Property confirm that Farm Credit Canada (“**FCC**”) also registered a subsequent mortgage on title to the property in the principal amount of \$300,000.00. Further, Trenval Business Development Corporation (“**Trenval Corporation**”) also registered a subsequent mortgage on title to one of the parcels of the River Road Property (being PIN: 40524-0678) in the principal amount of \$250,000.00;

- (ii) A general security agreement (the “**GSA**”) from the Company in favour of the Bank providing for a security interest in the Company’s personal property;
 - (iii) The personal guarantee of the Late Mr. Courneyea limited to 35% of the outstanding balance of the loan under the First Agreement; and
 - (iv) The personal guarantee of Mr. Hibbert limited to 20% of the outstanding balance of the loan under the First Agreement;
- (i) In accordance with the terms of a letter of offer of credit dated December 20, 2017, as amended from time to time (the “**Second Agreement**”), the Bank granted a further loan to the Company in the amount of \$200,000.00, which provides for the following security:
- (i) The Mortgage encumbering title to the River Road Property was also to stand as security for the loan under the Second Agreement;
 - (ii) The GSA from the Company was also to stand as security for the loan under the Second Agreement;
 - (iii) The guarantee of the Late Mr. Courneyea for the entirety of the outstanding balance of the loan under the Second Agreement; and
 - (iv) The guarantee of Mr. Hibbert for 20% of the outstanding balance of the loan under the Second Agreement.
- (j) For convenience, the Mortgage and the GSA are hereinafter collectively referred to as the “**Security**”.

- (k) The PPSA registry confirms that as of June 26, 2022, the following creditors had registered security interests against the Company: BDC; Trenval Corporation; FCC; the Ministry of Finance; North Kegs Corp.; and CLE Capital Inc.

Defaults Under the Credit Facilities and the Security and Transfer to SLAS

- (l) The Company has a lengthy history of default under the terms and conditions of the Loan Agreements and the Security including the following:
- (i) The Company first defaulted on the loan under the First Agreement in October 2019 and after bringing the loan current by early-2020, the loan then went into arrears in March 2020 and has been in arrears since that time. The Company also first defaulted on the loan under the Second Agreement in March 2020 and after bringing the loan current shortly thereafter, the loan went into arrears in May 2020 and has been in arrears since that time. Although certain partial payments have been made under the First Agreement, the Company has not made any of the required monthly loan payments in accordance with the Loan Agreements since early-2020, as a result of which, following the Bank's demands for payment, there are arrears in the payment of principal, interest and protective disbursements totalling \$1,566,469.50 as of July 7, 2022. These arrears now exceed the originally advanced loan amounts to the Company totaling \$1,500,000.00, such that the Company has been unable to reduce the principal amounts owing pursuant to the Loan Agreements since the loans were first disbursed in January 2017 and February 2018.
- (ii) As of the date hereof, the Bank is aware of the following outstanding priority payables owing by the Company totalling \$297,814.30:
- a. arrears in municipal taxes in respect of the River Road Property totalling \$41,786.24;
 - b. arrears in respect of beer and wine tax remittances in the amount of \$32,967.11. It appears that as a result of these arrears, the Ministry of Finance registered the following two executions against the Company

with the County of Hastings execution office: (1) writ issued on January 28, 2020 with respect to a judgment in the amount of \$43,330.20 and interest thereon; and (2) writ issued on February 10, 2021 with respect to a judgment in the amount of \$18,748.05 and interest thereon;

c. arrears in HST remittances totalling \$221,155.06; and

d. \$1,905.89 on account of source deduction remittances.

(iii) The Company is failing to provide financial reporting, information and disclosure to the Bank in a timely manner which is satisfactory to the Bank and as requested by it contrary the terms of the Loan Agreements and the Security such that the Bank cannot adequately assess its risk. In this regard, the Loan Agreements require the Company to provide to the Bank annual review engagement financial statements within 90 days of each January. Contrary to this reporting requirement, the Company has not delivered these financial statements to the Bank since, and including, its December 2020 financial year-end. Although the statements referred to in the preceding paragraph above with respect to priority payables have been provided to the Bank, they were not provided to the Bank in a timely manner, they were not detailed statements as requested, and followed several requests by counsel for the Bank.

(iv) There has been a significant and material deterioration in the financial condition and circumstances of the Company and the Company is unable to service the Bank's loans and its indebtedness owing to its other secured and priority creditors.

(v) Failure to immediately notify the Bank of the occurrence of any default under the Loan Agreements and the Security.

(m) The foregoing constitute events of default under the Loan Agreements and the Security.

- (n) The Loan Agreements and the Security provide that in the event of default, the Bank is entitled to accelerate payment of the outstanding amounts of the loans and enforce the Security.
- (o) In the event of default, the Security expressly provides that the Bank is entitled to appoint a Receiver.
- (p) As a result of the Company's repeated and ongoing defaults, on January 28, 2022, the Bank made formal demand upon the Company for payment in full within ten (10) days of the sum of \$1,512,001.16 plus interest, costs and charges incurred to the date of payment, being the amount then owing pursuant to the Loan Agreements. Along with this formal demand for payment, the Bank also delivered to the Company a Notice of Intention to Enforce Security ("NITES") in accordance with s. 244 of the BIA.
- (q) As of July 7, 2022, the Company's total indebtedness to the Bank pursuant to the Loan Agreements was \$1,566,469.50 plus ongoing interest and costs.

Forbearance Agreement and Recent Developments

- (r) In order to attempt to accommodate the Company and assist the Company remedy its defaults under the Loan Agreements and the Security, the parties entered into a forbearance agreement dated February 8, 2022 (the "**Forbearance Agreement**"), the principal terms of which were:
 - (i) The entire indebtedness owing to the Bank by the Company was to be repaid by May 9, 2022;
 - (ii) All priority payables, including municipal taxes, and corporate tax, HST and source deduction remittances, as well as all applicable beer and/or alcohol sales taxes, were to be brought current by April 29, 2022;
 - (iii) The Company would actively promote and market the sale of the River Road Property throughout the forbearance period and complete the sale by May 9, 2022, and keep the Bank fully informed of all efforts made to promote, market

and sell the property, and bring to the Bank's attention any offers or counter-offers for its consideration and input;

- (iv) The Company acknowledged and agreed, among other things, that it had defaulted under the terms of the Loan Agreements and the Security, that it was indebted to the Bank and that the indebtedness owing to the Bank was not disputed and was due and owing to the Bank and that it had no right of set-off, counter-claim, damages or any similar right or claim, such that the Bank was entitled to demand repayment of the entire indebtedness owing to the Bank, along with all legal fees, costs and disbursements, and that the Security held by the Bank was valid and enforceable; and
- (v) In the event of default, the Bank was entitled to the appointment of a Receiver, and in the event the Bank exercised its rights and remedies, the Company and its management agreed and undertook to cooperate with the Bank in the Bank's realization efforts and to not interfere with the Bank's rights in this regard.
- (s) Contrary to the Forbearance Agreement, the indebtedness owing to the Bank was not repaid by May 9, 2022, nor was the River Road Property sold by then, and priority payables were not brought current by April 29, 2022. As a result, the Forbearance agreement was deemed to have been terminated by as of May 9, 2022.
- (t) Notwithstanding the foregoing and the fact that the Bank was entitled to enforce its Security, the Bank continued to attempt to work with the Company in order to try avoid the Bank having to enforce its Security. As a result, the parties initially agreed to enter into a second forbearance agreement on the same terms of the Forbearance Agreement, but with the following additional terms: (1) the Company was to consent to a receivership order that would be held in escrow and released in the event of default under the revised forbearance agreement; (2) the Bank would mandate an appraisal of the River Road Property to guide and inform the sales process of the property; (3) the Bank was to be consulted about and have

input on the listing price of the River Road Property; and (4) monthly payments of \$10,000.00 to be applied to the indebtedness owing to the Bank were to be made.

(u) Although the parties initially agreed to these terms, as of the date hereof, neither the Company nor the estate of the Late Mr. Courneyea have executed this further forbearance agreement (though Mr. Hibbert has done so in his capacity as guarantor). In this regard, email exchanges between counsel for the parties between May 5, 2022, and July 6, 2022, confirm the following:

- (i) On May 16, 2022, counsel for the Company confirmed that the Company was in agreement with the proposed revised forbearance agreement, and on May 18, 2022, counsel for Mr. Hibbert confirmed the same;
- (ii) On May 25, 2022, counsel for the Bank circulated a revised forbearance agreement and asked that a duly executed copy of the agreement be provided by no later than June 1, 2022;
- (iii) Counsel for the Bank followed up with counsel for the parties on June 2, 2022, given that the executed forbearance agreement had not been delivered and, on this same date, despite previously confirming that the terms of the revised forbearance agreement were acceptable, counsel for the Company confirmed that Ms. Courneyea required independent legal advice with respect to her duties as estate trustee;
- (iv) Counsel for the Bank responded to the foregoing email communication on behalf of the Bank on June 6, 2022 and confirmed that this latest development was surprising given that the Bank had repeatedly followed up to ensure that Ms. Courneyea had obtained independent legal advice and that it was assured by their previous counsel that this was not an issue, and further, the parties had previously negotiated and entered into the Forbearance Agreement and this issue was never raised. Counsel for the Bank confirmed that the Bank was prepared to provide Ms. Courneyea until June 20, 2022 to obtain whatever advice she required and that, thereafter, the parties would need to enter into

the proposed forbearance agreement by June 24, 2022, failing which the Bank would have no alternative but to bring an application for the appointment of a Court-appointed receiver. Counsel for the Bank also requested an update on the status of the sales process and full particulars, with supporting statements, of all of the Company's priority payables;

- (v) On June 7, 2022, counsel for the Bank asked counsel for the Company to confirm who was acting for Ms. Courneyea and confirmed that he looked forward to hearing from counsel accordingly and on the same day, counsel for Ms. Courneyea acknowledged her retainer;
- (vi) On June 15, 2022, counsel for the Bank followed up with counsel for the Company given that no response had been provided to the foregoing June 6, 2022 correspondence and no particulars provided with respect to priority payables. Counsel for the Bank also enquired as to whether any progress had been made in Ms. Courneyea obtaining independent legal advice and the parties entering into the revised forbearance agreement;
- (vii) On June 17, 2022, counsel for the Company responded and provided an update on the status of the sales process and confirmed the following arrears in respect of the Company's priority payables: \$32,967.11 in arrears with respect of beer/alcohol sales tax; \$221,155.06 in arrears in respect of HST remittances; \$41,786.24 in arrears of municipal taxes in respect of the River Road Property. Counsel also confirmed in this email that Mr. Hibbert had recently resigned as a director and officer of the Company in the interim;
- (viii) Counsel for the Bank responded to the foregoing email by counsel for the Company on June 20, 2022. In this email, counsel for the Bank wrote in part as follows:

"No reporting on the status of source deduction remittances has been provided.

We have not been provided with any recent CRA statements with respect to HST, source deduction and corporate tax remittances. These reports can

be readily obtained by your client from CRA's website. They will be identified as the "RC", "RP" and "RT" accounts.

We have also not been provided with any recent municipal tax certificate or statement.

There is also no update on where matters stand on Ms. Courneyea obtaining ILA and the parties entering into a forbearance agreement by week's end as required by BDC in order to continue to forbear. Please note that my instructions in this regard have not changed and, in the event no forbearance agreement is in place accordingly, my instructions are to bring a receivership application given the company's insolvency."

- (ix) On June 30, 2022, counsel for the Company provided copies of the property tax bills and the HST notice of assessment showing past due amounts of \$41,294.64 and \$221,155.06, respectively, and on July 4, 2022, counsel for the Company provided a copy of the Company's source deduction statement showing an amount owing of \$1,905.89. The issues of the revised forbearance agreement or Ms. Courneyea obtaining legal advice were not addressed;
- (x) Counsel for the Bank corresponded with counsel for the Company on July 6, 2022, and confirmed that since priority payables totaled \$297,814.30, despite the fact that they were to be brought current by April 29, 2022 pursuant to the Forbearance Agreement, the Bank's position was deteriorating and its Security was being imperilled given that the claim of statutory priority creditors could rank in priority to the Bank's secured claim. Further, counsel confirmed that no sale of the Company's assets appeared to be imminent and that the Company had no realistic prospects to secure additional/alternate financing. As a result, the Bank's conclusion was that it had no alternative but to seek the appointment a Court-appointed receiver in order to protect its interest and those of other stakeholders given the Company's evident insolvency.

The Company's Attempts to Sell its Assets

- (v) The Bank was informed by the Company in January 2022 that it was attempting to sell its assets in order to repay its creditors. Since that time, the Company has been attempting to sell its assets, including the River Road Property.

- (w) Throughout this period, the Company has been unable to sell its assets, including the River Road Property, and despite the Company's obligation pursuant to the Forbearance Agreement to forthwith bring to the Bank's attention any offer to purchase, no offer to purchase has been provided to the Bank for its review and consideration. The Bank therefore has no confidence that a sale of the Company's assets is imminent and that its position and its security, including those of the other stakeholders, will not further deteriorate in the interim.

The Bank's Security is in Peril and the Necessity for the Appointment of Receiver

The Company is Insolvent, is Unable to Meet its Significant Liabilities to its Secured and Priority Creditors, and Cannot Service its Significant Debts

- (x) Despite the numerous indulgences granted to the Company by the Bank and the Bank's efforts to accommodate and assist the Company, the Company has consistently failed to meet its obligations leaving the Bank with no choice but to seek the appointment of a Receiver to protect the Bank's Security and the interest of other stakeholders.
- (y) The Company has failed to make any of the required regular loan payments to the Bank since early-2020. As a result, as of July 7, 2022, the Company is indebted to the Bank in the aggregate amount of \$1,566,469.50, which amount exceeds the originally advanced amounts by the Bank to the Company totalling \$1,500,000.00.
- (z) The City of Belleville has confirmed that as of June 24, 2022, there were arrears in municipal taxes in respect of the River Road Property totalling \$41,786.11. The Company's failure to ensure that municipal taxes in respect of this property are kept current constitutes an event of default under the Loan Agreements and the Security and is imperilling the Bank's Security given that municipal tax arrears must be paid in priority to any amounts payable to the Bank pursuant to the Mortgage.
- (aa) The Company is also significantly indebted to statutory priority creditors. In this regard, the Company has arrears in HST remittances totaling \$221,155.06, arrears in source deductions in the amount of \$1,905.89 and it has arrears in respect of beer and wine tax remittances of \$32,967.11. The Company's failure to ensure that

these priority payables are kept current also constitutes an event of default under the Loan Agreements and the Security and is imperilling the Bank's Security given that they may be payable in priority to any amount payable to the Bank pursuant to the Security.

- (bb) From the above indebtedness owing to the Bank, the City of Bellville and on account of the above priority payables, the Company has current existing liabilities of at least \$1,864,283.80. Further, the Company appears to be indebted to FCC and Trenval Corporation. Although the particulars of this indebtedness are unknown to the Bank, as outlined above, FCC has mortgage security in respect of the River Road Property in the principal amount of \$300,000.00, and Trenval Corporation has mortgage security in respect of one of the parcels comprising the River Road Property in the amount of \$250,000.00.

There is No Other Exit Scenario Available for the Bank

- (cc) To date, the Company has repeatedly failed to repay the indebtedness owing to the Bank despite repeated attempts by the Bank to provide the Company with an opportunity to sell its assets, which it has been attempting to do since at least January 2022 so as to avoid the costs associated with the Bank enforcing its Security. Further, since the termination of the Forbearance Agreement on May 9, 2022, the Company has refused to enter into a further forbearance agreement. In the circumstances, it is the Bank's position that the best party to sell the assets of the Company is a Court-appointed receiver in the context of a Court-supervised process to ensure that the interests of the Bank and all other stakeholders are taken into consideration. In such an event, it is the Bank's position that this matter is time sensitive given that the Company's business is seasonal in nature, such that a sale should be completed by the fall to maximize the recovery for all stakeholders.
- (dd) Given the various claims potentially attaching to the Company's assets including the River Road Property, including the mortgage claims of BDC, FCC and Trenval Corporation, the priority claims with respect to municipal tax arrears, the priority

deemed statutory trust claims held by the Federal Crown and the Ontario Ministry of Finance, as well as the executions locally registered against the Company, it is likely that an approval and vesting order will be required from the Court in order to complete any sale of the Company's assets.

- (ee) Given the Company's insolvency, its significant indebtedness to the Bank and to other secured and priority creditors, and its inability to service its debts, there are no realistic prospects for the Company to secure any type of additional or alternate financing.
- (ff) Further, there are likely to be several competing claims in this matter by secured creditors, statutory priority creditors, execution creditors and potentially unsecured creditors, such that a Court-appointed receiver would be best placed to deal with these competing claims.
- (gg) Pursuant to the Forbearance Agreement, in the event the Bank exercised its rights and remedies, the Company and its management agreed and undertook to cooperate with the Bank in its realization efforts and to not interfere with the Bank's rights in this regard.

The Company has Breached its Financial Reporting Requirements to the Bank Contrary to the Provisions of the Loan Agreements and the Security

- (hh) Pursuant to the Loan Agreements and the Security, the Company is required to provide to the Bank such financial information and disclosure as requested by the Bank in a prompt manner.
- (ii) Contrary to the reporting requirement under the Loan Agreements and the Security, the Company has not delivered to the Bank annual review engagement financial statements within 90 days of each January since, and including, its December 2020 financial year-end.
- (jj) Further, the Company has failed to provide timely and satisfactory current reporting to the Bank with respect to the status of the Company's various priority payables. These reporting breaches constitute events of default under the Bank's

Loan Agreements and Security and, in the absence of this information being provided in a timely manner, the Bank is unable to assess the affairs of the Company and its risk.

(kk) The Bank's demands for payment expired on January 28, 2022, such that the Bank has been entitled to enforce its Security since then. Moreover, the Bank is contractually and statutorily entitled to the appointment of a Receiver pursuant to the Security, the BIA (s. 243), the CJA (s. 101) and the PPSA (s. 67) given the Company's numerous defaults as outlined herein.

(ll) The Security held by the Bank is in jeopardy and it is necessary for a Receiver to take control of the Company's assets to ensure that they are dealt with in an orderly and proper manner. In this regard, MNP, a duly qualified Receiver, has consented to act as Court-Appointed Receiver of the Company.

(mm) In light of the foregoing, the appointment of a Receiver is just and convenient in the circumstances, and is necessary for the protection of the Company's estate and for the protection of the interests of the Bank and other stakeholders.

(nn) Section 101 of the CJA;

(oo) Section 243 of the BIA;

(pp) Section 67 of the PPSA;

(qq) Rules 1.04, 2.03, 3.02, 14.05(2), (3) (g), (h), 38 and 41 of the *Rules of Civil Procedure*; and

(rr) Such further and other grounds as counsel may advise.

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

(a) The Affidavit of Golda D'Souza, sworn July 7, 2022 and the Exhibits thereto;

(b) The Consent of MNP Ltd. to act as Court-Appointed Receiver/Manager; and

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

Date: July 8, 2022

SOLOWAY WRIGHT LLP
Lawyers
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Ottawa, ON K1R 7Y2

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Lawyers for the Applicant, Business
Development Bank of Canada

SCHEDULE "A"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE ____ DAY
JUSTICE) OF _____, 2022.

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

TANKHOUSE DEVELOPMENTS INC.

Respondent

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties, including the real property described in Schedule "A" hereto (collectively, the "Property") of the Respondent (hereinafter the "Debtor") acquired for, or used in relation to a business carried out by the Debtor, was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario, K2P 2K1.

ON READING the Affidavit of Golda D'Souza, sworn on July 7, 2022 and the Exhibits thereto, the Factum and Authorities of the Applicant, on hearing the submissions of counsel for the parties present, no one else appearing on behalf of any other parties on the Service List although duly served as appears from the Affidavit of Service of Roxanne Chapman sworn on

July __, 2022 and on reading the consent of MNP Ltd., dated July 6, 2022, to act as the Receiver in respect of the assets of the Debtor referred to herein,

SERVICE

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

APPOINTMENT

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

RECEIVER'S POWERS

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

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

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, 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;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records,

or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (92) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the

Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their

advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5)

or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

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

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

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by

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

GENERAL

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

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

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

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

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

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

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

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to the Property appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ____ day of _____, 2022 (the "Order") made in an action having Court file number _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20____.

[_____]

By: _____

Name:

Title:

Debtor/Firm:

Schedule "A"
Debtor's Real Property

Legal Description: PT LT 4 PL 61 THURLOW; PT 4 21R23923; BELLEVILLE; COUNTY OF HASTINGS

PIN: 40523-0199 (LT)

LRO #21

Legal Description: PT LT 14 PL 44 THURLOW; PT LT 4 PL 61 THURLOW; PT EARLE STREET PL 61
THURLOW CLOSED BY RBL208, PT 3 21R23923; BELLEVILLE; COUNTY OF HASTINGS

PIN: 40523-0202 (LT)

LRO #21

Legal Description: PT BLK A PL 61 THURLOW; PT PARSONAGE LT PL 44 THURLOW; PT 1
21R23923; BELLEVILLE; COUNTY OF HASTINGS

PIN: 40524-0678 (LT)

LRO #21

BUSINESS DEVELOPMENT BANK OF CANADA
Applicant

-and- **TANKHOUSE DEVELOPMENTS INC.**
Respondent

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

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

NOTICE OF APPLICATION

SOLOWAY WRIGHT LLP

Lawyers
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Ottawa, ON K1R 7Y2

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

Lawyers for the Applicant, Business Development Bank of
Canada

TAB 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

TANKHOUSE DEVELOPMENTS INC.

Respondent

**AFFIDAVIT OF GOLDA D'SOUZA
(sworn on July 7, 2022)**

I, Golda D'Souza, of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY as follows:

1. I am a Senior Account Manager, Special Accounts, with the Applicant, Business Development Bank of Canada (the "**Bank**"), and I have carriage of this matter on behalf of the Bank. As such, I have personal knowledge of the matters to which I hereinafter depose, except where such knowledge is stated to be based on information and belief, in which case I confirm the source of my information and belief and verily believe same to be true.

2. I make this Affidavit solely in support of the Bank's Application for an order appointing MNP Ltd. ("**MNP**") as receiver, without security, of the assets, undertakings and properties of the Respondent, Tankhouse Developments Inc. (the "**Company**"), pursuant to the provisions of the *Bankruptcy and Insolvency Act* ("**BIA**"), the *Courts of Justice Act* ("**CJA**") and the *Personal Property Security Act* ("**PPSA**").

The Parties

3. The Bank is a Crown corporation which provides, among other services, financing to small and medium-sized businesses. At all material times, the Bank was constituted as a secured creditor of the Company pursuant to the Loan Agreements and the Security (as these terms are defined below).

4. The Company is a corporation incorporated pursuant to the laws of Ontario and is indebted to the Bank pursuant to the Loan Agreements and the Security. Attached hereto as **Exhibit "A"** is a true copy of the corporate profile report for the Company.

5. The Company is the registered owner of the property municipally known as 86 - 93 River Road, Corbyville, Ontario (the "**River Road Property**") and operates a restaurant and brewery from that location known as "Signal Brewery". As is detailed below, the Bank's loans to the Company are secured in part by a mortgage registered against title to the River Road Property.

6. The Late Richard Courneyea (the "**Late Mr. Courneyea**") is an individual who resided in the City of Belleville, Ontario. At all material times, the Late Mr. Courneyea was a principal of the Company and personally guaranteed part of the Company's indebtedness to the Bank.

7. Sean Hibbert ("**Mr. Hibbert**") is an individual who resides in Corbyville, Ontario. At all material times, Mr. Hibbert was a principal of the Company and personally guaranteed part of the Company's indebtedness to the Bank.

8. The Bank was informed in December 2021 that the Late Mr. Courneyea had passed away. The Bank understands that since that time, his spouse, Shawna Courneyea ("**Ms. Courneyea**"), has been operating the Company. As is also detailed below, the Bank also understands that Mr. Hibbert recently resigned as a director of the Company.

The Bank's Loans and Security

9. Between November 2016 and December 2017, the Bank entered into two separate loan agreements with the Company that remain outstanding (collectively, the "**Loan Agreements**").

10. In accordance with the terms of a letter of offer of credit dated November 29, 2016, as amended from time to time (the "**First Agreement**"), the Bank granted a loan to the Company in the amount of \$1,300,000.00. Attached hereto as **Exhibit "B"** is a true copy of the First Agreement, which provides for the following security, amongst others:

- a. A first-ranking mortgage in the principal amount of \$1,500,000.00 (the "**Mortgage**") encumbering title to the River Road Property. Attached hereto as **Exhibit "C"** are true copies of the parcel registers for the River Road Property, the registered Charge and the Bank's Standard Charge Terms (20011). The parcel registers for the River Road Property confirm that Farm Credit Canada ("**FCC**") also registered a subsequent mortgage on title to the property in the principal amount of \$300,000.00. Further, Trenval Business Development Corporation ("**Trenval Corporation**") also registered a subsequent mortgage on title to one of the parcels of the River Road Property (being PIN: 40524-0678) in the principal amount of \$250,000.00;
- b. A general security agreement (the "**GSA**") from the Company in favour of the Bank providing for a security interest in the Company's personal property. Attached hereto as **Exhibit "D"** is a true copy of the GSA, dated December 14, 2016;
- c. The personal guarantee of the Late Mr. Courneyea limited to 35% of the outstanding balance of the loan under the First Agreement. Attached hereto as **Exhibit "E"** is a true copy of this guarantee, dated December 14, 2016; and
- d. The personal guarantee of Mr. Hibbert limited to 20% of the outstanding balance of the loan under the First Agreement. Attached hereto as **Exhibit "F"** is a true copy of this guarantee, dated December 14, 2016.

11. In accordance with the terms of a second letter of offer of credit dated December 20, 2017, as amended from time to time (the "**Second Agreement**"), the Bank granted a further loan to the Company in the amount of \$200,000.00. Attached hereto as **Exhibit "G"** is a true copy of the Second Agreement, which provides for the following security:

- a. The Mortgage encumbering title to the River Road Property (Exhibit “C”) was also to stand as security for the loan under the Second Agreement;
 - b. The GSA from the Company providing for a security interest in the Company’s personal property in favour of the Bank (Exhibit “D”) was also to stand as security for the loan under the Second Agreement;
 - c. The guarantee of the Late Mr. Courneyea for the entirety of the outstanding balance of the loan under the Second Agreement. Attached hereto as **Exhibit “H”** is a true copy of this guarantee, dated January 31, 2018; and
 - d. The guarantee of Mr. Hibbert for 20% of the outstanding balance of the loan under the Second Agreement. Attached hereto as **Exhibit “I”** is a true copy of this guarantee, dated January 31, 2018.
12. For convenience, the Mortgage and the GSA are hereinafter collectively referred to as the **“Security”**.
13. Attached hereto as **Exhibit “J”** is a copy of a search of the PPSA registry conducted as of June 27, 2022 with respect to the Company. It confirms that as of June 26, 2022, the following creditors had registered security interests against the Company pursuant to the provisions of the PPSA: BDC with respect to the GSA; Trenval Corporation with respect to a “promissory note and general security agreement”; FCC; the Ministry of Finance “collections branch (beer 825477706)”; and North Kegs Corp. and CLE Capital Inc. with respect to certain leased equipment.

Defaults under the Loan Agreements and the Security and Demands for Payment

14. As is hereinafter detailed, the Company has a lengthy history of default under the terms and conditions of the Loan Agreements and the Security. Amongst other things, the Company has breached the Loan Agreements and the Security as follows:
- a. The Company first defaulted on the loan under the First Agreement in October 2019 and after bringing the loan current by early-2020, the loan then went into arrears in March 2020

and has been in arrears since that time. The Company also first defaulted on the loan under the Second Agreement in March 2020 and after bringing the loan current shortly thereafter, the loan went into arrears in May 2020 and has been in arrears since that time. Although certain partial payments have been made under the First Agreement (most recently the Company made two \$10,000.00 payments that the Bank suggested to the Company be applied to municipal tax arrears, which are particularized in Exhibit P, since the claim for tax arrears ranks in priority to the Bank's claim under its mortgage security) , the Company has not made any of the required monthly loan payments in accordance with the Loan Agreements since early-2020, as a result of which, following the Bank's demands for payment, there are currently arrears in the payment of principal, interest and protective disbursements totalling \$1,566,469.50 as of July 7, 2022 (see para. 19 below and the Bank's payout statements attached as Exhibit "R"). These arrears now exceed the originally advanced loan amounts to the Company totaling \$1,500,000.00, such that the Company has been unable to reduce the principal amounts owing pursuant to the Loan Agreements since the loans were first disbursed in January 2017 and February 2018 respectively.

- b. As of the date hereof, the Bank is aware of the following outstanding priority payables owing by the Company, which total the aggregate amount of \$297,814.30:
 - i. As of June 24, 2022, there were arrears in municipal taxes in respect of the River Road Property totalling \$41,786.24, as is confirmed by the City of Belleville, Ontario, tax certificates attached hereto as **Exhibit "K"**;
 - ii. The statement attached hereto as **Exhibit "L"** issued by the Ontario Ministry of Finance on June 1, 2022, confirms arrears in respect of beer and wine tax remittances in the amount of \$32,967.11. It appears that as a result of these arrears, the Ministry of Finance previously registered the following two executions against the Company with the County of Hastings execution office, which are attached hereto as **Exhibit "M"**: (1) writ issued on January 28, 2020 with respect to a judgment in the amount of \$43,330.20 and interest thereon from January 28, 2020 onwards; and (2) writ issued

on February 10, 2021 with respect to a judgment in the amount of \$18,748.05 and interest thereon from January 28, 2020 onwards;

- iii. Under cover of an email dated June 30, 2022, counsel for the Company provided a CRA notice confirming that that the Company had arrears in HST remittances totalling \$221,155.06. Attached hereto as **Exhibit "N"** is a copy of the said email and CRA notice; and
 - iv. Under cover of an email dated July 4, 2022, counsel for the Company provided a CRA statement confirming that as of June 16, 2022 the Company owed \$1,905.89 on account of source deduction remittances. Attached hereto as **Exhibit "O"** is a copy of the said email and CRA statement.
- c. The Company is failing to provide financial reporting, information and disclosure to the Bank in a timely manner which is satisfactory to the Bank and as requested by it contrary the express terms of the Loan Agreements and the Security such that the Bank cannot adequately assess its risk. In this regard, the Loan Agreements require the Company to provide to the Bank annual review engagement financial statements within 90 days of each January. Contrary to this reporting requirement, the Company has not delivered these financial statements to the Bank since its December 2020 financial year-end. Further, as detailed below, although the statements referred to in the preceding paragraph above with respect to priority payables have been provided to the Bank, they were not provided to the Bank in a timely manner, they were not detailed statements as requested, and followed several requests by counsel for the Bank, as is confirmed by the email exchange between counsel for the Bank and the Company attached hereto as **Exhibit "P"**.
- d. There has been a significant and material deterioration in the financial condition and circumstances of the Company and the Company is unable to service the Bank's loans and its indebtedness owing to its other secured and priority creditors.
- e. Failure to immediately notify the Bank of the occurrence of any default under the Loan Agreements and the Security.

15. The foregoing constitute events of default under the Loan Agreements and the Security. In particular, the foregoing are breaches of the following provisions, amongst others:

- a. **Loan Agreements** (see e.g., Exhibit “B”): pages 6-7 of the loan agreement entitled “Underlying Conditions” and “Reporting Obligations”, and “Covenants” 1, 3, 8 and 9 as set out at page 3 of Schedule “A” of the loan agreement, and “Events of Default” 1, 2, 3 and 6 as set out at page 4 of Schedule “A” of the agreement;
- b. **Mortgage** (see e.g., Exhibit “C” – Standard Charge Terms): “Covenants” 5.1-5.4 at page 5, and “Events of Default” at subparagraphs a, d, l and o at pages 11-12; and
- c. **GSA** (see e.g., Exhibit “D”): “Covenants of the Debtor” at subparagraphs a, b, f, l, and n at pages 5-8, and “Default” at subparagraphs a, b, k, l, n, at pages 10-11.

16. Further, the Loan Agreements, by their standard credit terms, provide that in the event of default, the Bank is entitled to accelerate payment of the outstanding amounts of the loans and enforce the Security should the Company fail to make any of the required payments (see e.g., p. 7 of the First Agreement at Exhibit “B”, para. 15.1 at page 12 of the GSA at Exhibit “D”, and para. 11.1(a) at p. 12 of the Mortgage standard charge terms at Exhibit “C”).

17. Moreover, in the event of default, the Security expressly provides that the Bank is entitled to appoint a Receiver (see e.g., paras. 11.1(i) and 11.2 at p. 13 of the Mortgage standard charge terms at Exhibit “C”, and paras. 15.1 and 15.2 of GSA at Exhibit “D”).

18. As a result of the Company’s repeated and ongoing defaults as described above and below, on January 28, 2022, the Bank made formal demand upon the Company for payment in full within ten (10) days of the sum of \$1,512,001.16 plus interest, costs and charges incurred to the date of payment, being the amount then owing pursuant to the Loan Agreements. Along with this formal demand for payment, the Bank also delivered to the Company a Notice of Intention to Enforce Security (“**NITES**”) in accordance with s. 244 of the BIA. Attached hereto as **Exhibit “Q”** is a true copy of the Bank’s demand letter to the Company enclosing the NITES.

19. As of July 7, 2022, the Company's total indebtedness to the Bank pursuant to the Loan Agreements was \$1,566,469.50 plus ongoing interest and costs. Attached hereto as **Exhibit "R"** is a true copy of the Bank's payout statement dated July 4, 2022.

Forbearance Agreement and Recent Developments

20. In order to attempt to accommodate the Company and assist the Company remedy its defaults under the Loan Agreements and the Security, the parties entered into a forbearance agreement dated February 8, 2022 (the "**Forbearance Agreement**"), a copy of which is attached hereto as **Exhibit "S"**. The principal terms of the Forbearance Agreement were as follows:

- a. The entire indebtedness owing to the Bank by the Company was to be repaid by May 9, 2022 (paras. 1 and 2.e.);
- b. All priority payables, including municipal taxes, and corporate tax, HST and source deduction remittances, as well as all applicable beer and/or alcohol sales taxes, were to be brought current by April 29, 2022 (paras. 2.b. and 2.c);
- c. The Company would actively promote and market the sale of the River Road Property throughout the forbearance period and complete the sale by May 9, 2022, and keep the Bank fully informed of all efforts made to promote, market and sell the property, and bring to the Bank's attention any offers or counter-offers. In this regard, the Forbearance Agreement required the Company to forthwith bring to the Bank's attention for its consideration and input any offer to purchase the River Road Property. (para. 2.d.);
- d. The Company acknowledged and agreed, among other things, that it had defaulted under the terms of the Loan Agreements and the Security, that it was indebted to the Bank and that the indebtedness owing to the Bank was not disputed and was due and owing to the Bank and that it had no right of set-off, counter-claim, damages or any similar right or claim, such that the Bank was entitled to demand repayment of the entire indebtedness owing to the Bank, along with all legal fees, costs and disbursements, and that the Security held by the Bank was valid and enforceable, (paras. 2.i. to 2.m.); and

- e. In the event of default, the Bank was entitled to the appointment of a Receiver, and in the event the Bank exercised its rights and remedies, the Company and its management agreed and undertook to cooperate with the Bank in the Bank's realization efforts and to not interfere with the Bank's rights in this regard (paras. 2.s., 5.b. and 7.e).

21. Contrary to the Forbearance Agreement, the indebtedness owing to the Bank was not repaid by May 9, 2022, nor was the River Road Property sold by then, and priority payables were not brought current by April 29, 2022. As a result, the Forbearance agreement was deemed to have been terminated by as of May 9, 2022.

22. Notwithstanding the foregoing and the fact that the Bank was entitled to enforce its Security, the Bank continued to attempt to work with the Company in order to try avoid the Bank having to enforce its Security. As a result, the parties initially agreed to enter into a second forbearance agreement on the same terms of the Forbearance Agreement, but with the following additional terms: (1) the Company was to consent to a receivership order that would be held in escrow and released in the event of default under the revised forbearance agreement; (2) the Bank would mandate an appraisal of the River Road Property to guide and inform the sales process of the property; (3) the Bank was to be consulted about and have input on the listing price of the River Road Property; and (4) a forbearance fee of \$1,000.00 would be required, along with monthly payments of \$10,000.00 to be applied to the indebtedness owing to the Bank.

23. Although the parties initially agreed to these terms, as of the date hereof, neither the Company nor the estate of the Late Mr. Courneyea have executed this further forbearance agreement (though Mr. Hibbert has done so in his capacity as guarantor). In this regard, attached hereto as **Exhibit "P"** are email exchanges between counsel for the parties between May 5, 2022, and July 4, 2022, which confirm the following:

- a. On May 16, 2022, counsel for the Company confirmed that the Company was in agreement with the proposed revised forbearance agreement, and on May 18, 2022, counsel for Mr. Hibbert confirmed the same;

- b. As a result, on May 25, 2022, counsel for the Bank circulated a revised forbearance agreement and asked that a duly executed copy of the agreement be provided by no later than June 1, 2022;
- c. Counsel for the Bank followed up with counsel for the parties on June 2, 2022, given that the executed forbearance agreement had not been delivered and, on this same date, despite previously confirming that the terms of the revised forbearance agreement were acceptable, counsel for the Company confirmed that Ms. Courneyea required independent legal advice with respect to her duties as estate trustee;
- d. Counsel for the Bank responded to the foregoing email communication on behalf of the Bank on June 6, 2022. In this correspondence, counsel for the Bank confirmed that this latest development was surprising given that, from the outset, the Bank had repeatedly followed up to ensure that Ms. Courneyea had obtained independent legal advice and that it was assured by their previous counsel that this was addressed and was not an issue, and further, the parties had previously negotiated and entered into the Forbearance Agreement and the issue of Ms. Courneyea obtaining independent legal counsel was never raised. Despite the foregoing, counsel for the Bank confirmed that the Bank was prepared to provide Ms. Courneyea until June 20, 2022 to obtain whatever advice she required in respect of this matter, and that, thereafter, the parties would need to enter into the proposed forbearance agreement by June 24, 2022, failing which the Bank would have no alternative but the bring an application for the appointment of a Court-appointed receiver. In this email, counsel for the Bank also requested an update on the status of the sales process and full particulars, with supporting statements, of all of the Company's priority payables;
- e. On June 7, 2022, counsel for the Bank asked counsel for the Company to confirm who was acting for Ms. Courneyea. Counsel for the Bank therefore confirmed that he looked forward to hearing from counsel accordingly and on the same day, counsel for Ms. Courneyea acknowledged the June 20, 2022 date for her to obtain instructions from Ms. Courneyea;

- f. On June 15, 2022, counsel for the Bank followed up with counsel for the Company given that no response had been provided to the foregoing June 6, 2022 correspondence and no particulars provided with respect to priority payables. Counsel for the Bank also enquired as to whether any progress had been made in Ms. Courneyea obtaining independent legal advice so as to permit the parties to enter into the revised forbearance agreement;
- g. On June 17, 2022, counsel for the Company responded and provided an update on the status of the sales process and confirmed the following arrears in respect of the Company's priority payables: \$32,967.11 in arrears with respect of beer/alcohol sales tax; \$221,155.06 in arrears in respect of HST remittances (no statement provided); \$41,786.24 in arrears of municipal taxes (no statement provided) in respect of the River Road Property. Counsel also confirmed in this email that Mr. Hibbert had recently resigned as a director and officer of the Company in the interim;
- h. Counsel for the Bank responded to the foregoing email by counsel for the Company on June 20, 2022. In this email, counsel for the Bank wrote in part as follows:
- "No reporting on the status of source deduction remittances has been provided.
 - We have not been provided with any recent CRA statements with respect to HST, source deduction and corporate tax remittances. These reports can be readily obtained by your client from CRA's website. They will be identified as the "RC", "RP" and "RT" accounts.
 - We have also not been provided with any recent municipal tax certificate or statement.
 - There is also no update on where matters stand on Ms. Courneyea obtaining ILA and the parties entering into a forbearance agreement by week's end as required by BDC in order to continue to forbear. Please note that my instructions in this regard have not changed and, in the event no forbearance agreement is in place accordingly, my instructions are to bring a receivership application given the company's insolvency."
- i. On June 30, 2022, counsel for the Company provided copies of the property tax bills and the HST notice of assessment showing past amounts due of \$41,294.64 and \$221,155.06, respectively, and on July 4, 2022, counsel for the Company provided a copy of the Company's source deduction statement showing an amount owing of \$1,905.89. Counsel for the Company failed to address either the issue of the revised forbearance agreement or Ms.

Courneyea obtaining legal advice in these communications, on which counsel for Ms. Courneyea was copied.

- j. Counsel for the Bank corresponded with counsel for the Company on July 6, 2022. In this correspondence, counsel for the Bank confirmed that since priority payables totaled \$297,814.30, despite the fact that they were to be brought current by April 29, 2022 pursuant to the Forbearance Agreement, the Bank's position was deteriorating and its security was being imperilled given that the claim of statutory priority creditors could rank in priority to the Bank's secured claim. Further, counsel confirmed that no sale of the Company's assets appeared to be imminent and that the Company had no realistic prospects to secure additional/alternate financing. As a result, the Bank's conclusion was that it had no alternative but to seek the appointment a Court-appointed receiver in order to protect its interest and those of other stakeholders given the Company's evident insolvency.

The Company's Attempts to Sell its Assets

24. The Bank was informed by the Company in January 2022 that it was attempting to sell its assets in order to repay its creditors. Since that time, the Company has been attempting to sell its assets, including the River Road Property. The Bank understands that the Company recently retained its second realtor to assist with this sale.

25. However, throughout this period now exceeding six months, the Company has been unable to sell its assets, including the River Road Property. Further, throughout this period when the Company was attempting to sell its assets, and despite the Company's obligation pursuant to the Forbearance Agreement to forthwith bring to the Bank's attention any offer to purchase, no offer to purchase has been provided to the Bank for its review and consideration. The Bank therefore has no confidence that a sale of the Company's assets is imminent and that its position and its security, including those of the other stakeholders, will not further deteriorate in the interim.

The Bank's Security is in Peril and the Necessity for the Appointment of Receiver***The Company is Insolvent, is Unable to Meet its Significant Liabilities to its Secured and Priority Creditors, and Cannot Service its Significant Debts***

26. Despite the numerous indulgences granted to the Company by the Bank and the Bank's efforts to accommodate and assist the Company as outlined above, the Company has consistently failed to meet its obligations leaving the Bank with no choice but to seek the appointment of a Receiver to protect the Bank's Security and the interest of other stakeholders.

27. As outlined above, the Company has failed to make any of the required regular loan payments to the Bank since early-2020. As a result, as of July 7, 2022, the Company is indebted to the Bank in the aggregate amount of \$1,566,469.50, which amount exceeds the originally advanced amounts by the Bank to the Company totalling \$1,500,000.00.

28. In addition, the City of Belleville has confirmed that as of June 24, 2022, there were arrears in municipal taxes in respect of the River Road Property totalling \$41,786.11. The Company's failure to ensure that municipal taxes in respect of this property are kept current constitutes an event of default under the Loan Agreements and the Security and is imperilling the Bank's Security given that municipal tax arrears must be paid in priority to any amounts payable to the Bank pursuant to the Mortgage.

29. The Company is also significantly indebted to statutory priority creditors. In this regard, the Company has arrears in HST remittances totaling \$221,155.06, arrears in source deductions in the amount of \$1,905.89 and it has arrears in respect of beer and wine tax remittances of \$32,967.11. The Company's failure to ensure that these priority payables are kept current also constitutes an event of default under the Loan Agreements and the Security and is imperilling the Bank's Security given that they may be payable in priority to any amount payable to the Bank pursuant to the Security.

30. From the above indebtedness owing to the Bank, the City of Bellville and on account of the above priority payables, the Company has current existing liabilities of at least \$1,864,283.80. Further, the Company appears to be indebted to FCC and Trenval Corporation. Although the

particulars of this indebtedness are unknown to the Bank, as outlined above, FCC has mortgage security in respect of the River Road Property in the principal amount of \$300,000.00, and Trenval Corporation has mortgage security in respect of one of the parcels comprising the River Road Property in the amount of \$250,000.00.

There is No Other Exit Scenario Available for the Bank

31. To date, the Company has repeatedly failed to repay the indebtedness owing to the Bank despite repeated attempts by the Bank to provide the Company with an opportunity to sell its assets, which it has been attempting to do since at least January 2022 so as to avoid the liquidation and other costs associated with the Bank enforcing its Security. Further, since the termination of the Forbearance Agreement on May 9, 2022, the Company has refused to enter into a further forbearance agreement. In the circumstances, it is the Bank's position that the best party to sell the assets of the Company is a Court-appointed receiver in the context of a Court-supervised and sanctioned process so as to ensure that the interests of the Bank and all other stakeholders are taken into consideration. In such an event, it is the Bank's position that this matter is time sensitive given that the Company's business is seasonal in nature, such that a sale should be completed by the fall to maximize the recovery for all stakeholders.

32. Further, given the various claims potentially attaching to the Company's assets including the River Road Property, including the mortgage claims of BDC, FCC and Trenval Corporation, the priority claims with respect to municipal tax arrears, the priority deemed statutory trust claims held by the Federal Crown and the Ontario Ministry of Finance, as well as the executions locally registered against the Company, it is likely that an approval and vesting order will be required from the Court in order to complete any sale of the Company's assets.

33. Given the Company's insolvency, its significant indebtedness to the Bank and to other secured and priority creditors, and its inability to service its debts, unfortunately, there are no realistic prospects for the Company to secure any type of additional or alternate financing.

34. Further, there are likely to be several competing claims in this matter by secured creditors, statutory priority creditors, execution creditors and potentially unsecured creditors, such that a Court-appointed receiver would be best placed to deal with these competing claims.

35. As set out above, pursuant to the Forbearance Agreement, in the event the Bank exercised its rights and remedies, the Company and its management agreed and undertook to cooperate with the Bank in its realization efforts and to not interfere with the Bank's rights in this regard.

The Company has Breached its Financial Reporting Requirements to the Bank Contrary to the Provisions of the Loan Agreements and the Security

36. Pursuant to the Loan Agreements and the Security, the Company is required to provide to the Bank such financial information and disclosure as requested by the Bank in a prompt manner.

37. As noted above, contrary to the reporting requirement under the Loan Agreements and the Security, the Company has not delivered to the Bank annual review engagement financial statements within 90 days of each January since, and including, its December 2020 financial year-end.

38. Further, as noted above, the Company has failed to provide timely and satisfactory current reporting to the Bank with respect to the status of the Company's various priority payables. These reporting breaches constitute events of default under the Bank's Loan Agreements and Security and, in the absence of this information being provided in a timely manner, the Bank is unable to assess the affairs of the Company and its risk.

39. The Bank's demands for payment expired on January 28, 2022, such that the Bank has been entitled to enforce its Security since then. Moreover, the Bank is contractually and statutorily entitled to the appointment of a Receiver pursuant to the Security, the BIA (s. 243), the CJA (s. 101) and the PPSA (s. 67) given the Company's numerous defaults as outlined herein.

40. Thus, the Security held by the Bank is in jeopardy and it is necessary for a Receiver to take control of the Company's assets to ensure that they are dealt with in an orderly and proper manner. In this regard, MNP, a duly qualified Receiver, has consented to act as Court-Appointed Receiver of

the Company. A true copy of MNP's consent to act as Court-Appointed Receiver of the Debtor is attached hereto as **Exhibit "T"**.

41. In light of the foregoing, I verily believe that the appointment of a Receiver is just and convenient in the circumstances, and is necessary for the protection of the Company's estate and for the protection of the interests of the Bank and other stakeholders.

SWORN by Golda D'Souza of the City of Ottawa, in the Province of Ontario, before me at the City of Ottawa, in the Province of Ontario, on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

 E-SIGNED by Golda D'SOUZA
on 2022-07-07

GOLDA D'SOUZA

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

This is Exhibit "A" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



Profile Report

TANKHOUSE DEVELOPMENTS INC. as of January 26, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	TANKHOUSE DEVELOPMENTS INC.
Ontario Corporation Number (OCN)	2322059
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 27, 2012
Registered or Head Office Address	271 Front St, Belleville, Ontario, Canada, K8N 2Z6

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

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 Richard COURNEYEA
Address for Service 271 Front Street, 31, Belleville, Ontario, Canada, K8N 2Z6
Resident Canadian Yes
Date Began March 27, 2012

Name Sean HIBBERT
Address for Service 278 River Road, Corbyville, Ontario, Canada, K0K 1V0
Resident Canadian Yes
Date Began June 23, 2017

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Active Officer(s)
Name Richard COURNEYEA
Position President
Address for Service 271 Front Street, 31, Belleville, Ontario, Canada, K8N 2Z6
Date Began March 27, 2012

Name Richard COURNEYEA
Position Treasurer
Address for Service 271 Front Street, 31, Belleville, Ontario, Canada, K8N 2Z6
Date Began July 10, 2015

Name Richard COURNEYEA
Position Secretary
Address for Service 271 Front Street, 31, Belleville, Ontario, Canada, K8N 2Z6
Date Began July 10, 2015

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Corporate Name History

Name

TANKHOUSE DEVELOPMENTS INC.

Effective Date

March 27, 2012

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Director/Registrar

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Active Business Names

Name	SIGNAL BREWERY
Business Identification Number (BIN)	280505132
Registration Date	May 04, 2018
Expiry Date	May 03, 2023

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

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	SIGNAL BREWING COMPANY
Business Identification Number (BIN)	261253280
Status	Inactive - Expired
Registration Date	December 20, 2016
Expired Date	December 19, 2021

Certified a true copy of the record of the Ministry of Government and Consumer Services.

Barbara Duckitt

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2020 PAF: COURNEYEA RICHARD - DIRECTOR	September 27, 2020
Annual Return - 2019 PAF: COURNEYEA RICHARD - DIRECTOR	August 09, 2020
Annual Return - 2019 PAF: COURNEYEA RICHARD - DIRECTOR	July 28, 2019
Annual Return - 2018 PAF: COURNEYEA RICHARD - DIRECTOR	September 23, 2018
Annual Return - 2017 PAF: COURNEYEA RICHARD - DIRECTOR	February 11, 2018
Annual Return - 2016 PAF: COURNEYEA RICHARD - DIRECTOR	February 11, 2018
CIA - Notice of Change PAF: MATT GEMMELL - DIRECTOR	June 23, 2017
Annual Return - 2015 PAF: COURNEYEA RICHARD - DIRECTOR	May 07, 2017
Annual Return - 2014 PAF: COURNEYEA RICHARD - DIRECTOR	May 07, 2017
Annual Return - 2013 PAF: COURNEYEA RICHARD - DIRECTOR	May 07, 2017
CIA - Notice of Change PAF: RICHARD COURNEYEA - DIRECTOR	March 11, 2016
CIA - Initial Return PAF: RICHARD COURNEYEA - DIRECTOR	April 03, 2012
BCA - Articles of Incorporation	March 27, 2012

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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 Government and Consumer Services.

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This is Exhibit "B" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



BDCID: 10006642176

Letter of Offer dated November 29, 2016

Tankhouse Developments Inc.
7-79 River Rd
Corbyville, ON
K0K 1V0

Attention of: Mr. Richard Courneyea

Re: Loan(s) No. 110556-01

In accordance with this letter of offer of credit as amended from time to time (the "Letter of Offer"), Business Development Bank of Canada ("BDC") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "Loan"). The Letter of Offer is open for acceptance until December 9, 2016 (the "Acceptance Date") after which date it shall become null and void.

LOAN PURPOSE AND FUNDING

Loan Purpose

Building Improvements	891,500.00
Refinance Mortgage	160,000.00
Contingency	100,000.00
Equipment	317,000.00
Soft Costs	22,500.00
Working Capital Start-up costs	215,000.00
	<hr/>
	1,706,000.00

Funding

BDC 110556-01	1,300,000.00
Owner Investment	391,000.00
Trenval Grant (equity)	15,000.00
	<hr/>
	1,706,000.00

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

DEFINITIONS

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

LENDER

BDC

BORROWER

Tankhouse Developments Inc. (the "**Borrower**")

GUARANTOR

Sean A. Hibbert

Richard G. Courneyea

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

LOAN AMOUNT

Loan 110556-01: \$1,300,000.00

INTEREST RATE

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

Loan 110556-01

Fixed Rate

5.80% per year, being the applicable BDC's Base Rate of 4.80% per year plus a variance of 1.00% per year (the "**Variance 01**"). BDC will guarantee the interest rate until the Acceptance Date. Should the Acceptance Date be extended, this interest rate will not be guaranteed.

The Interest Adjustment Date for this fixed interest rate plan is November 15, 2017 (the "**Interest Adjustment Date 01**")

INTEREST CALCULATION

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

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

REPAYMENT

Principal of the Loan is repayable according to the following. The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable on the Maturity Date (the "**Maturity Date**").

Loan 110556-01

Blended Payment

All payments are to be made on the day of the month selected by the Borrower (the "**Payment Date 01**"). Interest is payable monthly commencing on the next occurring Payment Date 01 following the first advance on the Loan. Once the Loan has been fully disbursed, interest on the Loan together with the principal of the Loan shall be payable by way of monthly blended instalments of principal and interest of \$8,933.95 each (based on the fixed rate indicated above and an initial amortization period of 252 months) commencing on April 15, 2018 up to and including the Interest Adjustment Date 01. Prior to the Interest Adjustment Date 01, BDC shall advise of the new monthly blended instalment based on the available fixed rate plans.

The equivalent rate calculated semi-annually, not in advance, is 5.87% per year.

Maturity Date: March 15, 2039 (the "**Maturity Date 01**").

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after November 29, 2016. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.

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

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

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

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

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

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

SECURITY

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

Loan 110556-01

1. First readvanceable mortgage in the principal amount of \$1,150,000 on land (approx. 72,000sq. ft.) (legal description to be provided by the solicitor) and buildings located at 86 River Rd, Corbyville, ON., owned by Tankhouse Developments Inc. Building location survey or title insurance required.
2. General Security Agreement from Tankhouse Developments inc. operating as Signal Brewing and Distilling, providing a first security interest in all present and after-acquired personal property, except consumer goods, subject only to priority on inventory and receivables to lender extending line of credit.
3. Guarantee of Richard G. Courneyea for 35% of the Loan amount outstanding from time to time. The guarantor agrees that he is directly responsible for the payment of the cancellation, standby and legal fees.
4. Guarantee of Sean A. Hibbert for 20% of the Loan amount outstanding from time to time. The guarantor agrees that he is directly responsible for the payment of the cancellation, standby and legal fees.

DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 110556-01

1. When all security is in place and all loan conditions are satisfied, BDC will disburse via Bank approved solicitor "in trust" as follows:
 - 1) 100% of the amount representing Refinance Mortgage up to a maximum of \$160,000. Written confirmation of the payout balance must be obtained directly from the refinanced lender or from the external solicitor/notary. If the loan to be refinanced has been reduced by client payments in the period prior to disbursement, the residual balance will be disbursed to the Borrower with no further verification required.
 - 2) 100% of the amount representing Equipment will be disbursed upon receipt of invoices evidencing expenditures under the Loan Purpose, up to a maximum of \$317,000. The amount disbursed shall not exceed 125% of the total dollar amount of invoices submitted (excluding applicable taxes).

Physical inspection by a BDC representative of the equipment purchased is to be done within 30 days following the last disbursement.

Within 30 days following the last disbursement, the Borrower is to prepare and submit a list describing and confirming the location of all equipment having a purchase price greater or equal to \$20,000, as well as all motor vehicles, trailers, mobile homes, boats, outboard motors and aircraft regardless of their purchase price, pledged as Security in this Letter of Offer
 - 3) The Borrower is to confirm that Owner's investment of \$391,000 and Trenval Grant of \$15,000 have been invested in the project by providing paid invoices totalling \$416,000 for Building Improvements and Soft Costs. Following this, BDC will disburse up to \$598,000 for Building Improvements, Contingency and Soft Costs upon receipt of invoices evidencing these expenditures. The amount disbursed shall not exceed 100% of the total dollar amount of invoices submitted (excluding applicable taxes) less any applicable holdbacks, up to a maximum of \$598,000.

Each disbursement will be subject to a holdback equal to 10% of the price of the services and materials as they are actually supplied. In addition, \$41,600 will be held back from the first BDC disbursement, representing the 10% holdback applicable to the \$416,000 in Building improvements funded by Owner Investment and Trenval. The total holdback shall be disbursed only upon completion of the following:

 - The Borrower has provided BDC with a copy of the Certificate of Substantial Performance confirming that the entire project is complete, issued by the General Contractor (or by the Client if there is no General Contractor), in compliance with applicable legislation and;
 - The Borrower has provided BDC with satisfactory proof that 45 days have passed following publication of the Certificate in a construction trade newspaper.

A physical inspection by a BDC representative of the expenditures under the Loan Purpose is to be done when 40% to 60% of construction/renovation project is completed. Upon completion of the project, BDC shall disburse \$215,000 for Working Capital and Start-up Costs to the Borrower with no further verification required. Also, any remaining undisbursed BDC funds (owing to other project elements having come in under budget) will be disbursed to the Borrower with no further verification required.

Unless otherwise authorized, funds for each Loan account number shall be disbursed to the solicitor or notary who shall confirm to BDC the execution, delivery and registration of the Security relating to the Loan.

CONDITIONS PRECEDENT

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

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to the Borrower and any corporate Guarantor and their respective business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.
7. Submit a copy of the original Shareholder Agreement, with terms and conditions satisfactory to BDC.
8. Submit a report prepared by an independent Architect or Engineer acceptable to BDC confirming the renovation budget submitted by the Borrower is complete and includes all components required for the building purpose and that the Borrower's budget \$891,500 for the building renovation is reasonable. The Borrower is responsible for the payment of all costs of this report.
9. Provide a copy of the approved permits to brew beer and distill spirits on the property located at 86 River Road, Corbyville, ON, with terms and conditions satisfactory to BDC.

UNDERLYING CONDITIONS

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

1. You agree to assume all program cost overruns and HST without prejudice to the security held by BDC.
2. On demand, you agree to provide BDC with written proof of your payment of the property, school or similar taxes which are assessed against the mortgaged land and improvements (the "taxes"), within thirty (30) days following the due date of each required instalment. Should you default in paying any such instalment of the taxes when due, you will pay BDC monthly payments as calculated by BDC to establish a tax reserve account. These payments will be collected by the pre-authorized debit plan and the funds in the account will earn interest in accordance with BDC's policy then in effect. You authorize BDC to pay the relevant taxing authorities. Should there be insufficient funds to satisfy the taxes owing, you will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. You will instruct the taxing authority to forward a copy of the tax notice to BDC, or you will deliver a copy to BDC upon receipt.

REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties in Schedule "A" – Section II. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Borrower

pursuant to the Loan Documents.

COVENANTS

So long as any amount owing pursuant to the Loan Documents remains unpaid, the Borrower and any corporate Guarantor shall perform the covenants in Schedule "A" – Section III.

REPORTING OBLIGATIONS

The Borrower (and if applicable the corporate Guarantor) shall provide to BDC within 90 days of its (their) fiscal year end the following financial statements:

Company	Type	Frequency	Period Ending
Tankhouse Developments Inc.	Review Engagement	Annual	January

and such other financial and operating statements and reports as and when BDC may reasonably require.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "Event of Default"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security.

FEES

Cancellation Fee

If the Borrower does not draw on the Loan by the Lapsing Date indicated below (the "Lapsing Date"), the Loan shall lapse and be cancelled and the Borrower and the Guarantor shall pay BDC the applicable cancellation fee indicated below. If the Loan is partially disbursed on the Lapsing Date, the Borrower and Guarantor shall pay BDC a percentage of the cancellation fee in proportion to the percentage of the Loan that is cancelled. No cancellation fee will be payable if 50% or more of the Loan has been disbursed.

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

Loan 110556-01

Lapsing Date: November 29, 2017 (the "Lapsing Date 01").
Cancellation Fee: \$39,000.00 (the "Cancellation Fee 01").

Standby Fee

The Borrower and the Guarantor shall pay BDC a non-refundable standby fee calculated at a rate

as indicated below on the portion of the Loan which has not been advanced or cancelled excluding the Consulting portion and/or Future Interest Reserve. This fee shall be calculated daily and be payable in arrears commencing on the date indicated below and on each Payment Date thereafter.

Loan 110556-01

Rate: 1.50% per annum

Date: January 29, 2017

Legal Fees and Expenses

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

Loan Management Fee

The Borrower shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change.

Loan 110556-01

\$750.00 per year (the "Management Fee 01")

Transaction Fees

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

CONFLICTS

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

INDEMNITY

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

GOVERNING LAW

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

SUCCESSORS AND ASSIGNS

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

ACCEPTANCE

The Letter of Offer and any modification of it may be executed and delivered by original signature, fax, or any other electronic means of communication acceptable to BDC and in any number of counterparts, each of which is deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

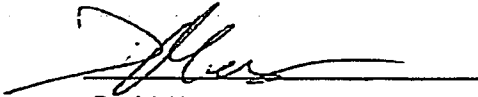
SCHEDULE

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

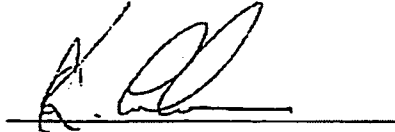
LANGUAGE CLAUSE

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

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



Derrick Morgan
Manager, Major Accounts
Phone: (613) 969-4009
Fax: (613) 389-2543
Derrick.MORGAN@bdc.ca



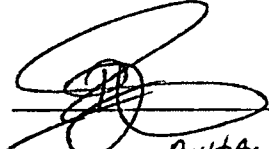
Kevin Coleman
Manager, Business Centre
Phone: (613) 389-8706
Fax: (613) 389-2543
Kevin.COLEMAN@bdc.ca

ACCEPTANCE

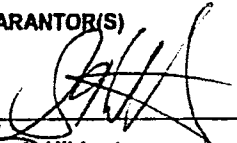
The parties accept the terms and conditions set forth above and in the attached Schedule "A".

This 01 day of DECEMBER 2016

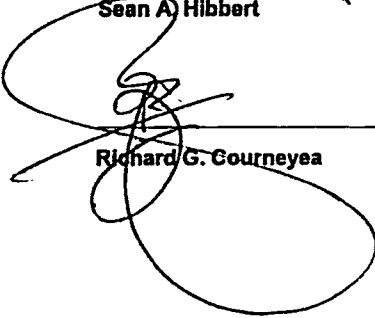
Tankhouse Developments Inc.


_____, Authorized Signing Officer
Name: Nathan Cosentino
(Please print name of signing party)

GUARANTOR(S)



Sean A. Hibbert



Richard G. Courneyea

November 29, 2016

SECTION I - DEFINITIONS

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

"Available Funds Coverage Ratio" – means the ratio of Available Funds over the current portion of Term Debt.

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

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

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

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

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

"GAAP" – means generally accepted accounting principles in Canada applied consistently.

"GAAP for Private Enterprises" – means generally accepted accounting principles approved by the Accounting Standards Board for financial reporting for private companies in Canada who have elected not to adopt IFRS.

"IFRS" – means International Financial Reporting Standards approved by the Accounting Standards Board for accounting for publicly accountable enterprises and private enterprises who have voluntarily decided to adopt this set of standards.

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

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

- (i) the difference between the two rates;
- (ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);
- (iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment, the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the Interest Act.

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

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

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

"Material Adverse Change" – means:

- (i) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Borrower or any corporate Guarantor,
- (ii) a material impairment of the ability of the Borrower or any corporate Guarantor to perform any of their obligations under any Loan Document, or
- (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, Limited Liability Company, trust, joint venture, association, incorporated organization, partnership, governmental authority or other entity.

"Tangible Equity" – means the sum of the share capital [owners' capital for non-incorporated businesses]; plus retained earnings [accumulated net income]; plus subordinated loans or advances from the shareholders [owners] and related businesses; minus loans or advances to the shareholders [owners], directors, related or non-related businesses.

"Term Debt" – means the sum of the long-term debt plus the capital leases including the current portion to be paid over the next 12 months; plus the book value of preferred shares subject to a formal redemption agreement, if any.

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

"Working Capital Ratio" – means the ratio of the total current assets over the total current liabilities. Current assets include the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities include the following: bank advances, cheques in transit, accounts payable (trade and other) and the current portion due within the next 12 months of all long term debts.

SECTION II - REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to BDC that:

1. It is a partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
2. The execution, delivery and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
5. No Default or Event of Default exists.
6. All information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
7. There is no pending or threatened claim, action, prosecution or proceeding of any kind including but not limited to non-compliance with environmental law or arising from the presence or release of any

contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.

8. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

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

SECTION III - COVENANTS

The Borrower and each corporate Guarantor shall:

1. Perform their obligations and covenants under the Loan Documents.
2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
4. Comply with all applicable laws and regulations.
5. Keep all secured assets insured for physical damages and losses on an "All-Risks" basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security; and
as further Security, assign or hypothecate all insurance proceeds to BDC; and
if requested by BDC, maintain adequate general liability insurance and environmental insurance to protect it against any losses or claims arising from pollution or contamination incidents, or any other type of insurance it may reasonably require, and to provide copies of such policies; and maintain all policies of insurance in effect for the duration of the Loan.
6. Notify BDC immediately of any loss or damage to their property.
7. Without limiting the generality of paragraph 4 above, in relation to their business operations and the assets and projects of their business, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
8. Promptly pay all government remittances, assessments and taxes including real estate taxes and provide BDC with proof of payments as BDC may request from time to time.
9. Promptly furnish to BDC such information, reports, certificates and other documents concerning the Borrower and any corporate Guarantor as BDC may reasonably request from time to time.
10. Not, without the prior written consent of BDC,
 - a. Change the nature of their business.
 - b. Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any operating license.
 - c. Permit any Person holding Equity Interests in the Borrower or any corporate Guarantor or in any Person that controls directly or indirectly the Borrower or any corporate Guarantor, to sell or transfer their Equity Interests in such Borrower or corporate Guarantor, or permit the Borrower or any corporate Guarantor or any Person that directly or indirectly controls the Borrower or any corporate Guarantor to issue any Equity Interests to any Person which is not a Borrower or a corporate Guarantor.

"Equity Interests" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry

the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

This provision shall not apply to any Borrower or any corporate Guarantor who is a Public Issuer.

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

11. Not engage in, or permit their premises to be used by a tenant or other Person, for any activity which BDC, from time to time, deems Ineligible, including without limitation any of the following Ineligible activities:
- a. businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; businesses that are engaged in or associated with illegal activities; businesses trading in countries that are proscribed by the Federal Government;
 - b. businesses that operate as stand-alone nightclubs, bars, lounges, cabarets, casinos, discotheques, video arcades, pool and billiard halls, and similar operations; or
 - c. businesses that promote nudism and naturism.

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this paragraph 11 shall also apply to any entity that controls, is controlled by, or that is under the common control with, any Borrower and any corporate Guarantor.

SECTION IV - EVENTS OF DEFAULT

1. The Borrower fails to pay any amount owing under or pursuant to the Loan Documents.
2. The Borrower fails to comply with or to perform any provision of the Letter of Offer or the other Loan Documents.
3. The Borrower and/or the Guarantor is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied after any cure period provided in such other agreement.
4. Any representation or warranty made by the Borrower or any corporate Guarantor in any Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
5. Any schedule, certificate, financial statement, report, notice or other writing furnished by the Borrower or corporate Guarantor to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
6. The Borrower or corporate Guarantor becomes insolvent or generally fails to pay, or admits in writing their inability or refusal to pay their debts as they become due; or any Borrower or corporate Guarantor applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Borrower or corporate Guarantor or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Borrower or corporate Guarantor for a substantial part of the property of such party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of such party, or any Borrower or corporate Guarantor takes any action to authorize, or in furtherance of, any of the foregoing.
7. The Borrower ceases or threatens to cease to carry on all or a substantial part of their business.
8. Without the prior written consent of BDC, the occurrence of a change of control of the Borrower (as determined by BDC) who is not a Public Issuer.
9. The Borrower or any corporate Guarantor is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
10. In the event that either a) any Person or group of Persons, acting jointly or in concert, that already owns 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning more than 50% of the outstanding Equity Interests of such Public Issuer or b) any Person or

group of Persons, acting jointly or in concert, that does not already own 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning at least 20% of the outstanding Equity Interests of such Public Issuer, BDC may review the Loan and may require that the Loan, together with interest and any other amounts then outstanding, be repaid within sixty (60) days. Should the Borrower fail to repay the Loan, accrued interest, and all other amounts outstanding within sixty (60) days of the demand by BDC under this provision, the Borrower shall be in Default and same shall constitute an Event of Default.

SECTION V - GENERAL TERMS AND CONDITIONS

The Borrower and each Guarantor agree to the following additional provisions:

Other Available Interest Rate Plans

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

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans

If the Borrower changes to a fixed interest rate plan within 2 months after the Loan Authorization Date, the standby fee shall be effective two months after the Loan Authorization Date. If the change to a fixed interest rate plan occurs later than two months after the Loan Authorization Date, the standby fee shall be effective on the date the new fixed interest plan takes effect.

Interest Adjustment Date

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

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

Pre-Authorized Payment System

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

Application of Payments

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
2. protective disbursements;
3. standby fees (arrears and current);

4. arrears, in the following order: transaction fees, administration fees, management fees, interest and principal;
5. current balances, in the following order: transaction fees, management fees, interest and principal;
6. cancellation fees;
7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
8. other amounts due and payable.

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

Consent to Obtaining Information

The Borrower and any corporate Guarantor authorize BDC, from time to time, to obtain financial, compliance, account status and any other information about a Borrower and any corporate Guarantor and their respective business from their accountants, their auditors, any financial institution, creditor, credit reporting or rating agency, credit bureau, governmental department, body or utility.

Notices

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

Joint and Several Liability

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

Anti- Money Laundering/Know Your Client

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

Confidentiality

The Borrower and each Guarantor shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Borrower or any Guarantor adopts any changes in accounting standards, including but not limited to GAAP for Private Enterprises and International Financial Reporting Standards (IFRS), which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.



BDCID: 10006856347

December 23, 2016

Mr. Richard Courneyea
Tankhouse Developments Inc.
7-79 River Rd
Corbyville, ON
K0K 1V0

Re: BDC Loan 110556-01

Dear Mr. Courneyea:

We write in reference to our Letter of Offer for Loan No. 110556-01, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan.

The amendments shall take effect upon receipt of BDC of the Acceptance Form duly signed by all signatories no later than January 15, 2017.

Amendments – Loan No. 110556-01:

SECURITY

The following existing Security relating to this Loan:

First readvanceable mortgage in the principal amount of \$1,150,000 on land (approx. 72,000sq. ft.) (legal description to be provided by the solicitor) and buildings located at 86 River Rd, Corbyville, ON., owned by Tankhouse Developments Inc. Building location survey or title insurance required.

Is modified and is now replaced with:

First readvanceable mortgage in the principal amount of \$1,500,000 on land (approx. 72,000sq. ft.) (legal description to be provided by the solicitor) and buildings located at 86 River Rd, Corbyville, ON., owned by Tankhouse Developments Inc. Building location survey or title insurance required.

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

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



Yours truly,

Kimberly Gibson
Senior Client Relationship Officer
Phone: (613) 389-2186
kimberly.gibson@bdc.ca

Brett Prikker
Manager, Major Accounts
Phone: (613) 389-3831
Brett.prikker@bdc.ca

Enclosure

Business Development Bank of Canada
1000 Gardiners Road
Suite 201
Kingston, ON
K7P3C4

Attention: Derrick Morgan

Re: BDC Loan 110556-01

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated December 23, 2016.

Signed this 05 day of JANUARY, 2017
(date) (month) (year)

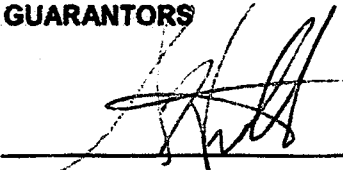
BORROWER(S)

Tankhouse Developments Inc.

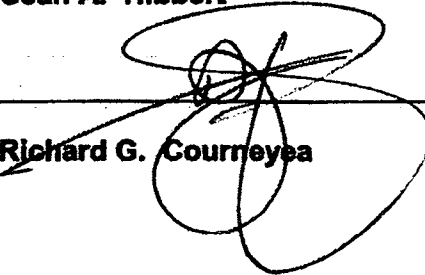
 _____, Authorized Signing Officer

Name: Richard Courneyea SA
[Please print name of signing party]

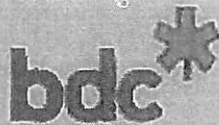
GUARANTORS

 _____

Sean A. Hibbert

 _____

Richard G. Courneyea



UCCID: 10007266355

February 10, 2017

Mr. Richard Courmeyea
Tankhouse Developments Inc.
7-78 River Rd
Corbyville, ON
K0K 1V0

Re: BDC Loan 110556-01

Dear Mr. Courmeyea

We write in reference to our Letter of Offer for Loan No. 110556-01, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan(s)

The amendments shall take effect upon receipt by BDC of the Acceptance Form duly signed by all signatories no later than May 8, 2017.

LOAN PURPOSE AND FUNDING

Loan Purpose and Funding for Loan No. 110556-01, has been amended as per the table below:

<i>Previous Loan Purpose and Funding</i>		<i>Amended Loan Purpose and Funding</i>	
Loan Purpose		Loan Purpose	
Building Improvements	891,500	Building Improvements	1,063,683
Refinance Mortgage	160,000	Refinance Mortgage	213,465
Contingency	100,000	Contingency	22,500
Equipment	317,000	Equipment	342,252
Soft Costs	22,500	Soft Costs	22,500
Working Capital Start-up costs	215,000	Working Capital Start-up costs	215,000
Total	\$ 1,708,000	Total	\$ 1,879,400
Funding		Funding	
BDC 110556-01	1,300,000	BDC 110556-01	1,300,000
Owner Investment	391,000	Owner Investment	479,400 - ?
Trenval Grant (equity)	15,000	Trenval Grant (equity)	100,000
Total	\$ 1,708,000	Total	\$ 1,879,400

Amendments – Loan No. 110556-01.

DISBURSEMENT

The following existing disbursement condition relating to this Loan:



When all security is in place and all loan conditions are satisfied, BDC will disburse via Bank approved solicitor "in trust" as follows:

1) 100% of the amount representing Refinance Mortgage up to a maximum of \$160,000. Written confirmation of the payout balance must be obtained directly from the refinanced lender or from the external solicitor/notary. If the loan to be refinanced has been reduced by client payments in the period prior to disbursement, the residual balance will be disbursed to the Borrower with no further verification required.

2) 100% of the amount representing Equipment will be disbursed upon receipt of invoices evidencing expenditures under the Loan Purpose, up to a maximum of \$317,000. The amount disbursed shall not exceed 125% of the total dollar amount of invoices submitted (excluding applicable taxes).

Physical inspection by a BDC representative of the equipment purchased is to be done within 30 days following the last disbursement.

Within 30 days following the last disbursement, the Borrower is to prepare and submit a list describing and confirming the location of all equipment having a purchase price greater or equal to \$20,000, as well as all motor vehicles, trailers, mobile homes, boats, outboard motors and aircraft regardless of their purchase price, pledged as Security in this Letter of Offer.

3) The Borrower is to confirm that Owner's Investment of \$391,000 and Trenal Grant of \$15,000 have been invested in the project by providing paid invoices totalling \$416,000 for Building Improvements and Soft Costs. Following this, BDC will disburse up to \$598,000 for Building Improvements, Contingency and Soft Costs upon receipt of invoices evidencing these expenditures. The amount disbursed shall not exceed 100% of the total dollar amount of invoices submitted (excluding applicable taxes) less any applicable holdbacks, up to a maximum of \$598,000.

Each disbursement will be subject to a holdback equal to 10% of the price of the services and materials as they are actually supplied. In addition, \$41,600 will be held back from the first BDC disbursement, representing the 10% holdback applicable to the \$416,000 in Building Improvements funded by Owner Investment and Trenal. The total holdback shall be disbursed only upon completion of the following:

- The Borrower has provided BDC with a copy of the Certificate of Substantial Performance confirming that the entire project is complete, issued by the General Contractor (or by the Client if there is no General Contractor), in compliance with applicable legislation and;
- The Borrower has provided BDC with satisfactory proof that 45 days have passed following publication of the Certificate in a construction trade newspaper.

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

Upon completion of the project, BDC shall disburse \$216,000 for Working Capital and Start-up Costs to the Borrower with no further verification required. Also, any remaining undisbursed BDC funds (owing to other project elements having come in under budget) will be disbursed to the Borrower with no further verification required.

is modified and is now replaced with:

When all security is in place and all loan conditions are satisfied, BDC will disburse via Bank approved solicitor "in trust" as follows:

1) 100% of the amount representing Refinance Mortgage up to a maximum of \$213,464.95. Written confirmation of the payout balance must be obtained directly from the refinanced lender or from the external solicitor/notary. If the loan to be refinanced has been reduced by client payments in the period prior to disbursement, the residual balance will be disbursed to the Borrower with no further verification required.

2) 100% of the amount representing Equipment will be disbursed upon receipt of invoices evidencing expenditures under the Loan Purpose, up to a maximum of \$342,252. The amount disbursed shall not exceed 125% of the total dollar amount of invoices submitted (excluding applicable taxes).

Physical inspection by a BDC representative of the equipment purchased is to be done within 30 days following the last disbursement.

Within 30 days following the last disbursement, the Borrower is to prepare and submit a list describing and confirming the location of all equipment having a purchase price greater or equal to \$20,000, as well as all motor vehicles, trailers, mobile homes, boats, outboard motors and aircraft regardless of their purchase price, pledged as Security in this Letter of Offer.

3) The Borrower is to confirm that Owner's investment of \$479,400 has been invested in the project by providing paid invoices for Building Improvements and Soft Costs. Following this, BDC will disburse up to \$584,283.05 for Building Improvements, Contingency and Soft Costs upon receipt of invoices evidencing these expenditures. The amount disbursed shall not exceed 100% of the total dollar amount of invoices submitted (excluding applicable taxes) less any applicable holdbacks, up to a maximum of \$584,283.05.

Each disbursement will be subject to a holdback equal to 10% of the price of the services and materials as they are actually supplied. In addition, a total of \$47,940 will be held back from the first BDC disbursement, representing the 10% holdback applicable to the \$479,400 in Building Improvements funded by Owner Investment. The total holdback shall be disbursed only upon completion of the following:

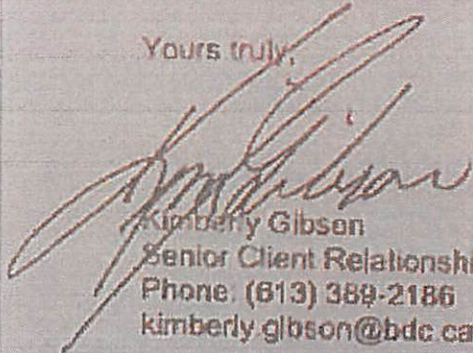
- The Borrower has provided BDC with a copy of the Certificate of Substantial Performance confirming that the entire project is complete, issued by the General Contractor (or by the Client if there is no General Contractor), in compliance with applicable legislation and;
- The Borrower has provided BDC with satisfactory proof that 45 days have passed following publication of the Certificate in a construction trade newspaper.

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

Upon completion of the project, BDC shall disburse \$215,000 for Working Capital and Start-up Costs to the Borrower with no further verification required. Also, any remaining undisbursed BDC funds (owing to other project elements having come in under budget) will be disbursed to the Borrower with no further verification required.

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

Yours truly,



Kimberly Gibson
Senior Client Relationship Officer
Phone: (613) 389-2186
kimberly.gibson@bdc.ca



Brad Wagner
Business Centre Manager
Phone: (403) 382-3147
brad.wagner@bdc.ca

Enclosure

Business Development Bank of Canada
1000 Gardiners Road
Suite 201
Kingston, ON
K7P3G4

Attention: Kimberly Gibson

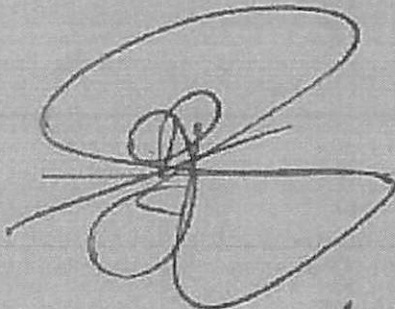
Re: BDC Loan 110556-01

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated February 10, 2017.

Signed this 13 day of February, 2017.
(date) (month) (year)

BORROWER

Tankhouse Developments Inc.



Authorized Signing Officer

Name

Richard Courneyea

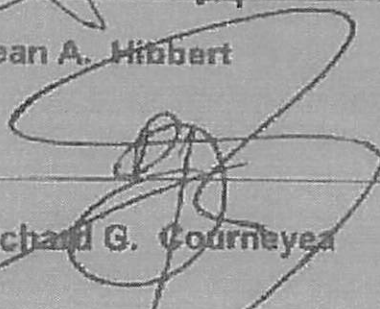
(Please print name of signing party)

GUARANTORS



Sean Hibbert

Sean A. Hibbert



Richard Courneyea

Richard G. Courneyea



BDCID: 10009803353

November 17, 2017

Mr. Richard Courneyea
Tankhouse Developments Inc.
7-79 River Rd
Corbyville, ON
K0K 1V0

Re: BDC Loan 110556-01

Dear Mr. Courneyea:

We write in reference to our Letter of Offer for Loan No. 110556-01, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan.

These amendments are now in effect.

Amendments – Loan No. 110556-01:

INTEREST RATE

Floating Rate: Effective November 15, 2017, the interest rate on the Loan will be adjusted to 6.30% per year, being BDC's Floating Base Rate plus a Variance of 1.00% per year. BDC's Floating Base Rate is currently 5.30% per year.

REPAYMENT

Outstanding principal balance of this Loan, being \$1,300,000.00 is now repayable as follows:

Regular

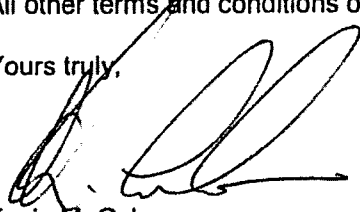
Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Monthly	7,350.00	15-04-2018	15-04-2018
251	Monthly	5,150.00	15-05-2018	15-03-2039

Accordingly, the final payment will be due on March 15, 2039, (the "Maturity Date"). Interest remains payable monthly.

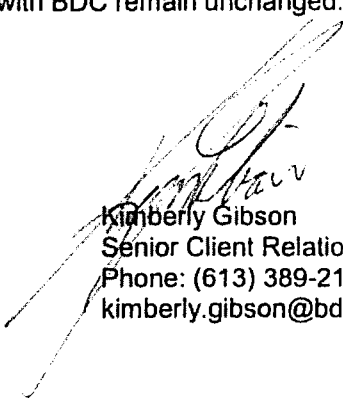


All other terms and conditions of your financing with BDC remain unchanged.

Yours truly,



Kevin M. Coleman
Manager, Business Centre
Phone: (613) 389-8706
Kevin.coleman@bdc.ca



Kimberly Gibson
Senior Client Relationship Officer
Phone: (613) 389-2186
kimberly.gibson@bdc.ca



BDCID: 10010120953

December 21, 2017

Mr. Richard Courneyea
Tankhouse Developments Inc.
7-79 River Rd
Corbyville, ON
K0K 1V0

Re: BDC Loan 110556-01

Dear Mr. Courneyea:

We write in reference to our Letter of Offer for Loan No. 110556-01, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan(s).

The amendments shall take effect upon receipt by BDC of the Acceptance Form duly signed by all signatories no later than March 11, 2018.

Amendments – Loan No. 110556-01:

SECURITY

The following existing Security relating to this Loan:

General Security Agreement from Tankhouse Developments Inc. operating as Signal Brewing and Distilling, providing a first security interest in all present and after-acquired personal property, except consumer goods, subject only to priority on inventory and receivables to lender extending line of credit.

is modified and is now replaced with:

General Security Agreement from Tankhouse Developments Inc. operating as Signal Brewing and Distilling, providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of these persons have an interest.

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

A handwritten signature in black ink, consisting of a stylized, cursive-like mark.



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

Yours truly,

Derrick Morgan
Manager, Major Accounts
Phone: (613) 969-4009
Derrick.MORGAN@bdc.ca

Kevin M. Coleman
Manager, Business Centre
Phone: (613) 389-8706
Kevin.coleman@bdc.ca

Encl.

Business Development Bank of Canada
1000 Gardiners Road
Suite 201
Kingston, ON
K7P3C4

Attention: Derrick Morgan

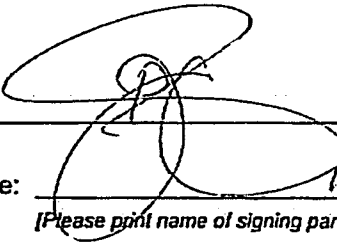
Re: BDC Loan 110556-01

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated December 21, 2017.

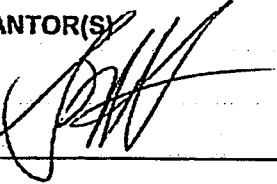
Signed this 5th day of January, 2018
(date) (month) (year)

BORROWER(S)

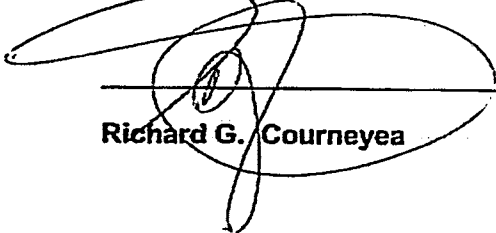
Tankhouse Developments Inc.


_____, Authorized Signing Officer
Name: Nicholas Courneyea
(Please print name of signing party)

GUARANTOR(S)



Sean A. Hibbert



Richard G. Courneyea



BDCID: 10018986983

March 26, 2020

Mr. Richard Courneyea
Tankhouse Developments Inc.
7-79 River Rd
Corbyville, ON
K0K 1V0

Re: BDC Loan 110556-01 and 110556-02

Dear Mr. Courneyea :

We write in reference to our Letters of Offer for Loan No. 110556-01 and 110556-02, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loans.

These amendments are now in effect.

Amendments – Loan No. 110556-01 :

REPAYMENT

Outstanding principal balance of this Loan, being \$1,199,950.00 is now repayable as follows:

Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
233	Monthly	5,150.00	15-09-2020	15-01-2040

Accordingly, the final payment will be due on January 15, 2040 , (the "Maturity Date"). Interest remains payable monthly.

All payments are to be made on the 15th day of the month (the "Payment Date").



Amendments – Loan No. 110556-02 :

REPAYMENT

Outstanding principal balance of this Loan, being \$195,533.99 is now repayable as follows:

Blended Payment

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
283	Monthly	1,400.82	05-10-2020	05-04-2044

Each payment shall be applied firstly to interest and secondly to principal. The balance of any monies owing are to be paid on April 5, 2044, (the "Maturity Date").

All payments are to be made on the 5th day of the month (the "Payment Date").

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

Yours truly,

Ruth Thomson

Ruth Thomson
Business Specialist
Phone: (416) 952-8690
Ruth.THOMSON@bdc.ca

Heather Squires

Heather Squires
Analyst, Special Accounts

This is Exhibit "C" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

LAND
 REGISTRY
 OFFICE #21

40523-0199 (LT)

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

PROPERTY DESCRIPTION: PT LT 4 PL 61 THURLOW; PT 4 21R23923; BELLEVILLE ; COUNTY OF HASTINGS

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT HT138914.

ESTATE/QUALIFIER:
 FEE SIMPLE
 LT CONVERSION QUALIFIED

RECENTLY:
 DIVISION FROM 40523-0052

PIN CREATION DATE:
 2013/05/08

OWNERS' NAMES
 TANKHOUSE DEVELOPMENTS INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2013/05/08 **						
**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: 2004/07/26 **						
21R4100	1978/08/29	PLAN REFERENCE				C
21R9296	1986/06/19	PLAN REFERENCE				C
QR514087	1995/05/01	AGREEMENT		*** DELETED AGAINST THIS PROPERTY ***	TOWNSHIP OF THURLOW	
QR548568	1997/10/29	NOTICE				C
REMARKS: AIRPORT ZONING REGULATIONS						
CORRECTIONS: 'DATE OF REGN.' CHANGED FROM '1997/10/28' TO '1997/10/29' ON 2004/07/19 BY LAND REGISTRAR # 2.						
QR606772	2002/03/19	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	SENIOR CAPITAL CORPORATION LTD.	
HT86170	2010/05/13	NOTICE OF LEASE		*** DELETED AGAINST THIS PROPERTY ***	CPK INTERIOR PRODUCTS INC.	
21R23923	2013/02/11	PLAN REFERENCE				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.

* 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
HT138010	2013/04/09	APL (GENERAL) REMARKS: AMENDS LEASE HT86170		*** DELETED AGAINST THIS PROPERTY *** 1382921 ONTARIO INC.	CPK INTERIOR PRODUCTS INC.	
HT138796	2013/04/30	DISCH OF CHARGE REMARKS: QR606772. PTS 1,4&5 21R23923		*** DELETED AGAINST THIS PROPERTY *** SENIOR CAPITAL CORPORATION LTD.		
HT138914	2013/04/30	TRANSFER REMARKS: PLANNING ACT STATEMENTS.	\$1	1382922 ONTARIO INC. 1382921 ONTARIO INC.	TANKHOUSE DEVELOPMENTS INC.	C
HT138915	2013/04/30	CHARGE		*** DELETED AGAINST THIS PROPERTY *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
HT138916	2013/04/30	NO OPTION PURCHASE REMARKS: EXPIRY 2112/04/30		*** DELETED AGAINST THIS PROPERTY *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC. 1382921 ONTARIO INC.	
HT146464	2013/09/26	APL (GENERAL) REMARKS: DELETE HT86170		*** COMPLETELY DELETED *** CPK INTERIOR PRODUCTS INC.		
HT146465	2013/09/26	APL (GENERAL) REMARKS: DELETE QR514087		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF BELLEVILLE		
HT146568	2013/09/27	APL (GENERAL) REMARKS: TO DELETE QR514086		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF BELLEVILLE		
HT165559	2014/12/16	NOTICE REMARKS: HT138915		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
HT183192	2016/01/06	NOTICE REMARKS: HT138915		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
HT183323	2016/01/08	CHARGE		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	GUZAR, RANDY	

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
HT183327	2016/01/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	GUZAR, RANDY	
		REMARKS: HT183323.				
HT201955	2017/01/10	CHARGE	\$1,500,000	TANKHOUSE DEVELOPMENTS INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
HT201987	2017/01/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** GUZAR, RANDY		
		REMARKS: HT183323.				
HT202008	2017/01/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1382922 ONTARIO INC.		
		REMARKS: HT138915.				
HT202009	2017/01/10	APL (GENERAL)		*** COMPLETELY DELETED *** 1382922 ONTARIO INC.		
		REMARKS: DELETE INSTRUMENT HT138916				
HT202010	2017/01/10	APL (GENERAL)		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.		
		REMARKS: DELETE HT138010				
HT202106	2017/01/12	NOTICE	52	THE CORPORATION OF THE CITY OF BELLEVILLE		C
HT285652	2021/04/28	CHARGE	\$300,000	TANKHOUSE DEVELOPMENTS INC.	FARM CREDIT CANADA	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.

PROPERTY DESCRIPTION: PT LT 14 PL 44 THURLOW; PT LT 4 PL 61 THURLOW; PT EARLE STREET PL 61 THURLOW CLOSED BY RBL208, PT 3 21R23923; BELLEVILLE ; COUNTY OF HASTINGS

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT HT138914.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 40523-0053

PIN CREATION DATE:
2013/05/08

OWNERS' NAMES
TANKHOUSE DEVELOPMENTS INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2013/05/08 **						
**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						
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** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2004/07/26 **						
21R9296	1986/06/19	PLAN REFERENCE				C
21R16911	1995/04/20	PLAN REFERENCE				C
QR514086	1995/05/01	AGREEMENT		*** DELETED AGAINST THIS PROPERTY ***	TOWNSHIP OF THURLOW	
QR514087	1995/05/01	AGREEMENT		*** DELETED AGAINST THIS PROPERTY ***	TOWNSHIP OF THURLOW	
QR548568	1997/10/29	NOTICE				C
REMARKS: AIRPORT ZONING REGULATIONS						
CORRECTIONS: 'DATE OF REGN.' CHANGED FROM '1997/10/28' TO '1997/10/29' ON 2004/07/19 BY LAND REGISTRAR # 2.						
21R23923	2013/02/11	PLAN REFERENCE				C
HT138914	2013/04/30	TRANSFER	\$1	1382922 ONTARIO INC. 1382921 ONTARIO INC.	TANKHOUSE DEVELOPMENTS INC.	C
REMARKS: PLANNING ACT STATEMENTS.						

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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
HT138915	2013/04/30	CHARGE		*** DELETED AGAINST THIS PROPERTY *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
HT138916	2013/04/30	NO OPTION PURCHASE		*** DELETED AGAINST THIS PROPERTY *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC. 1382921 ONTARIO INC.	
		REMARKS: EXPIRY 2112/04/30				
HT146465	2013/09/26	APL (GENERAL)		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF BELLEVILLE		
		REMARKS: DELETE QR514087				
HT146568	2013/09/27	APL (GENERAL)		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF BELLEVILLE		
		REMARKS: TO DELETE QR514086				
HT165559	2014/12/16	NOTICE		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
		REMARKS: HT138915				
HT183192	2016/01/06	NOTICE		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
		REMARKS: HT138915				
HT183323	2016/01/08	CHARGE		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	GUZAR, RANDY	
HT183327	2016/01/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	GUZAR, RANDY	
		REMARKS: HT183323.				
HT201955	2017/01/10	CHARGE	\$1,500,000	TANKHOUSE DEVELOPMENTS INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
HT201987	2017/01/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** GUZAR, RANDY		
		REMARKS: HT183323.				
HT202008	2017/01/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1382922 ONTARIO INC.		
		REMARKS: HT138915.				
HT202009	2017/01/10	APL (GENERAL)		*** 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
		REMARKS: DELETE INSTRUMENT HT138916		1382922 ONTARIO INC.		
HT202106	2017/01/12	NOTICE	\$2	THE CORPORATION OF THE CITY OF BELLEVILLE		C
HT218548	2017/11/03	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** 348461 ONTARIO LIMITED		
HT220881	2017/12/18	CERTIFICATE		*** COMPLETELY DELETED *** 348461 ONTARIO LTD.		
		REMARKS: HT218548 DELETED BY HT222677				
HT222677	2018/01/29	APL DEL CONST LIEN		*** COMPLETELY DELETED *** 348461 ONTARIO LIMITED		
		REMARKS: HT218548.				
HT285652	2021/04/28	CHARGE	\$300,000	TANKHOUSE DEVELOPMENTS INC.	FARM CREDIT CANADA	C

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PT BLK A PL 61 THURLOW; PT PARSONAGE LT PL 44 THURLOW; PT 1 21R23923; BELLEVILLE; COUNTY OF HASTINGS

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT HT138906.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 40524-0244

PIN CREATION DATE:
2013/05/08

OWNERS' NAMES:
TANKHOUSE DEVELOPMENTS 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 2013/05/08 **						
**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: 2004/07/26 **						
21R4061	1978/08/10	PLAN REFERENCE				C
21R9296	1986/06/19	PLAN REFERENCE				C
21R14443	1991/05/30	PLAN REFERENCE				C
QR514086	1995/05/01	AGREEMENT			TOWNSHIP OF THURLOW	C
QR548568	1997/10/29	NOTICE				C
REMARKS: AIRPORT ZONING REGULATIONS CORRECTIONS: 'DATE OF REGN.' CHANGED FROM '1997/10/28' TO '1997/10/29' ON 2004/07/19 BY LAND REGISTRAR # 2.						
QR606772	2002/03/19	CHARGE		*** DELETED AGAINST THIS PROPERTY ***		
					SENIOR CAPITAL CORPORATION LTD.	
HT135855	2013/02/06	LR'S ORDER		LAND REGISTRAR, HASTINGS LRO21		C
REMARKS: AMENDS THUMBNAIL TO INCLUDE PARSONAGE LT PL 44						
21R23923	2013/02/11	PLAN REFERENCE				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.

* 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
HT138796	2013/04/30	DISCH OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** SENIOR CAPITAL CORPORATION LTD.		
		REMARKS: QR60672. PTS 1,445 21R23923				
HT138906	2013/04/30	TRANSFER	\$175,000	1382922 ONTARIO INC.	TANKHOUSE DEVELOPMENTS INC.	C
HT138915	2013/04/30	CHARGE		*** DELETED AGAINST THIS PROPERTY *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
HT165559	2014/12/16	NOTICE		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
		REMARKS: HT138915				
HT183192	2016/01/06	NOTICE		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	1382922 ONTARIO INC.	
		REMARKS: HT138915				
HT183323	2016/01/08	CHARGE		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	GUZAR, RANDY	
HT183327	2016/01/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** TANKHOUSE DEVELOPMENTS INC.	GUZAR, RANDY	
		REMARKS: HT183323.				
HT201955	2017/01/10	CHARGE	\$1,500,000	TANKHOUSE DEVELOPMENTS INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
HT201987	2017/01/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** GUZAR, RANDY		
		REMARKS: HT183323.				
HT202008	2017/01/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1382922 ONTARIO INC.		
		REMARKS: HT138915.				
HT202106	2017/01/12	NOTICE	\$2	THE CORPORATION OF THE CITY OF BELLEVILLE		C
HT210014	2017/06/23	CHARGE	\$250,000	TANKHOUSE DEVELOPMENTS INC.	TRENVAL BUSINESS DEVELOPMENT CORPORATION	C
HT218548	2017/11/03	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** 348461 ONTARIO LIMITED		
HT220881	2017/12/18	CERTIFICATE		*** 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
				348461 ONTARIO LTD.		
		REMARKS: HT218548 DELETED BY HT222677				
HT222677	2018/01/29	APL DEL CONST LIEN		*** COMPLETELY DELETED *** 348461 ONTARIO LIMITED		
		REMARKS: HT218548.				
HT285652	2021/04/28	CHARGE	\$300,000	TANKHOUSE DEVELOPMENTS INC.	FARM CREDIT CANADA	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.

Properties

PIN 40524 - 0678 LT *Interest/Estate* Fee Simple
Description PT BLK A PL 61 THURLOW; PT PARSONAGE LT PL 44 THURLOW; PT 1 21R23923; BELLEVILLE; COUNTY OF HASTINGS
Address 93 RIVER ROAD
CORBYVILLE

PIN 40523 - 0199 LT *Interest/Estate* Fee Simple
Description PT LT 4 PL 61 THURLOW; PT 4 21R23923; BELLEVILLE ; COUNTY OF HASTINGS
Address 86 RIVER ROAD
CORBYVILLE

PIN 40523 - 0202 LT *Interest/Estate* Fee Simple
Description PT LT 14 PL 44 THURLOW; PT LT 4 PL 61 THURLOW; PT EARLE STREET PL 61 THURLOW CLOSED BY RBL208, PT 3 21R23923; BELLEVILLE ; COUNTY OF HASTINGS
Address 86 RIVER ROAD
CORBYVILLE

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 TANKHOUSE DEVELOPMENTS INC.
Address for Service Suite 31, 271 Front Street,
Belleville, Ontario K8N 2Z6

I, Richard Courneyea (President) and Sean Hibbert (Secretary-Treasurer), have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name BUSINESS DEVELOPMENT BANK OF CANADA
Address for Service Suite 201, 1000 Gardiners Road,
PO Box 265, Kingston, Ontario, K7L 4V8

Provisions

Principal \$1,500,000.00 *Currency* CDN
Calculation Period See schedule
Balance Due Date On Demand
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 20011
Insurance Amount See standard charge terms
Guarantor

Additional Provisions

See Schedules

Signed By

Robert James Martin 202-11 Princess St., P.O. Box 879 acting for Signed 2017 01 10
 Kingston
 K7L 4X8 Chargor(s)

Tel 613-546-4269

Fax 613-546-2188

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

Submitted By

HARDTMAN & MARTIN

202-11 Princess St., P.O. Box 879
Kingston
K7L 4X8

2017 01 10

Tel 613-546-4269

Fax 613-546-2188

Fees/Taxes/Payment

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

File Number

Chargor Client File Number : M16-5081;
Chargee Client File Number : REF# 110556-01

SCHEDULE A

LAND REGISTRATION REFORM ACT

Payment Provisions

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

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

STANDARD CHARGE TERMS

FILED BY: BUSINESS DEVELOPMENT BANK OF CANADA

AS

MORTGAGEE

FILING DATE - January 30th, 2001

FILING NUMBER - 20011

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

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

1. INTERPRETATION

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

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

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

- (q) **"Taxes"** means all taxes, assessments, rates, duties, levies, government fees, utility charges, claims and dues levied, assessed or imposed on Your Interest or on you in respect of Your Interest;
 - (r) **"Wastes/Hazardous Materials"** means wastes, materials and substances the storage, manufacture, disposal, treatment, generation, use or transport of which is prohibited, controlled or licensed under any Environmental/ Hazardous Materials Laws, or the remediation or release of which into the environment is likely, immediately or in the future, to cause harm or degradation to any of the Mortgaged Property or the environment, including contaminants, pollutants, corrosive substances, toxic substances, special wastes, substances deleterious to fish or wildlife, explosives, radioactive materials, asbestos, urea formaldehyde, and compounds known as chlorobiphenyls;
 - (s) **"Your Interest"** means:
 - (i) the estate, right, title and interest in and to the Mortgaged Property as set out in box 7 of the Mortgage Form (or, in the case of a Mortgage Form which is prepared in electronic format, the estate, right, title and interest described in the appropriate field therein) which, unless the Mortgage Form otherwise expressly provides, includes both the legal and beneficial estate, right, title and interest in and to the Mortgaged Property; and
 - (ii) any other estate, right, title or interest in and to the Mortgaged Property hereafter acquired by you, or in your name.
- 1.2 **Our Certificate Conclusive.** Every certificate signed by one of our representatives purporting to show the amount of monies at any particular time due and payable under this Mortgage shall, in the absence of manifest error, be conclusive evidence as against you of the amount due and payable at such time under this Mortgage.
- 1.3 **Invalidity.** The invalidity or unenforceability of the whole or any part of any paragraph of this Mortgage shall not affect the validity or enforceability of any other paragraph or the remainder of such paragraph.
- 1.4 **Headings.** The headings used in this Mortgage have been inserted for convenience of reference only and do not define, limit, alter or enlarge the meaning of any provision of this Mortgage.
- 1.5 **Jurisdiction.** This Mortgage will be governed by and construed in accordance with the laws of Ontario.
- 1.6 **Time of the Essence.** Time shall be of the essence of this Mortgage.
- 1.7 **Consolidation.** The doctrine of consolidation shall apply to this Mortgage.
- 1.8 **Interpretation.** Whenever in this Mortgage the singular or neuter pronoun is used the same shall be respectively construed as the plural, masculine, feminine or body corporate as the context may require.
- 1.9 **Joint and Several Liability.** If you are comprised of more than one person, the liability of such persons is joint and several and every reference in this Mortgage to you shall be construed as meaning each person who executed this Mortgage as a mortgagor as well as all of them.
- 1.10 **Conflict with Mortgage Form.** If there is any conflict between these charge terms and any express terms in the Mortgage Form, the provisions of the express terms in the Mortgage Form shall prevail.
- 1.11 **Conflict with Agreement.** If you have entered into a letter of offer, commitment letter, loan agreement or guarantee (the "Agreement") with us dealing with, or relating to, the Secured Obligations, or any of them, then, in the event of any conflict between any term of this Mortgage and any term of the Agreement, the term of the Agreement shall prevail.
- 1.12 **Enurement.** This Mortgage shall enure to the benefit of and be binding upon you and us and our respective heirs, personal representatives, successors and permitted assigns.

2. GRANT OF SECURITY

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

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

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

3. DISCHARGE OF MORTGAGE

- 3.1 This Mortgage will be redeemed and you will be entitled to a discharge of this Mortgage only upon the latest of:
- (a) full payment and satisfaction of the Secured Obligations;
 - (b) our receipt of your written request for a discharge of this Mortgage; and
 - (c) our receipt of payment of an administrative fee, to be fixed by us, for the preparation, execution and/or registration of a discharge of this Mortgage.

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

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

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

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

4. GENERAL REPRESENTATIONS AND WARRANTIES

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

5. COVENANTS

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

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

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

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

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

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

- 5.8 **Right to Inspect and Repair.** We and any of our agents, may at such time and from time to time, as we deem necessary and without the concurrence of any person, enter upon any part of the Mortgaged Property and make arrangements for completing the construction, repairing or putting in of Improvements, or for inspecting, appraising, taking care of, leasing, collecting the rents of, and generally managing any or all of Your Interest, as we may deem expedient, including the inspection and copying of your books and records, whether located at the Mortgaged Property or elsewhere. Further, you consent to our contacting and making enquiries of your lessors/lessees, as well as environmental officials, assessors, municipal authorities and any taxing body.
- 5.9 **No Dividends, etc.** If you are a corporation, you will not, without our prior written consent, issue, purchase or redeem any of your shares, permit any of your shareholders to sell, transfer or dispose of their shares, declare or pay any dividends on any of your issued shares, or amalgamate, merge, consolidate or enter into any business combination with any other person.
- 5.10 **Spousal Consent.** If you are a spouse, your spouse if so named in the Mortgage Form, consents to the transaction evidenced by this Mortgage and releases all his or her interest in the Mortgaged Property to the extent necessary to give effect to our rights hereunder.
- 5.11 **Change in Status.** Immediately after any change or event affecting any of the following, namely:
- (a) Your spousal status;
 - (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act* (Ontario); and
 - (c) the legal title or beneficial ownership of the land,
- you will advise us accordingly and furnish us with full particulars thereof, the intention being that we shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, you covenant and agree to furnish us with such evidence in connection with any of (a), (b) and (c) above as we may from time to time request.
- 5.12 **Perfection of Security.** You will do all things required in order that our security under this Mortgage is constantly perfected.
- 5.13 Every part, lot or unit into which the Mortgaged Property is or may hereafter be divided does and shall stand charged with the Secured Obligations and no person shall have any right to require the moneys hereby secured to be apportioned upon or in respect of any such part, lot or unit.

6. ENVIRONMENTAL MATTERS

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

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

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

7. ASSIGNMENT OF RENTS

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

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

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

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

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

8. ASSIGNMENT OF RIGHTS OF INDEMNITY

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

9. MORTGAGES OF SPECIAL INTERESTS

- 9.1 **Leasehold.** If Your Interest is as a lessee, sub-lessee, licensee or sub-licensee (collectively a "lessee") of the whole or any portion of the Mortgaged Property pursuant to a Lease the representation set out in paragraph 4.1 above shall be deemed not to include the words "in fee simple", and:
- (a) you hereby demise, sub-lease and mortgage Your Interest and the Lease to us, by way of a sub-lease, except for the last day of the term of the Lease (the "reversion") which is excepted out of the Charge created by this Mortgage but which shall be deemed to be held by you in Trust for us to be assigned or disposed of as we or anyone claiming through us may direct, and we shall have power on any realization to appoint a new person as Trustee of the reversion;
 - (b) if the Lease cannot be effectively charged without consent, any Charge intended to be created by this Mortgage upon Your Interest in the Lease shall not become effective until, but shall become effective immediately when, all consents necessary for the validity and effectiveness of such Charge have been obtained or waived by all appropriate persons;
 - (c) you represent to us that the Lease is valid and in good standing, in full force and effect and unsurrendered, you have the right to mortgage Your Interest and the Lease to us, all rents or other months payable under the Lease have been paid and all other obligations under the Lease, whether of you or your landlord, have been performed or complied with;
 - (d) you will promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by you under the Lease, including payment of rent;
 - (e) you shall take no action or be guilty of any default which shall or may cause the Lease to be terminated or forfeited, or, without our prior written consent, surrender or give any notice which would have the effect of terminating, or permitting the termination of, the Lease;
 - (f) you will promptly notify us in writing of any default or of any condition that with or without the passage of time or the giving of any notice might result in a default under, or the termination of, the Lease, and you will promptly cause a copy of each notice you receive under the Lease to be delivered to us;
 - (g) in the event of any renewal, extension, replacement or substitution of the Lease being created, you will immediately so advise us, and provide us with particulars of the same and a true copy of the subject instrument, and when we request, you will execute such further instrument as we may require;
 - (h) you will not during the continuance of this Mortgage, without our prior written consent, modify, alter or suffer or permit any modification or alteration of the

Lease and any such altered or modified Lease shall be charged by this Mortgage;

- (i) you will promptly obtain from the lessor under the Lease and deliver to us, a certificate stating that the Lease is in full force and effect, is unmodified or modified as the case may be, that no notice of termination thereon has been served on you thereunder, stating the date to which the rent has been paid and stating whether or not there are any defaults thereunder and specifying the nature of such defaults, if any;
- (j) you shall not consent to the subordination of the Lease to any mortgage of the interest of the lessor (or leasehold interest of the sub-lessor) thereof in the Mortgaged Property;
- (k) you will at the proper time and times take such proceedings, and make, do and execute such acts, deeds, matters and things as may be requisite for obtaining a renewal of the Lease; and
- (l) you will hold the reversion and any renewals, extensions, replacements or substitutions thereof in trust for us and you will assign and dispose of the same in such manner as we may direct by notice in writing.

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

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

- (i) to have any bylaw for the time being in force governing the condominium units and their appurtenant common interests hereby mortgaged made available for inspection by such officer;
- (ii) for certification to us of the amount of any contribution determined as your contribution, the manner in which any contribution is payable, the extent to which you have paid any contribution and the amount of money expended by the Condominium Corporation on your behalf under the *Condominium Act* and not recovered by it; and
- (h) at our request, you will deliver to us copies of all notices, financial statements and other documents given by the Condominium Corporation to you.

9.3 **Vendor's Interest in Right to Purchase.** If Your Interest is the full fee simple subject to a right to purchase (in this clause called the "Right to Purchase"):

- (a) you transfer and assign to us absolutely all of your right, title and interest in and to the Right to Purchase and the monies now and hereafter owing thereunder, together with the full benefit of all powers and all covenants and provisions in the Right to Purchase, and full power and authority to use your name for enforcing the performance of the covenants and other matters and things contained in the Right to Purchase; and
- (b) you shall not accept any prepayment of the Right to Purchase other than in accordance with the terms thereof; provided that, if you are obliged to accept a prepayment, the amount thereof shall be paid to us as a prepayment on account of the Secured Obligations unless we waive such prepayment; and
- (c) we shall be under no obligation to commence action or take any proceeding or step to enforce the Right to Purchase and shall not be liable for any loss arising from any omission by us to take any such action, proceeding or step.

9.4 **Purchaser's Interest in Right to Purchase.** If Your Interest is as a purchaser's interest in an agreement for sale, then the Charge created hereby to secure the Secured Obligations is to attach to your increasing equity in the Mortgaged Property to the intent that when you obtain the fee simple to the Mortgaged Property, this Mortgage shall become a Mortgage of the full fee simple.

10. EVENTS OF DEFAULT

10.1 The occurrence of any of the following events will constitute an Event of Default:

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

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

11. ENFORCEMENT

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

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

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

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

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

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

11.2 **Receiver.** A Receiver appointed pursuant to this Mortgage shall be your agent and not ours, and, to the extent permitted by law or its appointment, shall, in our discretion, have all of our rights and powers (including those under this Mortgage), including the power to:

- (a) take possession of and enter upon the Mortgaged Property which constitutes part of Your Interest and the Undertakings or any part thereof;

- (b) sell or lease or concur in selling or leasing the Mortgaged Property and the Undertakings or any part thereof;
- (c) make any arrangement or compromise which it shall think expedient;
- (d) carry on, or concur in the carrying on of, any development then in progress or otherwise contemplated by you with respect to the Mortgaged Property or your business relating to the Mortgaged Property and for such purposes from time to time to borrow money either secured or unsecured, and if secured by security on the whole or any part of the Mortgaged Property and the Undertakings, such security may rank before or pari passu with or behind this Mortgage; and
- (e) commence, continue or defend proceedings in the name of the Receiver or in your name, which the Receiver considers necessary or advisable for the proper protection of the whole or any portion of Your Interest or the enforcement of this Mortgage.

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

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

12. OTHER RIGHTS

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

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

13. PRESERVATION OF MORTGAGE AND OTHER SECURITY

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

14. MISCELLANEOUS

- 14.1 **Payment.** We may require payment of the Secured Obligations at any place in Canada as we may direct.
- 14.2 **Strict Observance.** You will strictly observe and perform each your agreements set out herein.
- 14.3 **Further Assurances.** You will execute such documents and further assurances of Your Interest and take such action as we may require.
- 14.4 **No Representations.** We have not made and you do not rely on any representations, warranties, covenants, agreements, conditions or provisos, oral or otherwise, whether made by us or any person acting actually or ostensibly on our behalf, other than those contained in this Mortgage unless those representations, warranties, covenants, agreements, conditions and provisos are contained in a supplementary contact in writing duly executed by both you and us and expressed to be collateral to this Mortgage.
- 14.5 **Assignment.** You will not assign any of your rights or obligations under this Mortgage, and no such purported assignment shall be effective, without our prior written consent, which may be arbitrarily withheld.

- 14.6 **Notice.** Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the address of such party provided on the Mortgage Form or at such other address as may be given in writing by one party to the others, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery. Delivery by fax transmission is deemed to be received on the day of transmission.
- 14.7 **Modification.** No amendment of this Mortgage will be effective unless signed by all parties to this Mortgage.
- 14.8 **Exclusion of Statutory Covenants.** The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* (Ontario) as amended or re-enacted are excluded from this Mortgage.

END OF DOCUMENT

This is Exhibit "D" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated the 16 day of December, 2016.

BETWEEN:

Tankhouse Developments Inc.
o/a Signal Brewing and Distilling
Suite 31, 271 Front Street, Belleville, Ontario K8N 2Z6
(the "Debtor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at
Suite 201, 1000 Gardiners Road, PO Box 265,
Kingston, Ontario
("BDC")

1. SECURITY INTEREST

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

1.1 For consideration the Debtor hereby:

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

papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");

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

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

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

2. EXCEPTIONS

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

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

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

3. ATTACHMENT

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

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

Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

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

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

5. OBLIGATIONS SECURED

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

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

6. REPRESENTATIONS AND WARRANTIES

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

6.1 The Debtor represents and warrants to BDC that:

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

qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

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

7. COVENANTS OF THE DEBTOR

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

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

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;

- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter between BDC and the Debtor including, without limitation, inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under Bankruptcy *and Insolvency Act* (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to Bankruptcy *and Insolvency Act* (Canada);

- (ix) any sums BDC pays as fines, or as clean up costs because of contamination of or from your assets. Further, you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
 - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Debtor's premises or otherwise, and the Debtor will render all assistance necessary;
- (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (n) deliver to BDC from time to time promptly upon request:

- (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
- (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
 - (p) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
 - (q) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral;
 - (r) consent to BDC contacting and making enquiries of the Debtor's lessors, as well as municipal or other government officials or assessors; and
 - (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

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

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

8. INSURANCE

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

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

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

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

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

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

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

9. OTHER PROHIBITIONS

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

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

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

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

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

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

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

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

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

unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

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

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

12. ACCOUNTS

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

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

13. APPROPRIATION OF PAYMENTS

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

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

14. DEFAULT

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

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

- (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the

Debtor; or

- (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (i) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

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

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

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

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

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

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

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:
 - (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and

- (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

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

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

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

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

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

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

16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be

responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.

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

17. APPOINTMENT OF ATTORNEY
(You appoint BDC your attorney for specific matters.)

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

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

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

19. NO OBLIGATION TO ADVANCE
(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

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

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

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

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

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

22. EXTENSIONS

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

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

23. NO MERGER

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

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

24. RIGHTS CUMULATIVE

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

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

25. ASSIGNMENT

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

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

26. SATISFACTION AND DISCHARGE

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

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

27. ENVIRONMENT

The Debtor represents and agrees that:

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

28. ENUREMENT

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

29. INTERPRETATION

29.1 In this Security Agreement:

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

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

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

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

29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For

enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

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

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

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

33. PARENTHETICAL COMMENTS

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

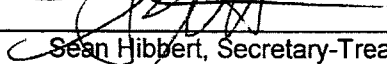
34. THE COMMITMENT LETTER

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

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

(Tankhouse Developments Inc., (Debtor)

Per: 
Richard Courneyea, President

Per: 
Sean Hibbert, Secretary-Treasurer

SCHEDULE "A"

Subclause 1.1(a):

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

2. the following serial numbered goods:

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

Year

Make and Model

3. Location(s) of the Collateral

Suite 31, 271 Front Street, Belleville, Ontario K8N 2Z6
86 River Road, Corbyville, Ontario
93 River Road Corbyville, Ontario

This is Exhibit "E" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



GUARANTEE

GUARANTOR: Richard G. Courneyea
Suite 31, 271 Front Street
Belleville, Ontario K8N 2Z6 the "Guarantor"

CREDITOR: Business Development Bank of Canada
Suite 201, 1000 Gardiners Road, PO Box 265
Kingston, Ontario K7L 2V8 "BDC"

DEBTOR: Tankhouse Developments Inc.
Suite 31, 271 Front Street
Belleville, Ontario K8N 2Z6 the "Borrower"

DEBT: \$1,300,000.00 the "Principal Sum"

LIMIT OF LIABILITY: ~~1. \$ _____ (if not limited say "Unlimited")~~ the "Limited Amount"
or (Complete
1 or 2 as
appropriate

LIMIT OF LIABILITY: 2. **Thirty-Five per cent (35%)** of the
Outstanding Balance on the date BDC demands
payment under this guarantee the "Limited Amount"

DATED: December 14 2016.

BDC BUSINESS CENTRE: Kingston, Ontario the "Governing Jurisdiction"
(Province/Territory)

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

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending,

extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

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

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

3. LIABILITY AS PRINCIPAL DEBTOR

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

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

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

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;
- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

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

6. RELEASE

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

7. PAYMENT AND REMEDYING DEFAULTS

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

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

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

9. CHANGES MUST BE IN WRITING

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

10. JOINT AND SEVERAL LIABILITY

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

11. JURISDICTION

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

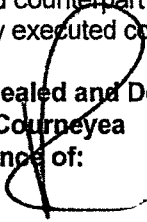
12. ASSIGNS

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

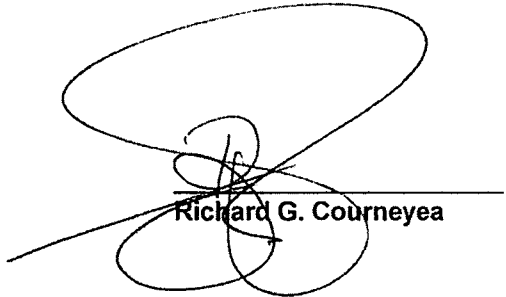
13. COUNTERPARTS

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

Executed, Sealed and Delivered by
Richard G. Courneyea
in the presence of:



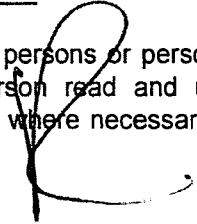
Robert J. Martin
Name
Suite 202, 11 Princess Street
PO Box 879, Kingston, ON K7L 4X8
Address
Solicitor
Occupation
(as to all signatures)



Richard G. Courneyea

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

This is Exhibit "F" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink that reads "Roxanne Chapman". The signature is written in a cursive style and is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



GUARANTEE

GUARANTOR: Sean A. Hibbert
278 River Road
Corbyville, Ontario K0K 1V0 the "Guarantor"

CREDITOR: Business Development Bank of Canada
Suite 201, 1000 Gardiners Road, PO Box 265
Kingston, Ontario K7L 2V8 "BDC"

DEBTOR: Tankhouse Developments Inc.
Suite 31, 271 Front Street
Belleville, Ontario K8N 2Z6 the "Borrower"

DEBT: \$1,300,000.00 the "Principal Sum"

LIMIT OF LIABILITY: 1. \$ _____ (if not limited say "Unlimited") the "Limited Amount"

or

(Complete
1 or 2 as
appropriate

LIMIT OF LIABILITY: 2. Twenty per cent (20%) of the
Outstanding Balance on the date BDC demands
payment under this guarantee the "Limited Amount"

DATED: December 14 2016.

BDC BUSINESS CENTRE: Kingston, Ontario the "Governing Jurisdiction"
(Province/Territory)

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

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending,

extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

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

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- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;
- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
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- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

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8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

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11. JURISDICTION

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

12. ASSIGNS


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

13. COUNTERPARTS

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

Executed, Sealed and Delivered by
Sean A. Hibbert
in the presence of:

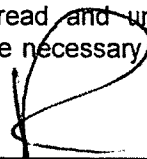
Robert J. Martin
Name
Suite 202, 11 Princess Street
PO Box 879, Kingston, ON K7L 4X8
Address
Solicitor
Occupation
(as to all signatures)



Sean A. Hibbert

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

This is Exhibit "G" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



BDCID: 10010110491

Letter of Offer dated December 20, 2017

Tankhouse Developments Inc.
7-79 River Rd
Corbyville, ON
K0K 1V0

Attention of: Mr. Richard Courneyea

Re: Loan(s) No. 110556-02

In accordance with this letter of offer of credit as amended from time to time (the "Letter of Offer"), Business Development Bank of Canada ("BDC") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "Loan"). The Letter of Offer is open for acceptance until December 30, 2017 (the "Acceptance Date") after which date it shall become null and void.

This Loan is in addition to the existing CDN dollar loan(s) on which \$1,300,000.00 is outstanding.

LOAN PURPOSE AND FUNDING

Loan Purpose

Construction and renovation costs	316,000.00
Payout second mortgage	54,000.00
	<hr/>
	370,000.00

Funding

BDC 110556-02	200,000.00
Farm Credit Canada	170,000.00
	<hr/>
	370,000.00

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

DEFINITIONS

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

LENDER

BDC

Business Development Bank of Canada
1000 Gardiners Road, Suite 201
Kingston, ON K7P3C4
www.bdc.ca

BORROWER

Tankhouse Developments Inc. (the "Borrower")

GUARANTOR

Sean A. Hibbert

Richard G. Courneyea

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

LOAN AMOUNT

Loan 110556-02: \$200,000.00

INTEREST RATE

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

Loan 110556-02

Fixed Rate

6.90% per year, being the applicable BDC's Base Rate of 5.90% per year plus a variance of 1.00% per year (the "Variance 02"). BDC will guarantee the interest rate until the Acceptance Date. Should the Acceptance Date be extended, this interest rate will not be guaranteed.

The Interest Adjustment Date for this fixed interest rate plan is December 5, 2021 (the "Interest Adjustment Date 02")

INTEREST CALCULATION

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

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

REPAYMENT

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

Loan 110556-02

Blended Payment

All payments are to be made on the day of the month selected by the Borrower (the "Payment Date 02"). Interest is payable monthly commencing on the next occurring Payment Date 02 following the first advance on the Loan. Once the Loan has been fully disbursed, interest on the Loan together with the principal of the Loan shall be payable by way of monthly blended instalments of principal and interest of \$1,400.83 each (based on the fixed rate indicated above and an initial amortization period of 300 months) commencing on November 05, 2018 up to and including the Interest Adjustment Date 02. Prior to the Interest Adjustment Date 02, BDC shall advise of the new monthly blended instalment based on the available fixed rate plans.

The equivalent rate calculated semi-annually, not in advance, is 7.00% per year.

Maturity Date: October 5, 2043 (the "Maturity Date 02").

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after December 20, 2017. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.

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

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

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

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

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

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

SECURITY

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

Loan 110556-02

1. First readvanceable mortgage in the principal amount of \$1,500,000 on land (approx. 1.5 acres) (PT LT 4 PL 61 THURLOW; PT 4 21R23923; BELLEVILLE ; COUNTY OF HASTINGS (PIN 40523-0199); PT LT 14 PL 44 THURLOW; PT LT 4 PL 61 THURLOW; PT EARLE STREET PL 61 THURLOW CLOSED BY RBL208, PT 3 21R23923; BELLEVILLE ; COUNTY OF HASTINGS; PT BLK A PL 61 THURLOW (PIN 40523-0202); PT PARSONAGE LT PL 44 THURLOW; PT 1 21R23923; BELLEVILLE; COUNTY OF HASTINGS (PIN 40524-0678)) and buildings (approx. 9,183 sq. ft.) located at 86 River Rd, Corbyville, ON., owned by Tankhouse Developments Inc. Building location survey or title insurance required. Existing mortgage will stand as security for this Loan.
2. General Security Agreement from Tankhouse Developments inc. operating as Signal Brewing and Distilling providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of these persons have an interest.
3. Guarantee of Sean A. Hibbert for 20% of the Loan amount outstanding from time to time. The guarantor agrees that he is directly responsible for the payment of the cancellation, standby and legal fees.
4. Guarantee of Richard G. Courneyea for 100% of the Loan amount outstanding on the date BDC demands payment under this guarantee. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.
5. Postponement of shareholder(s) loan(s) totalling \$900,000 from Richard Courneyea and Sean Hibbert to Tankhouse Developments Inc. Providing the BDC Loan is in good standing, interest may be paid.

DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 110556-02

1. BDC will disburse upon receipt of invoices evidencing expenditures under the Loan Purpose (excluding applicable taxes), less any applicable holdbacks required by BDC.
2. For each loan being refinanced as described in the Loan Purpose, written confirmation of the payout balance must be obtained directly from the refinanced lender or from the external solicitor/notary.

Unless otherwise authorized, funds for each Loan account number shall be disbursed to the solicitor or notary who shall confirm to BDC the execution, delivery and registration of the Security relating to the Loan.



CONDITIONS PRECEDENT

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

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to the Borrower and any corporate Guarantor and their respective business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.
7. Equipment loan from Farm Credit Canada for \$170,000; 5 yr amortization; one year fixed rate 6.5%. Interest only starting Jan./18 with blended payments starting June, 2018. Loan to be confirmed by supplying a copy of accepted letter of offer.
8. Provide written evidence that an operating credit of not less than \$150,000 has been established in favour of the Borrower by Farm Credit Canada on terms and conditions satisfactory to BDC.
9. Provide a current market value full narrative appraisal report prepared by S. Rayner & Associates Ltd. commissioned by BDC confirming the market value of the realty located at 86 River Road, Corbyville, ON. pledged as security is not less than \$2,740,000. The Borrower is responsible for the appraisal report fees.

UNDERLYING CONDITIONS

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

1. On demand, you agree to provide BDC with written proof of your payment of the property, school or similar taxes which are assessed against the mortgaged land and improvements (the "taxes"), within thirty (30) days following the due date of each required instalment. Should you default in paying any such instalment of the taxes when due, you will pay BDC monthly payments as calculated by BDC to establish a tax reserve account. These payments will be collected by the pre-authorized debit plan and the funds in the account will earn interest in accordance with BDC's policy then in effect. You authorize BDC to pay the relevant taxing authorities. Should there be insufficient funds to satisfy the taxes owing, you will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. You will instruct the taxing authority to forward a copy of the tax notice to BDC, or you will deliver a copy to BDC upon receipt.

REPRESENTATIONS AND WARRANTIES

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

COVENANTS

So long as any amount owing pursuant to the Loan Documents remains unpaid, the Borrower and any corporate Guarantor shall perform the covenants in Schedule "A" – Section III.

REPORTING OBLIGATIONS

The Borrower (and if applicable the corporate Guarantor) shall provide to BDC within 90 days of its (their) fiscal year end the following financial statements:

Company	Type	Frequency	Period Ending
Tankhouse Developments Inc.	Review Engagement	Annual	January

and such other financial and operating statements and reports as and when BDC may reasonably require.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "Event of Default"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security.

FEES

Cancellation Fee

If the Borrower does not draw on the Loan by the Lapsing Date indicated below (the "Lapsing Date"), the Loan shall lapse and be cancelled and the Borrower and the Guarantor shall pay BDC the applicable cancellation fee indicated below. If the Loan is partially disbursed on the Lapsing Date, the Borrower and Guarantor shall pay BDC a percentage of the cancellation fee in proportion to the percentage of the Loan that is cancelled. No cancellation fee will be payable if 50% or more of the Loan has been disbursed.

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

Loan 110556-02

Lapsing Date: December 20, 2018 (the "Lapsing Date 02").

Cancellation Fee: \$6,000.00 (the "Cancellation Fee 02").

Standby Fee

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

Loan 110556-02

Rate: 1.50% per annum

Date: February 20, 2018

Legal Fees and Expenses

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

Loan Management Fee

The Borrower shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change.

Loan 110556-02

\$350.00 per year (the "Management Fee 02")

Transaction Fees

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

CONFLICTS

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

INDEMNITY

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

GOVERNING LAW

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

SUCCESSORS AND ASSIGNS

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

ACCEPTANCE

The Letter of Offer and any modification of it may be executed and delivered by original signature, fax, or any other electronic means of communication acceptable to BDC and in any number of counterparts, each of which is deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

SCHEDULE

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

LANGUAGE CLAUSE

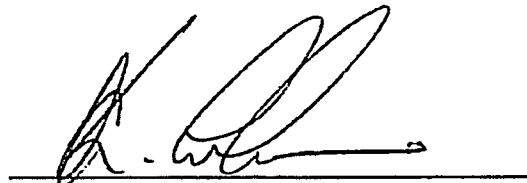
The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.



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



Derrick Morgan
Manager, Major Accounts
Phone: (613) 969-4009
Fax: (613) 389-2543
Derrick.MORGAN@bdc.ca




Kevin Coleman
Manager, Business Centre
Phone: (613) 389-8706
Fax: (613) 389-2543
Kevin.COLEMAN@bdc.ca

ACCEPTANCE

The parties accept the terms and conditions set forth above and in the attached Schedule "A".

This 27th day of JANUARY 2018

Tankhouse Developments Inc.


_____, Authorized Signing Officer

Name: Richard G. Courneyea
(Please print name of signing party)

GUARANTOR(S)



Sean A. Hibbert



Richard G. Courneyea

December 20, 2017

SECTION I - DEFINITIONS

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

"Available Funds Coverage Ratio" – means the ratio of Available Funds over the current portion of Term Debt.

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

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

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

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

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

"GAAP" – means generally accepted accounting principles in Canada applied consistently.

"GAAP for Private Enterprises" – means generally accepted accounting principles approved by the Accounting Standards Board for financial reporting for private companies in Canada who have elected not to adopt IFRS.

"IFRS" – means International Financial Reporting Standards approved by the Accounting Standards Board for accounting for publicly accountable enterprises and private enterprises who have voluntarily decided to adopt this set of standards.

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

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

- (i) the difference between the two rates;
- (ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);
- (iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment, the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the Interest Act.

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

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

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

"Material Adverse Change" – means:

- (i) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Borrower or any corporate Guarantor,
- (ii) a material impairment of the ability of the Borrower or any corporate Guarantor to perform any of their obligations under any Loan Document, or
- (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, Limited Liability Company, trust, joint venture, association, incorporated organization, partnership, governmental authority or other entity.

"Tangible Equity" – means the sum of the share capital [owners' capital for non-incorporated businesses]; plus retained earnings [accumulated net income]; plus subordinated loans or advances from the shareholders [owners] and related businesses; minus loans or advances to the shareholders [owners], directors, related or non-related businesses.

"Term Debt" – means the sum of the long-term debt plus the capital leases including the current portion to be paid over the next 12 months; plus the book value of preferred shares subject to a formal redemption agreement, if any.

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

"Working Capital Ratio" – means the ratio of the total current assets over the total current liabilities. Current assets include the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities include the following: bank advances, cheques in transit, accounts payable (trade and other) and the current portion due within the next 12 months of all long term debts.

SECTION II - REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to BDC that:

1. It is a partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
2. The execution, delivery and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
5. No Default or Event of Default exists.
6. All Information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
7. There is no pending or threatened claim, action, prosecution or proceeding of any kind including but not limited to non-compliance with environmental law or arising from the presence or release of any

contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.

8. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

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

SECTION III - COVENANTS

The Borrower and each corporate Guarantor shall:

1. Perform their obligations and covenants under the Loan Documents.
2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
4. Comply with all applicable laws and regulations.
5. Keep all secured assets insured for physical damages and losses on an "All-Risks" basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security; and
as further Security, assign or hypothecate all Insurance proceeds to BDC; and
if requested by BDC, maintain adequate general liability insurance and environmental insurance to protect it against any losses or claims arising from pollution or contamination incidents, or any other type of insurance it may reasonably require, and to provide copies of such policies; and maintain all policies of insurance in effect for the duration of the Loan.
6. Notify BDC immediately of any loss or damage to their property.
7. Without limiting the generality of paragraph 4 above, in relation to their business operations and the assets and projects of their business, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
8. Promptly pay all government remittances, assessments and taxes including real estate taxes and provide BDC with proof of payments as BDC may request from time to time.
9. Promptly furnish to BDC such information, reports, certificates and other documents concerning the Borrower and any corporate Guarantor as BDC may reasonably request from time to time.
10. Not, without the prior written consent of BDC,
 - a. Change the nature of their business.
 - b. Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any operating license.
 - c. Permit any Person holding Equity Interests in the Borrower or any corporate Guarantor or in any Person that controls directly or indirectly the Borrower or any corporate Guarantor, to sell or transfer their Equity Interests in such Borrower or corporate Guarantor, or permit the Borrower or any corporate Guarantor or any Person that directly or indirectly controls the Borrower or any corporate Guarantor to issue any Equity Interests to any Person which is not a Borrower or a corporate Guarantor.

"Equity Interests" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry

the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

This provision shall not apply to any Borrower or any corporate Guarantor who is a Public Issuer.

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

11. Not engage in, or permit their premises to be used by a tenant or other Person, for any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:
- a. businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; businesses that are engaged in or associated with illegal activities; businesses trading in countries that are proscribed by the Federal Government;
 - b. businesses that operate as stand-alone nightclubs, bars, lounges, cabarets, casinos, discotheques, video arcades, pool and billiard halls, and similar operations; or
 - c. businesses that promote nudism and naturism.

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this paragraph 11 shall also apply to any entity that controls, is controlled by, or that is under the common control with, any Borrower and any corporate Guarantor.

SECTION IV - EVENTS OF DEFAULT

1. The Borrower fails to pay any amount owing under or pursuant to the Loan Documents.
2. The Borrower fails to comply with or to perform any provision of the Letter of Offer or the other Loan Documents.
3. The Borrower and/or the Guarantor is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied after any cure period provided in such other agreement.
4. Any representation or warranty made by the Borrower or any corporate Guarantor in any Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
5. Any schedule, certificate, financial statement, report, notice or other writing furnished by the Borrower or corporate Guarantor to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
6. The Borrower or corporate Guarantor becomes insolvent or generally fails to pay, or admits in writing their inability or refusal to pay their debts as they become due; or any Borrower or corporate Guarantor applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Borrower or corporate Guarantor or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Borrower or corporate Guarantor for a substantial part of the property of such party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of such party, or any Borrower or corporate Guarantor takes any action to authorize, or in furtherance of, any of the foregoing.
7. The Borrower ceases or threatens to cease to carry on all or a substantial part of their business.
8. Without the prior written consent of BDC, the occurrence of a change of control of the Borrower (as determined by BDC) who is not a Public Issuer.
9. The Borrower or any corporate Guarantor is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
10. In the event that either a) any Person or group of Persons, acting jointly or in concert, that already owns 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning more than 50% of the outstanding Equity Interests of such Public Issuer or b) any Person or

group of Persons, acting jointly or in concert, that does not already own 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning at least 20% of the outstanding Equity Interests of such Public Issuer, BDC may review the Loan and may require that the Loan, together with interest and any other amounts then outstanding, be repaid within sixty (60) days. Should the Borrower fail to repay the Loan, accrued interest, and all other amounts outstanding within sixty (60) days of the demand by BDC under this provision, the Borrower shall be in Default and same shall constitute an Event of Default.

SECTION V - GENERAL TERMS AND CONDITIONS

The Borrower and each Guarantor agree to the following additional provisions:

Other Available Interest Rate Plans

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

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans

If the Borrower changes to a fixed interest rate plan within 2 months after the Loan Authorization Date, the standby fee shall be effective two months after the Loan Authorization Date. If the change to a fixed interest rate plan occurs later than two months after the Loan Authorization Date, the standby fee shall be effective on the date the new fixed interest plan takes effect.

Interest Adjustment Date

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

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

Pre-Authorized Payment System

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

Application of Payments

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
2. protective disbursements;
3. standby fees (arrears and current);

4. arrears, in the following order: transaction fees, administration fees, management fees, interest and principal;
5. current balances, in the following order: transaction fees, management fees, interest and principal;
6. cancellation fees;
7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
8. other amounts due and payable.

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

Consent to Obtaining Information

The Borrower and any corporate Guarantor authorize BDC, from time to time, to obtain financial, compliance, account status and any other information about a Borrower and any corporate Guarantor and their respective business from their accountants, their auditors, any financial institution, creditor, credit reporting or rating agency, credit bureau, governmental department, body or utility.

Notices

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

Joint and Several Liability

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

Anti- Money Laundering/Know Your Client

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

Confidentiality

The Borrower and each Guarantor shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Borrower or any Guarantor adopts any changes in accounting standards, including but not limited to GAAP for Private Enterprises and International Financial Reporting Standards (IFRS), which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.



BDCID: 10010120672

December 21, 2017

Mr. Richard Courneyea
Tankhouse Developments Inc.
7-79 River Rd
Corbyville, ON
K0K 1V0

Re: BDC Loan 110556-02

Dear Mr. Courneyea:

We write in reference to our Letter of Offer for Loan No. 110556-02, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan(s).

The amendments shall take effect upon receipt by BDC of the Acceptance Form duly signed by all signatories no later than March 21, 2018.

Amendments – Loan No. 110556-02:

SECURITY

The following existing Security relating to this Loan:

General Security Agreement from Tankhouse Developments inc. operating as Signal Brewing and Distilling providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of these persons have an interest.

is modified and is now replaced with:

General Security Agreement from Tankhouse Developments inc. operating as Signal Brewing and Distilling providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of these persons have an interest. Existing GSA to Stand as Security.



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

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

Yours truly,

A handwritten signature in black ink, appearing to read "Derrick Morgan", written over a horizontal line.

Derrick Morgan
Manager, Major Accounts
Phone: (613) 969-4009
Derrick.MORGAN@bdc.ca

A handwritten signature in black ink, appearing to read "Kevin Coleman", written over a horizontal line.

Kevin Coleman
Manager, Business Centre
Phone: (613) 389-8706
Kevin.COLEMAN@bdc.ca

Encl.

Business Development Bank of Canada
1000 Gardiners Road
Suite 201
Kingston, ON
K7P3C4

Attention: Derrick Morgan

Re: BDC Loan 110556-02

The undersigned accept the terms and conditions set forth in BDC's Letter of Amendment dated December 21, 2017.

Signed this 21st day of January, 2018
(date) (month) (year)

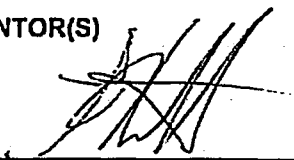
BORROWER(S)

Tankhouse Developments Inc.


_____, Authorized Signing Officer

Name: Michael Courneyea
(Please print name of signing party)

GUARANTOR(S)



Sean A. Hibbert



Richard G. Courneyea



BDCID: 10018986983

March 26, 2020

Mr. Richard Courneyea
Tankhouse Developments Inc.
7-79 River Rd
Corbyville, ON
K0K 1V0

Re: BDC Loan 110556-01 and 110556-02

Dear Mr. Courneyea :

We write in reference to our Letters of Offer for Loan No. 110556-01 and 110556-02, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loans.

These amendments are now in effect.

Amendments – Loan No. 110556-01 :

REPAYMENT

Outstanding principal balance of this Loan, being \$1,199,950.00 is now repayable as follows:

Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
233	Monthly	5,150.00	15-09-2020	15-01-2040

Accordingly, the final payment will be due on January 15, 2040 , (the "Maturity Date"). Interest remains payable monthly.

All payments are to be made on the 15th day of the month (the "Payment Date").



Amendments – Loan No. 110556-02 :

REPAYMENT

Outstanding principal balance of this Loan, being \$195,533.99 is now repayable as follows:

Blended Payment

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
283	Monthly	1,400.82	05-10-2020	05-04-2044

Each payment shall be applied firstly to interest and secondly to principal. The balance of any monies owing are to be paid on April 5, 2044, (the "Maturity Date").

All payments are to be made on the 5th day of the month (the "Payment Date").

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

Yours truly,

Ruth Thomson

Ruth Thomson
Business Specialist
Phone: (416) 952-8690
Ruth.THOMSON@bdc.ca

Heather Squires

Heather Squires
Analyst, Special Accounts

This is Exhibit "H" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



GUARANTEE

GUARANTOR: Richard G. Courneyea
Suite 31, 271 Front Street
Belleville, Ontario K8N 2Z6 the "Guarantor"

CREDITOR: Business Development Bank of Canada
Suite 201, 1000 Gardiners Road, PO Box 265
Kingston, Ontario K7L 4V8 "BDC"

DEBTOR: Tankhouse Developments Inc.
86 River Road, Corbyville, Ontario K0K 1V0 the "Borrower"

DEBT: \$200,000.00 the "Principal Sum"

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

DATED: January 31, 2018

BDC BUSINESS CENTRE: Kingston, Ontario
(Province/Territory) the "Governing Jurisdiction"

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

1. DEBT AND SECURITY

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

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and

disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

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

3. LIABILITY AS PRINCIPAL DEBTOR

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

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

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

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;
- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and

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

5. SUBROGATION

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

6. RELEASE

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

7. PAYMENT AND REMEDYING DEFAULTS

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

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

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

9. CHANGES MUST BE IN WRITING

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

10. JOINT AND SEVERAL LIABILITY

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

11. JURISDICTION

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

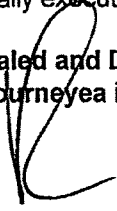
12. ASSIGNS

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

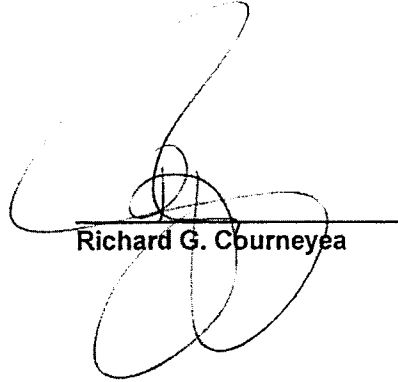
13. COUNTERPARTS

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

Executed, Sealed and Delivered by
Richard G. Courneyea in the presence of:



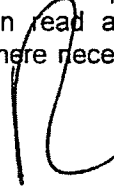
Robert J. Martin
Name
Suite 202, 11 Princess Street
PO Box 879,
Kingston, Ontario K7L 4X8
Address
Solicitor
Occupation
(as to all signatures)



Richard G. Courneyea

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

This is Exhibit "1" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



GUARANTEE

GUARANTOR:	Sean A. Hibbert 278 River Road, Corbyville, Ontario K0K 1V0	the "Guarantor"
CREDITOR:	Business Development Bank of Canada Suite 201, 1000 Gardiners Road, PO Box 265 Kingston, Ontario K7L 4V8	"BDC"
DEBTOR:	Tankhouse Developments Inc. 86 River Road, Corbyville, Ontario K0K 1V0	the "Borrower"
DEBT:	\$200,000.00	the "Principal Sum"
LIMIT OF LIABILITY:	Twenty (20)% of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	January <u>31</u> , 2018	
BDC BUSINESS CENTRE:	Kingston, Ontario <i>(Province/Territory)</i>	the "Governing Jurisdiction"

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

1. DEBT AND SECURITY

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

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee.

The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

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

3. LIABILITY AS PRINCIPAL DEBTOR

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

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

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;
- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
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11. JURISDICTION

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

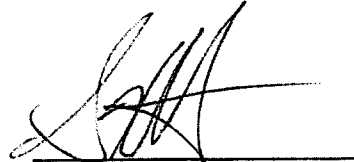
12. ASSIGNS

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

13. COUNTERPARTS

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Executed, Sealed and Delivered by
Richard G. Courneyea in the presence of:




Robert J. Martin
Name
Suite 202, 11 Princess Street
PO Box 879,
Kingston, Ontario K7L 4X8
Address
Solicitor
Occupation
(as to all signatures)

Sean A. Hibbert

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

This is Exhibit "J" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

Enquiry Result

File Currency: 26JUN 2022



All Pages 

Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	723353193	1	8	1	27	13DEC 2048			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
723353193		001	1		20161213 1341 9161 0698	P PPSA	01		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TANKHOUSE DEVELOPMENTS INC.								
	Address			City	Province	Postal Code			
	SUITE 31, 271 FRONT STREET			BELLEVILLE	ON	K8N 2Z6			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	SIGNAL BREWING AND DISTILLING								
	Address			City	Province	Postal Code			
	SUITE 31, 271 FRONT STREET			BELLEVILLE	ON	K8N 2Z6			
Secured Party	Secured Party / Lien Claimant								
	BUSINESS DEVELOPMENT BANK OF CANADA								
	Address			City	Province	Postal Code			
	201-1000 GARDINERS ROAD, BOX 265			KINGSTON	ON	K8N 2Z6			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT								
Registering Agent	Registering Agent								
	ROBERT MARTIN - HARDTMAN & MARTIN								

2025 RELEASE UNDER E.O. 14176

	Address	City	Province	Postal Code
	202-11 PRINCESS ST, PO BOX 879	KINGSTON	ON	K7L 4X8

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages				
	723353193	1	8	2	27				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		001	1		20170110 0841 9161 0707				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	723353193			B RENEWAL	22				
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name TANKHOUSE DEVELOPMENTS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
		Business Debtor Name							
		Address					City	Province Postal Code	
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address					City	Province Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	ROBERT MARTIN - HARDTMAN & MARTIN								
	Address					City	Province Postal		

001-001-001-001

				Code
	202-11 PRINCESS ST, PO BOX 879	KINGSTON	ON	K7L 4X8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	TANKHOUSE DEVELOPMENTS INC				
File Currency	26JUN 2022				
	File Number	Family	of Families	Page	of Pages
	723353193	1	8	3	27

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	1		20171221 1039 2611 3297	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	723353193			B RENEWAL	09	

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name TANKHOUSE DEVELOPMENTS INC.		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname		
	Business Debtor Name					
	Address			City	Province	Postal Code

Assignor Name	Assignor Name			
Secured Party	Secured party, lien claimant, assignee			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	BDC LEGAL - CD (110556-02)			
	Address	City	Province	Postal

				Code
	121 KING STREET WEST, 1200	TORONTO	ON	M5H 3T9

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26 JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	730906479	2	8	4	27	15 AUG 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
730906479		01	002		20170815 1706 1462 4439	P PPSA	11		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TANKHOUSE DEVELOPMENTS INC					002322059			
	Address				City	Province	Postal Code		
	87 RIVER ROAD				CORBYVILLE	ON	K0K1V0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CLOTHBUILDERS HOLDINGS INC					002072007			
	Address				City	Province	Postal Code		
	271 FRONT STREET				BELLEVILLE	ON	K8N2Z6		
Secured Party	Secured Party / Lien Claimant								
	TRENVAL BUSINESS DEVELOPMENT CORPORATION								
	Address				City	Province	Postal Code		
	284B WALLBRIDGE-LOYALIST RD., PO BOX 610				BELLEVILLE	ON	K8N5B3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X			250000		X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	PROMISSORY NOTE AND GENERAL SECURITY AGREEMENT - A SECURITY INTEREST IN ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, EXCEPT CONSUMER GOODS.								
Registering Agent	Registering Agent								
	TRENVAL BUSINESS DEVELOPMENT CORPORATION								
	Address				City	Province	Postal Code		
	284B WALLBRIDGE/LOYALIST RD., PO BOX 610				BELLEVILLE	ON	K8N4Z5		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	TANKHOUSE DEVELOPMENTS INC						
File Currency	26 JUN 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	730906479	2	8	5	27	15 AUG 2028	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
730906479		02	002		20170815 1706 1462 4439	P PPSA	11

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	30 DEC 1962	RICHARD	G	COURNEYEA

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	271 FRONT STREET SUITE 31	BELLEVILLE	ON	K8N2Z6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	02 SEP 1967	SEAN	A	HIBBERT

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	278 RIVER ROAD - RR1	CORBYSVILLE	ON	K0K1V0

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	TRENVAL BUSINESS DEVELOPMENT CORPORATION			
	Address	City	Province	Postal Code
	284B WALLBRIDGE/LOYALIST RD., PO BOX 610	BELLEVILLE	ON	K8N4Z5

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	735583995	3	8	6	27	11JAN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
735583995		001	1		20180111 1007 5098 8171	P PPSA	06		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TANKHOUSE DEVELOPMENTS INC.								
	Address				City	Province	Postal Code		
	7-79 RIVER ROAD				CORBYVILLE	ON	K0K 1V0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	FARM CREDIT CANADA								
	Address				City	Province	Postal Code		
	SUITE 200 - 1133 ST-GEORGE BLVD				MONCTON	NB	E1E 4E1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	735584085	4	8	7	27	11JAN 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
735584085		001	1		20180111 1009 5098 8172	P PPSA	06		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TANKHOUSE DEVELOPMENTS INC.								
	Address				City	Province	Postal Code		
	7-79 RIVER ROAD				CORBYVILLE	ON	K0K 1V0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	FARM CREDIT CANADA								
	Address				City	Province	Postal Code		
	SUITE 200 - 1133 ST-GEORGE BLVD				MONCTON	NB	E1E 4E1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	735585678	5	8	8	27	11JAN 2028			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
735585678		001	1		20180111 1059 5098 8173	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TANKHOUSE DEVELOPMENTS INC.								
	Address			City	Province	Postal Code			
	7-79 RIVER ROAD			CORBYVILLE	ON	K0K 1V0			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	FARM CREDIT CANADA								
	Address			City	Province	Postal Code			
	SUITE 200 - 1133 ST-GEORGE BLVD			MONCTON	NB	E1E 4E1			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	741581694	6	8	9	27	13JUL 2023			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
741581694		001	001		20180713 1235 1031 1209	P PPSA	05		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	TANKHOUSE DEVELOPMENTS INC.								
	Address				City	Province	Postal Code		
	271 FRONT ST STE 31				BELLEVILLE	ON	K8N 2Z6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	SIGNAL BREWING COMPANY								
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE								
	Address				City	Province	Postal Code		
	33 KING ST W, 6TH FLR				OSHAWA	ON	L1H 8H5		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X		14085	13JUL2023	
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	MINISTRY OF FINANCE, AM & COLLECTIONS BRANCH (BEER 825477706) 198/763								
	Address				City	Province	Postal Code		
	33 KING ST W, 6TH FLR				OSHAWA	ON	L1H 8H5		

CONTINUED

Type of Search	Business Debtor					
Search Conducted On	TANKHOUSE DEVELOPMENTS INC					
File Currency	26JUN 2022					
	File Number	Family	of Families	Page	of Pages	
	741581694	6	8	10	27	
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT						
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	001		20210205 1129 1031 2043	
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	741581694			A AMNDMNT		
Reference Debtor/ Transferor	First Given Name			Initial	Surname	
	Business Debtor Name					
	TANKHOUSE DEVELOPMENTS INC.					
Other Change	Other Change					
Reason / Description	Reason / Description					
	AMEND TO CURRENT BALANCE					
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname
		Business Debtor Name				Ontario Corporation Number
	Address				City	Province Postal Code
Assignor Name	Assignor Name					
Secured Party	Secured party, lien claimant, assignee					
	HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE					
	Address				City	Province Postal Code
	33 KING ST W, 6TH FLR				OSHAWA	ON L1H 8H5
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included Amount Date of Maturity or No Fixed Maturity Date
						63905
Motor Vehicle Description	Year	Make			Model	V.I.N.
General Collateral Description	General Collateral Description					
Registering Agent	Registering Agent or Secured Party/ Lien Claimant					
	MINISTRY OF FINANCE, AM & COLLECTIONS BRANCH (BEER 825477706) 295/763					
	Address				City	Province Postal

END OF FAMILY

				Code
	33 KING ST W, 6TH FLR	OSHAWA	ON	L1H 8H5

Type of Search	Business Debtor						
Search Conducted On	TANKHOUSE DEVELOPMENTS INC						
File Currency	26JUN 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	761116464	7	8	11	27	20MAR 2024	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
761116464		001	10		20200320 1651 1793 8645	P PPSA	4

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number
	TANKHOUSE DEVELOPMENTS INC.	2322059
	Address	City
	86 RIVER ROAD	CORBYSVILLE
		Province
		ON
		Postal Code
		K0K1V0

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number
	Address	City
		Province
		Postal Code

Secured Party	Secured Party / Lien Claimant
	NORTH KEGS CORP
	Address
	216-2222 S SHERIDAN WAY
	City
	MISSISSAUGA
	Province
	ON
	Postal Code
	L5J2M4

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X				60711		X

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	?SIGNAL BREWERY?
	NORTH KEGS AGREES TO LEASE TO THE LESSEE, AND THE LESSEE AGREES TO

Registering Agent	Registering Agent
	NORTH KEGS CORPORATION
	Address
	216-2222 S SHERIDAN WAY
	City
	MISSISSAUGA
	Province
	ON
	Postal Code
	L5J2M4

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	TANKHOUSE DEVELOPMENTS INC						
File Currency	26JUN 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	761116464	7	8	12	27	20MAR 2024	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
761116464		002	10		20200320 1651 1793 8645		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number

Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number

Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant

Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	LEASE FROM NORTH KEGS, THE KEGS, INDIVIDUALLY CALLED A KEG AND COLLECTIVELY CALLED THE KEG, DESCRIBED IN EACH SCHEDULE EXECUTED FROM TIME TO TIME PURSUANT TO THIS MASTER AGREEMENT AND

Registering Agent	Registering Agent

Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	761116464	7	8	13	27	20MAR 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
761116464		003	10		20200320 1651 1793 8645				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS EXHIBIT A, A SCHEDULE, OR SUCH OTHER FORM AS THE PARTIES MAY AGREE, EACH LEASE OF KEGS DESCRIBED IN A SCHEDULE, A LEASE, SHALL INCORPORATE ALL OF THE TERMS								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	761116464	7	8	14	27	20MAR 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
761116464		004	10		20200320 1651 1793 8645				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	AND CONDITIONS OF THIS MASTER AGREEMENT, SHALL CONTAIN SUCH ADDITIONAL TERMS AS THE LESSEE AND NORTH KEYS SHALL AGREE UPON, AND SHALL CONSTITUTE AN AGREEMENT SEPARATE AND DISTINCT FROM THIS MASTER								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	TANKHOUSE DEVELOPMENTS INC						
File Currency	26JUN 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	761116464	7	8	15	27	20MAR 2024	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
761116464		005	10		20200320 1651 1793 8645		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
--------------------------	----------------------	-------------------------	----------------	----------------

Business Debtor	Business Debtor Name	Ontario Corporation Number
	Address	City Province Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
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Business Debtor	Business Debtor Name	Ontario Corporation Number
	Address	City Province Postal Code

Secured Party	Secured Party / Lien Claimant
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	Address	City Province Postal Code
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Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
----------------------------------	-----------------------	------------------	------------------	-----------------	--------------	-------------------------------	---------------	----------------------------	-------------------------------

Motor Vehicle Description	Year	Make	Model	V.I.N.
----------------------------------	-------------	-------------	--------------	---------------

General Collateral Description	General Collateral Description
	AGREEMENT AND ANY OTHER LEASE. IN THE EVENT OF A CONFLICT BETWEEN THE PROVISIONS OF THIS MASTER AGREEMENT AND ANY LEASE, THE PROVISIONS OF THE LEASE SHALL PREVAIL WITH RESPECT TO THAT LEASE.

Registering Agent	Registering Agent
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	Address	City Province Postal Code
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CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	761116464	7	8	16	27	20MAR 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
761116464		006	10		20200320 1651 1793 8645				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	1.2 IT IS EXPRESSLY UNDERSTOOD THAT THE KEGS ARE, AND SHALL AT ALL TIMES REMAIN, PERSONAL PROPERTY OF NORTH KEGS. THE LESSEE SHALL HAVE NO RIGHT, TITLE OR INTEREST IN THE KEGS EXCEPT AS EXPRESSLY PROVIDED								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	761116464	7	8	17	27	20MAR 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
761116464		007	10		20200320 1651 1793 8645				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	HEREIN, NORTH KEGS MAY APPLY LABELS, PLATES OR OTHER MARKINGS TO THE KEGS STATING THAT THE KEGS ARE OWNED BY NORTH KEGS, AND THE LESSEE SHALL NOT REMOVE THOSE LABELS, PLATES OR OTHER MARKINGS.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	761116464	7	8	18	27	20MAR 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
761116464		008	10		20200320 1651 1793 8645				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	FRANKE BLEFA STAINLESS STEEL KEGS, MANUFACTURED IN GERMANY WITH SANKE D VALVE								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	761116464	7	8	19	27	20MAR 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
761116464		009	10		20200320 1651 1793 8645				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	294 X 30L								
	THIELMANN STAINLESS STEEL KEGS WITH SANKE D VALVE								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	761116464	7	8	20	27	20MAR 2024			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
761116464		010	10		20200320 1651 1793 8645				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	294 X 30L								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	765671436	8	8	21	27	11SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
765671436		01	007		20200911 1404 1462 6016	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	TANKHOUSE DEVELOPMENTS INC.								
	Address				City	Province	Postal Code		
	87 RIVER ROAD				CORBYVILLE	ON	K0K1V0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	SIGNAL BREWING COMPANY								
	Address				City	Province	Postal Code		
	87 RIVER ROAD				CORBYVILLE	ON	K0K1V0		
Secured Party	Secured Party / Lien Claimant								
	CLE CAPITAL INC.								
	Address				City	Province	Postal Code		
	3390 SOUTH SERVICE ROAD, SUITE 301				BURLINGTON	ON	L7N3J5		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	VARIOUS MACHINE TOOLING AND CANNING EQUIPMENT AS MORE FULLY DESCRIBED IN CLE CAPITAL INC LEASE 363715								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	765671436	8	8	22	27	11SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
765671436		02	007		20200911 1404 1462 6016	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	THE PERSONAL PROPERTY DESCRIBED HEREIN, TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	765671436	8	8	23	27	11SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
765671436		03	007		20200911 1404 1462 6016	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	KIND FURNISHED IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT AND ANY REPLACEMENTS AND SUBSTITUTIONS THEREFOR (COLLECTIVELY, THE "EQUIPMENT"), AS WELL AS ALL OF THE DEBTOR'S PRESENT AND FUTURE								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	765671436	8	8	24	27	11SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
765671436		04	007		20200911 1404 1462 6016	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	RIGHTS, TITLE AND INTEREST IN THE FOLLOWING (THE "EQUIPMENT-RELATED COLLATERAL")								
	(I) INTELLECTUAL PROPERTY AND OTHER INTANGIBLES RELATING TO THE								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	TANKHOUSE DEVELOPMENTS INC						
File Currency	26JUN 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	765671436	8	8	25	27	11SEP 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
765671436		05	007		20200911 1404 1462 6016	P PPSA	6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number
	Address	City Province Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number
	Address	City Province Postal Code

Secured Party	Secured Party / Lien Claimant
	Address City Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	EQUIPMENT OR EQUIPMENT-RELATED COLLATERAL (II) ANY CONTRACT FOR THE SALE, LEASE, RENTAL OR OTHER DISPOSITION OF THE EQUIPMENT

Registering Agent	Registering Agent
	PPSA CANADA INC. - (7017)
	Address City Province Postal Code
	110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TANKHOUSE DEVELOPMENTS INC								
File Currency	26JUN 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	765671436	8	8	26	27	11SEP 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
765671436		06	007		20200911 1404 1462 6016	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	(III) ALL INSURANCE CLAIMS AND PROCEEDS RESULTING FROM ANY LOSS OR DAMAGE TO THE EQUIPMENT OR THE EQUIPMENT-RELATED COLLATERAL AND (IV) ANY PROCEEDS OF THE EQUIPMENT OR EQUIPMENT-RELATED COLLATERAL.								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	TANKHOUSE DEVELOPMENTS INC						
File Currency	26JUN 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	765671436	8	8	27	27	11SEP 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
765671436		07	007		20200911 1404 1462 6016	P PPSA	6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number
	Address	City Province Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number
	Address	City Province Postal Code

Secured Party	Secured Party / Lien Claimant
	Address City Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	IN WHATEVER FORM IT MAY BE, INCLUDING WITHOUT LIMITATION, CHATTEL PAPER, TITLE DOCUMENTS, GOODS, INSTRUMENTS, OR MONEY.

Registering Agent	Registering Agent
	PPSA CANADA INC. - (7017)
	Address City Province Postal Code
	110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)



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This is Exhibit "K" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

**CERTIFICATE OF TREASURER
CITY OF BELLEVILLE**



**Certificate No.: 23448
Date : June 24, 2022
File Reference No : 50400-1201**

Lawyer: SOLOWAY WRIGHT,
366 KING STREET EAST
SUITE 510
KINGSTON ON K7K 6Y3

**Roll: 1208 100 04004502.0000
Property: PLAN 44 PT PARSONAGE LOT PLAN 61
PT BLK A RP 21R23923 PART 1**

Location: 87 RIVER RD
Owner: TANKHOUSE DEVELOPMENTS INC

Requested by: Andre Ducasse

STATEMENT OF ARREARS OF TAXES (MUNICIPAL ACT S.O. 2001, c.25 s.352)

YEAR	TAXES LEVIED	TAXES OUTSTANDING	INTEREST OUTSTANDING	TOTAL
2019 & Prior.:		0.00	0.00	0.00
2020:	25443.85	0.00	0.00	0.00
2021:	24795.95	24813.95	1861.02	26674.97
Total		24813.95	1861.02	26674.97

CURRENT TAX CERTIFICATE (MUNICIPAL ACT S.O. 2001, c.25 s.352)

INSTALLMENT	EFFECTIVE	TAXES LEVIED	TAXES OUTSTANDING	TAXES PAST DUE
Feb 24, 2022	I	6199.98	6199.98	6199.98
Apr 27, 2022	I	6198.00	6198.00	6198.00
Jun 28, 2022	F	6302.02	6302.02	
Sep 28, 2022	F	6301.00	6301.00	
Penalty			465.29	465.29
Credit				0.00
Misc. Charges			9.00	9.00
Total		25001.00	25475.29	12872.27

TOTAL PAST DUE 39547.24

NO AREA CHARGES AND OTHER ADJUSTMENT CHARGES

NO LOCAL IMPROVEMENTS

I hereby certify that the above statements respectively show all arrears of taxes returned to this office and due and owing against the above lands.



**Manager of Revenue & Taxation
Susan Howard**

Notes : PLEASE NOTE: ANY PAST DUE BALANCE CARRIED PAST THE LAST DAY OF THE MONTH (JUNE 30, 2022) WILL INCUR INTEREST AT 1.25 PERCENT.

This tax certificate has been prepared in accordance with provisions of Section 352 of the Municipal Act, 2001, S.O. 2001, c. 25. The total taxes may include additions to the Tax Collector's Roll as authorized by Provincial Legislation. This tax certificate reflects only those charges added to the Tax Collector's Roll up to the date of certification. This certificate does not necessarily include payments made in the last two days. The information on this certificate is based on the cheques tendered being honoured by the bank upon which they are drawn. Interest and penalty charges have been calculated to the date of certification. This certificate is subject to additional taxes which may be levied pursuant to the provisions of Section 33 and 34 of the Assessment Act R.S.O. 1990 C.A.31. This certificate is subject to adjustments of taxes pursuant to the provision of Section 40 of the Assessment Act R.S.O. 1990 and Sections 341, 357, 358 and 359 of the Municipal Act S.O. 2001.

NOTE: IF THIS PROPERTY HAS COMMERCIAL, INDUSTRIAL AND/OR MULTI-RESIDENTIAL ASSESSMENT, IT MAY BE SUBJECT TO PROVINCIAL CAPPING LEGISLATION.

CERTIFICATE OF TREASURER
CITY OF BELLEVILLE



Certificate No.: 23439
Date : June 22, 2022
File Reference No : 50400-1201

Lawyer: SOLOWAY WRIGHT,
 366 KING STREET EAST
 SUITE 510
 KINGSTON ON K7K 6Y3

Roll: 1208 100 04004410.0000
Property: PLAN 44 PT LOT 14 PLAN 61 PT LOT 4
 PT EARLE ST RP 21R23923 PARTS 3
 AND 4

Location: 86 RIVER RD
Owner: TANKHOUSE DEVELOPMENTS INC

Requested by: Andre Ducasse

STATEMENT OF ARREARS OF TAXES (MUNICIPAL ACT S.O. 2001, c.25 s.352)

YEAR	TAXES LEVIED	TAXES OUTSTANDING	INTEREST OUTSTANDING	TOTAL
2019 & Prior.:		0.00	0.00	0.00
2020:	1555.63	0.00	0.00	0.00
2021:	1386.85	1404.85	105.36	1510.21
Total		1404.85	105.36	1510.21

CURRENT TAX CERTIFICATE (MUNICIPAL ACT S.O. 2001, c.25 s.352)

INSTALLMENT	EFFECTIVE	TAXES LEVIED	TAXES OUTSTANDING	TAXES PAST DUE
Feb 24, 2022	I	347.43	347.43	347.43
Apr 27, 2022	I	346.00	346.00	346.00
Jun 28, 2022	F	352.23	352.23	
Sep 28, 2022	F	352.00	352.00	
Penalty			26.36	26.36
Credit				0.00
Misc. Charges			9.00	9.00
Total		1397.66	1433.02	728.79

TOTAL PAST DUE 2239.00

NO AREA CHARGES AND OTHER ADJUSTMENT CHARGES

NO LOCAL IMPROVEMENTS

I hereby certify that the above statements respectively show all arrears of taxes returned to this office and due and owing against the above lands.

[Signature]
 Manager of Revenue & Taxation
 Susan Howard

Notes : PLEASE NOTE: ANY PAST DUE BALANCE CARRIED PAST THE LAST DAY OF THE MONTH (JUNE 30, 2022) WILL INCUR INTEREST AT 1.25 PERCENT.

This tax certificate has been prepared in accordance with provisions of Section 352 of the Municipal Act, 2001, S.O. 2001, c. 25. The total taxes may include additions to the Tax Collector's Roll as authorized by Provincial Legislation. This tax certificate reflects only those charges added to the Tax Collector's Roll up to the date of certification. This certificate does not necessarily include payments made in the last two days. The information on this certificate is based on the cheques tendered being honoured by the bank upon which they are drawn. Interest and penalty charges have been calculated to the date of certification. This certificate is subject to additional taxes which may be levied pursuant to the provisions of Section 33 and 34 of the Assessment Act R.S.O. 1990 C.A.31. This certificate is subject to adjustments of taxes pursuant to the provision of Section 40 of the Assessment Act R.S.O. 1990 and Sections 341, 357, 358 and 359 of the Municipal Act S.O. 2001.

NOTE: IF THIS PROPERTY HAS COMMERCIAL, INDUSTRIAL AND/OR MULTI-RESIDENTIAL ASSESSMENT, IT MAY BE SUBJECT TO PROVINCIAL CAPPING LEGISLATION.

This is Exhibit "L" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



Ministry of Finance
33 King St W
PO Box 620
Oshawa ON L1H 8E9



BBT - IL048

Issue Date 01-Jun-2022

000042



TANKHOUSE DEVELOPMENTS INC.
SIGNAL BREWING COMPANY
ATTENTION: JUNE ROPER
PO BOX 153
HAVELOCK ON K0L 1Z0

Business No. 825477706TB0001
Reference No. L0674351040

Statement of Account - Beer and Wine Tax

Account Balance \$32,967.11

According to our records, you have an outstanding balance on your account as indicated above. In order to avoid any additional interest, the account balance must be received by the Ministry of Finance on or before 30-Jun-2022.

Please note that outstanding balances are subject to collection action.

If payment has been made, please disregard this notice.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

Tax Period End	Description	Tax Payable	Penalty/Fee	Interest	Credit/Payment	Balance
31-Oct-2019	Beer Return	\$4,377.89	\$437.79	\$711.77	\$5,365.29	\$162.16
30-Nov-2019	Beer Return	\$3,657.39	\$365.74	\$572.45	\$0.00	\$4,595.58
31-Dec-2019	Beer Return	\$3,992.52	\$0.00	\$541.04	\$0.00	\$4,533.56
31-May-2020	Beer Return	\$2,648.03	\$0.00	\$3.39	\$2,609.04	\$42.38
31-Jul-2020	Beer Return	\$3,737.72	\$0.00	\$6.23	\$3,666.03	\$77.92
30-Sep-2020	Beer Return	\$5,628.34	\$562.83	\$520.18	\$0.00	\$6,711.35

Enquiries 1 866 ONT-TAXS Fax 1 866 888-3850 Teletypewriter (TTY) 1 800 263-7776
1 866 668-8297 Internet ontario.ca/finance



Ministry of Finance
33 King St W
PO Box 620
Oshawa ON L1H 8E9

Detach and return with your full payment. △

Beer and Wine Tax Account Payment

IL048 - 11

Business No. 825477706TB0001	Reference No. L0674351040	Balance Due \$32,967.11
---------------------------------	------------------------------	------------------------------------------

Payments may be made:

- using ONT-TAXS online at ontario.ca/finance
 - in person at certain ServiceOntario locations
 - by mail to 33 King St W, PO Box 620, Oshawa ON L1H 8E9
- Make your cheque or money order in Canadian funds payable to the Minister of Finance.

Payments cannot be made at financial institutions.

TANKHOUSE DEVELOPMENTS INC.
SIGNAL BREWING COMPANY
ATTENTION: JUNE ROPER
PO BOX 153
HAVELOCK ON K0L 1Z0

003 BBT 825477706TB0001 20220331 11639404163 00 00003296711 0



Business No. 825477706TB0001
Reference No. L0674351040

Tax Period End	Description	Tax Payable	Penalty/Fee	Interest	Credit/Payment	Balance
31-Oct-2020	Beer Return	\$2,991.90	\$299.19	\$261.39	\$0.00	\$3,552.48
30-Nov-2020	Beer Return	\$2,072.53	\$207.25	\$170.66	\$0.00	\$2,450.44
31-Dec-2020	Beer Return	\$2,492.11	\$0.00	\$175.54	\$0.00	\$2,667.65
30-Nov-2021	Beer Return	\$2,630.73	\$263.07	\$65.34	\$0.00	\$2,959.14
31-Dec-2021	Beer Return	\$876.42	\$0.00	\$0.00	\$0.00	\$876.42
31-Jan-2022	Beer Return	\$1,018.05	\$0.00	\$0.00	\$0.00	\$1,018.05
28-Feb-2022	Beer Return	\$988.66	\$0.00	\$0.00	\$0.00	\$988.66
31-Mar-2022	Beer Return	\$2,331.32	\$0.00	\$0.00	\$0.00	\$2,331.32

Ministry use only

Enquiries

1 866 ONT-TAXS
1 866 668-8297

Fax 1 866 888-3850

Teletypewriter (TTY)
Internet

1 800 263-7776
ontario.ca/finance

This is Exhibit "M" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

EXECUTION CERTIFICATE / CERTIFICAT D'EXÉCUTION FORCÉE**SHERIFF OF / SHÉRIF DE :** COUNTY OF HASTINGS (BELLEVILLE)**CERTIFICATE # /** 45406638-1142533B**N° DE CERTIFICAT :****DATE OF CERTIFICATE /** 2022-JUN-27**DATE DU CERTIFICAT :****SHERIFF'S STATEMENT**

THIS CERTIFIES THAT LISTED BELOW ARE ALL WRITS OF EXECUTION, ORDERS AND CERTIFICATES OF LIEN FILED AND ENTERED INTO THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT* AT THE TIME OF SEARCHING AGAINST THE REAL AND PERSONAL PROPERTY OF:

DÉCLARATION DU SHÉRIF

LE PRÉSENT CERTIFICAT ATTESTE QUE TOUTES LES ORDONNANCES ET TOUS LES BREFS D'EXÉCUTION FORCÉE ET CERTIFICATS DE PRIVILÈGE ÉNUMÉRÉS CI-DESSOUS ONT ÉTÉ DÉPOSÉS ET INSCRITS DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA RECHERCHE VISANT LES BIENS MEUBLES ET IMMEUBLES DE :

NAME SEARCHED / NOM RECHERCHÉ

PERSON OR COMPANY / PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S) / NOM OU NOM DE FAMILLE, PRÉNOM(S)
COMPANY / SOCIÉTÉ	TANKHOUSE DEVELOPMENTS INC

SEARCH RESULTS / RÉSULTATS DE LA RECHERCHE

EXECUTION # / N° D'EXÉCUTION FORCÉE	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
20-0000025*	TANKHOUSE DEVELOPMENTS INC
21-0000038*	TANKHOUSE DEVELOPMENTS INC

CAUTION TO PARTY REQUESTING SEARCH:

1. IT IS THE RESPONSIBILITY OF THE REQUESTING PARTY TO ENSURE THAT THE NAME SEARCHED IS CORRECT.
2. WRITS, ORDERS OR CERTIFICATES OF LIEN MAY BE REMOVED FROM THE SHERIFF'S INDEX ANYTIME AFTER THIS SEARCH AND THEREFORE MAY NOT APPEAR ON A SUBSEQUENT SEARCH FOR THE SAME NAME ON THIS DATE OR IN FUTURE.
3. WRITS FILED WITH THE SHERIFF DO NOT BECOME EFFECTIVE WITHIN THE WRITS SYSTEM UNTIL THE FOLLOWING BUSINESS DAY.

AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :

1. IL INCOMBE À LA PARTIE QUI DEMANDE LA RECHERCHE DE S'ASSURER QUE LE NOM RECHERCHÉ EST EXACT.
2. LES BREFS D'EXÉCUTION FORCÉE, LES ORDONNANCES OU LES CERTIFICATS DE PRIVILÈGE PEUVENT ÊTRE RETIRÉS

DU RÉPERTOIRE DU SHÉRIF EN TOUT TEMPS APRÈS CETTE RECHERCHE ET, PAR CONSÉQUENT, ILS PEUVENT NE PAS APPARAÎTRE LORS D'UNE RECHERCHE SUBSÉQUENTE VISANT LE MÊME NOM À CETTE DATE OU À L'AVENIR.

3. LES BREFS D'EXÉCUTION FORCÉE DÉPOSÉS AUPRÈS DU SHÉRIF NE PRENNENT EFFET DANS LE SYSTÈME DE BREFS QUE LE PROCHAIN JOUR OUVRABLE

CHARGE FOR THIS CERTIFICATE CA\$12.15
/ FRAIS POUR CE CERTIFICAT :

SEARCHER REFERENCE / 50400-1201
REFERENCE CONCERNANT
L'AUTEUR DE LA DEMANDE :

(*) WRIT REGISTERED AT LAND TITLES / BREF ENREGISTRÉ AU BUREAU D'ENREGISTREMENT DES DROITS IMMOBILIERS

WRIT DETAILS REPORT / RAPPORT DES DÉTAILS DU BREF

SHERIFF OF / SHÉRIF DE : COUNTY OF HASTINGS (BELLEVILLE)

CERTIFICATE # / 45406660-4255184B

N° DE CERTIFICAT :

DATE OF CERTIFICATE / 2022-JUN-27

DATE DU CERTIFICAT :

SHERIFF'S STATEMENT

IT IS HEREBY CERTIFIED THAT THE INFORMATION CONTAINED BELOW IS A TRUE REPRESENTATION OF INFORMATION WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE EXECUTION ACT, AT THE TIME OF THE REPORT REQUEST.

DÉCLARATION DU SHÉRIF

IL EST CERTIFIÉ, PAR LA PRÉSENTE, QUE LES RENSEIGNEMENTS CI-APRÈS REPRODUISENT EXACTEMENT L'INFORMATION CONTENUE DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA LOI SUR L'EXÉCUTION FORCÉE AU MOMENT DE LA DEMANDE DE RAPPORT.

FILE DETAILS / DÉTAILS DU DOSSIER

EXECUTION # / N° D'EXÉCUTION FORCÉE : 20-0000025
ISSUE DATE / DATE DE DÉLIVRANCE : 2020-JAN-28
EXPIRY DATE / DATE D'EXPIRATION : 2026-JUL-28
EFFECTIVE DATE / DATE DE PRISE D'EFFET : 2020-FEB-04
COURT FILE OR REFERENCE # / N° DE DOSSIER DU TRIBUNAL OU DE RÉFÉRENCE : 825477706TB0001
COURT TYPE / TYPE DE TRIBUNAL : OTHER
JURISDICTION / TERRITOIRE DE COMPÉTENCE : MOF

DEBTOR SEARCH NAME(S) / NOM(S) DU(DES) DÉBITEUR(S) RECHERCHÉ(S)

#	DEBTOR TYPE / TYPE DE DÉBITEUR	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
1.	COMPANY / SOCIÉTÉ	TANKHOUSE DEVELOPMENTS INC

PARTY DETAILS / COORDONNÉES DES PARTIES

DEFENDANT / DÉFENDEUR

1.	NAME / NOM	TANKHOUSE DEVELOPMENTS INC.
----	------------	-----------------------------

CREDITOR / CRÉANCIER

C/O LAWYER/AGENT / A/S PROCUREUR/AGENT

1.	COMPANY / SOCIÉTÉ	MINISTRY OF FINANCE
	ADDRESS / ADRESSE :	COLLECTION SUPPORT OPERATIONS 33 KING STREET WEST, 6TH FLOOR,

	OSHAWA, ONTARIO, CANADA, L1H 8H5
TELEPHONE / TÉLÉPHONE :	866-668-8297
FAX / TÉLÉCOPIEUR :	905-436-4474

LAWYER/AGENT / PROCUREUR/AGENT **SAME AS FIRST CREDITOR / MÊME QUE LE PREMIER CRÉANCIER**

COMMENTS / REMARQUES

2020-02-03 - IN THE MATTER OF THE ALCOHOL, CANNABIS AND GAMING REGULATION AND PUBLIC PROTECTION ACT, 1996;
 JUDGMENT: \$43,330.20 AND INTEREST AT THE PRESCRIBED RATE AND CALCULATED IN THE PRESCRIBED MANNER FROM THE 28TH DAY OF JANUARY 2020.

2021-11-05 - EXPIRATION DATE EXTENDED BY 182 DAYS TO ACCOUNT FOR THE LIMITATIONS PERIOD ORDER UNDER THE EMERGENCY MANAGEMENT AND CIVIL PROTECTION ACT THAT ENDED IN SEPTEMBER 2020.
 CURRENT EXPIRY DATE: 2026-01-27
 NEW EXPIRY DATE: 2026-07-28

CAUTION:

ENSURE THAT THE NAME AND EXECUTION# (NUMBER) MATCH YOUR REQUEST.

AVERTISSEMENT :

ASSUREZ-VOUS QUE LE NOM ET LE NUMÉRO DU DOSSIER D'EXÉCUTION FORCÉE SONT LES MÊMES QUE CEUX QUI SE TROUVENT DANS VOTRE DEMANDE.

CHARGE FOR THIS REPORT / CA\$6.65
FRAIS POUR CE RAPPORT :
REQUESTER REFERENCE / 50400-1201
REFERENCE CONCERNANT
L'AUTEUR DE LA DEMANDE :

WRIT DETAILS REPORT / RAPPORT DES DÉTAILS DU BREF**SHERIFF OF / SHÉRIF DE :** COUNTY OF HASTINGS (BELLEVILLE)**CERTIFICATE # /** 45406687-1977829B**N° DE CERTIFICAT :****DATE OF CERTIFICATE /** 2022-JUN-27**DATE DU CERTIFICAT :****SHERIFF'S STATEMENT**

IT IS HEREBY CERTIFIED THAT THE INFORMATION CONTAINED BELOW IS A TRUE REPRESENTATION OF INFORMATION WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT*, AT THE TIME OF THE REPORT REQUEST.

DÉCLARATION DU SHÉRIF

IL EST CERTIFIÉ, PAR LA PRÉSENTE, QUE LES RENSEIGNEMENTS CI-APRÈS REPRODUISENT EXACTEMENT L'INFORMATION CONTENUE DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA DEMANDE DE RAPPORT.

FILE DETAILS / DÉTAILS DU DOSSIER

EXECUTION # / N° D'EXÉCUTION FORCÉE : 21-0000038
ISSUE DATE / DATE DE DÉLIVRANCE : 2021-FEB-10
EXPIRY DATE / DATE D'EXPIRATION : 2027-FEB-09
EFFECTIVE DATE / DATE DE PRISE D'EFFET : 2021-FEB-17
COURT FILE OR REFERENCE # / N° DE DOSSIER DU TRIBUNAL OU DE RÉFÉRENCE : 825477706TB0001
COURT TYPE / TYPE DE TRIBUNAL : OTHER
JURISDICTION / TERRITOIRE DE COMPÉTENCE : MOF

DEBTOR SEARCH NAME(S) / NOM(S) DU(DES) DÉBITEUR(S) RECHERCHÉ(S)

#	DEBTOR TYPE / TYPE DE DÉBITEUR	DEBTOR NAME(S) / NOM(S) DU(DES) DÉBITEUR(S)
1.	COMPANY / SOCIÉTÉ	TANKHOUSE DEVELOPMENTS INC
2.	COMPANY / SOCIÉTÉ	SIGNAL BREWING COMPANY

PARTY DETAILS / COORDONNÉES DES PARTIES**DEFENDANT / DÉFENDEUR**

1.	NAME / NOM	TANKHOUSE DEVELOPMENTS INC. O/A SIGNAL BREWING COMPANY
----	------------	--------------------------------------------------------

CREDITOR / CRÉANCIER C/O LAWYER/AGENT / A/S PROCUREUR/AGENT

1.	COMPANY / SOCIÉTÉ	MINISTRY OF FINANCE
----	-------------------	---------------------

ADDRESS / ADRESSE :	COLLECTION SUPPORT OPERATIONS 33 KING STREET WEST, 6TH FLOOR, OSHAWA, ONTARIO, CANADA, L1H 8H5
TELEPHONE / TÉLÉPHONE :	866-668-8297
FAX / TÉLÉCOPIEUR :	905-436-4474

LAWYER/AGENT / PROCUREUR/AGENT **SAME AS FIRST CREDITOR / MÊME QUE LE PREMIER CRÉANCIER**

COMMENTS / REMARQUES

2021-02-16 - IN THE MATTER OF THE ALCOHOL, CANNABIS AND GAMING REGULATION AND PUBLIC PROTECTION ACT, 1996;
JUDGMENT: \$18,748.05 AND INTEREST AT THE PRESCRIBED RATE AND CALCULATED IN THE PRESCRIBED MANNER FROM THE 10TH DAY OF FEBRUARY 2021.

CAUTION:

ENSURE THAT THE NAME AND EXECUTION# (NUMBER) MATCH YOUR REQUEST.

AVERTISSEMENT :

ASSUREZ-VOUS QUE LE NOM ET LE NUMÉRO DU DOSSIER D'EXÉCUTION FORCÉE SONT LES MÊMES QUE CEUX QUI SE TROUVENT DANS VOTRE DEMANDE.

**CHARGE FOR THIS REPORT /
FRAIS POUR CE RAPPORT :** CA\$6.65

**REQUESTER REFERENCE /
REFERENCE CONCERNANT
L'AUTEUR DE LA DEMANDE :** 50400-1201

This is Exhibit "N" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink that reads "Roxanne Chapman". The signature is written in a cursive style and is positioned above a horizontal line.

Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

Andre Ducasse

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: June 30, 2022 11:54 AM
To: Andre Ducasse; Osman, Aweis
Cc: Brayden LaFrance; Scott, Daniel; Burke, Todd; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments
Attachments: HST Period Covered - 02 01 2022 to 04 30 2022 - Issued June 20 2022.pdf; Property Tax final 2022.pdf; Property Tax 2 Final 2022.pdf

Categories: Pressing

Andre:

Here are the two most recent property tax bills together with the HST notice of assessment. Client advises that source deductions are paid through ADP. They are working on a statement to provide BDC.



Matthew Gemmell, Partner

O'Flynn Weese LLP | Barristers & Solicitors | 65 Bridge Street East, Belleville, Ontario K8N 1L8
T 613.966.5222 x 243 | F 613.966.8036 | mgemmell@owtlaw.com | [Map and Directions](#) | www.owtlaw.com



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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, June 20, 2022 11:45 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments

Matthew,

The following items remain outstanding:

- No reporting on the status of source deduction remittances has been provided.
- We have not been provided with any recent CRA statements with respect to HST, source deduction and corporate tax remittances. These reports can be readily obtained by your client from CRA's website. They will be identified as the "RC", "RP" and "RT" accounts.



City of Belleville
 169 Front Street
 Belleville, ON K8N 2Y8
 Telephone: 613-967-3243

TAX BILL

FINAL 2022

Billing Date
May 25, 2022



Roll No. 1208 100 04004502.0000		Mortgage Co:					
PIN: 89571		Mortgage No:					
TANKHOUSE DEVELOPMENTS INC 271 FRONT ST BELLEVILLE ON K8N 2Z6		TANKHOUSE DEVELOPMENTS INC 87 RIVER RD PLAN 44 PT PARSONAGE LOT PLAN 61 PT BLK A RP 21R23923 PART 1					
Assessment		Municipal			Education		
Tax Class	Value	Municipal Levies	Tax Rate	Amount	Tax Rate	Amount	
JTN	687,200	NEW CONSTRUCTION INDUSTRIAL	0.02658371	18,268.33	0.00880000	6,047.36	
XTN	22,800	NEW CONSTRUCTION COM TX FULL	0.02125724	484.67	0.00880000	200.64	
Sub Totals		Municipal Levy			18,753.00	Education Levy	6,248.00
Special Charges/Credits		Summary					
		Tax Levy Sub-Total (Municipal+Education)				25,001.00	
		Special Charges/Credits				0.00	
		2022 Tax Cap Adjustment				0.00	
		Final 2022 Taxes				25,001.00	
		Less Interim Billing				(12,397.98)	
		Past Due/Credit (As of 05/25/2022)				39,081.98	
Total		Total Amount Due				\$ 51,685.00	

The "Past Due" reflects amounts owing as of May billing date. Additional interest will be applicable June 1, 2022.



City of Belleville
 169 Front Street
 Belleville, ON K8N 2Y8
 Telephone: 613-967-3243



Please return this portion with your payment
FINAL 2022

Second Installment	
Roll #	1208 100 04004502.0000
Due Date:	Sep 28, 2022
Total Amount Due	\$ 6,301.00
Amount Paid	

TANKHOUSE DEVELOPMENTS INC
 271 FRONT ST
 BELLEVILLE ON K8N 2Z6

Cash Cheque Debit

- PAYMENT OPTIONS:**
- In person at City Hall or Recreation & Community Services Department.
 - Mail cheque to the Municipal Office Payable to City of Belleville.
 - Drop cheque in deposit box.
 - Pay at financial institutions.
 - Pay by telephone / internet banking.

REMITTANCE SLIP

44553 900

96



City of Belleville
 169 Front Street
 Belleville, ON K8N 2Y8
 Telephone: 613-967-3243



Please return this portion with your payment
FINAL 2022

First Installment	
Roll #	1208 100 04004502.0000
Due Date:	Jun 28, 2022
Current Amount Due	6,302.02
Past Due/Credit	39,081.98
Total Amount Due	\$ 45,384.00
Amount Paid	

TANKHOUSE DEVELOPMENTS INC
 271 FRONT ST
 BELLEVILLE ON K8N 2Z6

Cash Cheque Debit

- PAYMENT OPTIONS:**
- In person at City Hall or Recreation & Community Services Department.
 - Mail cheque to the Municipal Office Payable to City of Belleville.
 - Drop cheque in deposit box.
 - Pay at financial institutions.
 - Pay by telephone / internet banking.

REMITTANCE SLIP

007438



City of Belleville
169 Front Street
Belleville, ON K8N 2Y8
Telephone: 613-967-3243

TAX BILL

FINAL 2022

Billing Date
May 25, 2022



Roll No. 1208 100 04004410.0000		Mortgage Co:				
PIN: 62340		Mortgage No.				
TANKHOUSE DEVELOPMENTS INC 271 FRONT ST BELLEVILLE ON K8N 2Z6		TANKHOUSE DEVELOPMENTS INC 86 RIVER RD PLAN 44 PT LOT 14 PLAN 61 PT LOT 4 PT EARLE ST RP 21R23923 PARTS 3 AND 4				
Assessment		Municipal			Education	
Tax Class	Value	Municipal Levies	Tax Rate	Amount	Tax Rate	Amount
GTN	46,500	Parking Lot Full -Mun Shared : No Sup.	0.02125724	988.46	0.00880000	409.20
Sub Totals		Municipal Levy			Education Levy	409.20
Special Charges/Credits		Summary				
		Tax Levy Sub-Total (Municipal+Education)				1,397.66
		Special Charges/Credits				0.00
		2022 Tax Cap Adjustment				0.00
		Final 2022 Taxes				1,397.66
		Less Interim Billing				(693.43)
		Past Due/Credit (As of 05/25/2022)				2,212.66
Total		Total Amount Due				\$ 2,916.89

The "Past Due" reflects amounts owing as of May billing date. Additional interest will be applicable June 1, 2022.



City of Belleville
169 Front Street
Belleville, ON K8N 2Y8
Telephone: 613-967-3243



Please return this portion with your payment

FINAL 2022

Second Installment	
Roll #	1208 100 04004410.0000
Due Date:	Sep 28, 2022
Total Amount Due	\$ 352.00
Amount Paid	

TANKHOUSE DEVELOPMENTS INC
271 FRONT ST
BELLEVILLE ON K8N 2Z6

Cash Cheque Debit

PAYMENT OPTIONS:

1. In person at City Hall or Recreation & Community Services Department.
 2. Mail cheque to the Municipal Office.
 3. Drop cheque in deposit box.
 4. Pay at financial institutions.
 5. Pay by telephone / internet banking.
- Payable to City of Belleville.

REMITTANCE SLIP



44553 900

96



City of Belleville
169 Front Street
Belleville, ON K8N 2Y8
Telephone: 613-967-3243



Please return this portion with your payment

FINAL 2022

First Installment	
Roll #	1208 100 04004410.0000
Due Date:	Jun 28, 2022
Current Amount Due	352.23
Past Due/Credit	2,212.66
Total Amount Due	\$ 2,564.89
Amount Paid	

007436

TANKHOUSE DEVELOPMENTS INC
271 FRONT ST
BELLEVILLE ON K8N 2Z6

Cash Cheque Debit

PAYMENT OPTIONS:

1. In person at City Hall or Recreation & Community Services Department.
 2. Mail cheque to the Municipal Office.
 3. Drop cheque in deposit box.
 4. Pay at financial institutions.
 5. Pay by telephone / internet banking.
- Payable to City of Belleville.



Summerside PE C1N 6A2

0004053

Notice details

Business number	82547 7706 RT0001
Period covered	Feb 1, 2022 - Apr 30, 2022
Date issued	Jun 20, 2022

TANKHOUSE DEVELOPMENTS INC.
PO BOX 153
HAVELOCK ON K0L 1Z0

Notice of assessment for goods and services tax/harmonized sales tax (GST/HST)

This notice explains the results of our assessment of your GST/HST return(s).

The amount you need to pay is **\$221,155.06**.

Thank you,

Bob Hamilton
Commissioner of Revenue

Account summary

Previous payments may not appear if they have not been processed. If you have already paid the balance owing, please ignore this request.

Total balance: \$221,155.06

Sign up for MyBA

MyBA lets you:

- Submit elections online
- View filed returns; and
- View account history.

Go to:

canada.ca/my-cra-business-account

TANKHOUSE DEVELOPMENTS INC.

Notice details

Business number	82547 7706 RT0001
Period covered	Feb 1, 2022 - Apr 30, 2022
Date issued	Jun 20, 2022

GST/HST assessment**Results**

This notice explains the results of our assessment of the GST/HST return(s) received on **May 12, 2022**, for the period shown above.

Description	\$ Amount	CR
Result of this assessment	5,263.03	
Previous balance	215,892.03	
Total balance	221,155.06	

To view your up-to-date account information, including payment transactions, go to **canada.ca/my-cra-business-account**.

We may take legal action to collect debts that you do not pay voluntarily.

Need to make a payment? Pre-authorized debit is now available for businesses. You can set up a pre-authorized debit agreement using the CRA's My Business Account service. For more information on payment options, go to **canada.ca/payments**.

For more information, please see the "Summary" and "Explanation of changes and other important information" sections of this notice.

Please keep this notice of assessment for your records.

TANKHOUSE DEVELOPMENTS INC.

Notice details

Business number	82547 7706 RT0001
Period covered	Feb 1, 2022 - Apr 30, 2022
Date issued	Jun 20, 2022

Summary**Reporting Period:** Feb 1, 2022 - Apr 30, 2022**Reference Number:** 22132000132370664**Sales and other revenue**

Line	Description	\$ Amount	CR
101	Sales and other revenue	140,369.05	

Balance calculation

Line	Description	\$ Amount	CR
105	Total GST/HST and adjustments	18,756.42	
108	Total ITCs and adjustments	13,507.79	CR
109	Net tax assessed	5,248.63	
	Arrears interest	14.40	
	Result of assessment	5,263.03	

Explanation of changes and other important information

We processed your GST/HST return for the period ending **April 30, 2022**.

We charged arrears interest because you did not pay the amount owing by the due date.

We changed the total payment amount received to match our records. On your return, the total payment amount is **\$5,248.63** while the amount in our records is **\$0.00**.

Your payment on filing is not on this notice of assessment. To view your up-to-date account information, go to **canada.ca/my-cra-business-account**.

More information

If you need more information, go to canada.ca/taxes.

To see your latest account information, including payment transactions, go to canada.ca/my-cra-business-account.

For information regarding options for adjusting your return, go to canada.ca/taxes-business-online and select "GST/HST return and/or rebate" under "Change", or see Guide RC4022, General Information for GST/HST Registrants. For faster service, submit your request electronically.

If you disagree with this assessment, go to canada.ca/cra-complaints-disputes and select the topic "Goods and services tax/harmonized sales tax (GST/HST)" for your objection options. You have 90 days from the date of this notice to register your dispute.

Definitions

CR (credit) is the amount we owe you.

Help for persons with visual impairments

You can get this notice in braille, large print, or audio format. For more information about other formats, go to canada.ca/cra-multiple-formats.

Direct deposit

Direct deposit is a faster, more convenient, reliable, and secure way to get all amounts deposited into one account or to have refunds and rebates from different programs deposited into different accounts. For more information, go to canada.ca/cra-direct-deposit.

Get your mail online

You can choose to receive your mail online. When you register for this new service, we will no longer print and mail most correspondence to you. Instead, we will notify you by email when you have mail to view in your secure online account. For more information, go to canada.ca/my-cra-business-account.

This is Exhibit "O" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

Andre Ducasse

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: July 4, 2022 2:11 PM
To: Andre Ducasse; Osman, Aweis
Cc: Brayden LaFrance; Scott, Daniel; Burke, Todd; jhodder@wrightlawyers.ca
Subject: Tankhouse Developments
Attachments: Statement_of_account_for_current_source_deductions__PD7A_2022_06_16_00_09_18_046247.pdf; As of July 4th 2022.pdf; Tax Year FYE Jan 31 2022.pdf

Andre:

I have attached statements for source deductions and income tax.



Matthew Gemmell, Partner

O'Flynn Weese LLP | Barristers & Solicitors | 65 Bridge Street East, Belleville, Ontario K8N 1L8
T 613.966.5222 x 243 | F 613.966.8036 | mgemmell@owtlaw.com | [Map and Directions](#) | www.owtlaw.com



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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, June 20, 2022 11:45 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments

Matthew,

The following items remain outstanding:

- No reporting on the status of source deduction remittances has been provided.
- We have not been provided with any recent CRA statements with respect to HST, source deduction and corporate tax remittances. These reports can be readily obtained by your client from CRA's website. They will be identified as the "RC", "RP" and "RT" accounts.
- We have also not been provided with any recent municipal tax certificate or statement.
- There is also no update on where matters stand on Ms. Courneyea obtaining ILA and the parties entering into a forbearance agreement by week's end as required by BDC in order to continue to forbear. Please note that my instructions in this regard have not changed and, in the event no forbearance agreement is in place accordingly, my instructions are to bring a receivership application given the company's insolvency.



Summerside PE C1N 5Z7

000105505

Statement details

Account number 82547 7706 RP0001

Date issued Jun 16, 2022

TANKHOUSE DEVELOPMENTS INC.
PO BOX 153
HAVELOCK ON K0L 1Z0

Statement of account for current source deductions

This is your statement of account for current source deductions for TANKHOUSE DEVELOPMENTS INC.. See the **Account summary** section for details.

As a monthly remitter, you have to send us your remittance by the 15th of the month after the month you pay employees.

For more information about making your next remittance, go to canada.ca/payroll and select "Pay (remit) source deductions." If you will not be making a remittance, select **Report a nil remittance**.

Thank you,

Bob Hamilton
Commissioner of Revenue

Remittance account balance

This is your total year to date deductions at source.

2022 balance: \$22,831.33

Go paperless!

Get your mail online through

My Business Account.

1. Log in at canada.ca/my-cra-business-account;
2. Select "Business Profile"; and
3. Select "Manage Notification Preferences".

Statement details

Account number	82547 7706 RP0001
-----------------------	-------------------

Date issued	Jun 16, 2022
--------------------	--------------

TANKHOUSE DEVELOPMENTS INC.
PO BOX 153
HAVELOCK ON K0L 1Z0

Account summary

This statement shows transactions posted to your account since your last statement. To view all transactions related to your account, go to canada.ca/my-cra-business-account.

The **Remittance account balances** section below includes paid and unpaid amounts for 2022. For more information on withholding requirements and calculating your deduction and remittance amounts, go to canada.ca/payroll.

The **Arrears account balances** section below includes your accumulated balance owing as of the statement date.

Remittance account balances

Date posted	Description	Date received	\$ Amount	CR/DR
	Previous balance		14,675.70	CR
Jun 15, 2022	Payment May 2022	Jun 15, 2022	<u>8,155.63</u>	CR
	Current balance		22,831.33	CR

Arrears account balances

Date posted	Description	Date received	\$ Amount	CR/DR
	Previous arrears balance		1,898.07	DR
Jun 16, 2022	Interest charged 2017		<u>7.82</u>	DR
	Current arrears balance		1,905.89	DR

Statement details

Account number	82547 7706 RP0001
----------------	-------------------

Date issued	Jun 16, 2022
-------------	--------------

TANKHOUSE DEVELOPMENTS INC.
PO BOX 153
HAVELOCK ON K0L 1Z0

Explanation of changes and other important information

Are you eligible to take advantage of the temporary wage subsidy? To help Canadians with the economic impact of the COVID-19 pandemic, the Canada Revenue Agency allows employers to reduce their remittances in 2020. For more information about the timeframes, reduction calculation and eligibility criteria, go to canada.ca/temporary-wage-subsidy.

Did you know you can submit payroll documents online? The "Submit documents" service lets you or your representative securely send documents electronically to the CRA. You can access this service directly through My Business Account or Represent a Client. If you have not already registered for My Business Account or Represent a Client, go to canada.ca/taxes-business-online.

You have an outstanding arrears balance of \$1,905.89. Go to canada.ca/payments to see your payment options. If you are using a voucher to pay your arrears, please use the source deductions arrears payment voucher (PD7D). Do not use the current source deductions remittance voucher (PD7A or PD7ATM).



More information

For details on understanding statements of account and remittance vouchers, go to canada.ca/statements-account-remittance-vouchers.

For information about payroll accounts, deductions, contributions, information returns, benefits, and allowances, go to canada.ca/payroll.

To access and manage your payroll account, go to canada.ca/my-cra-business-account.

Authorized employees or representatives can access accounts online on behalf of their employer or clients. To log in or register, go to canada.ca/taxes-representatives.

Definitions

For remittance account balances, a debit (DR) decreases your balance and a credit (CR) increases your balance. For arrears account balances, a debit (DR) increases your amount owing and a credit (CR) decreases your amount owing.

Help for persons with hearing, speech or visual impairments

You can get this statement in braille, large print, electronic text, or audio format. For more information about other formats, go to canada.ca/cra-multiple-formats.

If you use a teletypewriter, you can get tax information by calling **1-800-665-0354**.

How do you remit?

- online or by phone using a Canadian financial institution's services
- online at canada.ca/cra-my-payment
- online by setting up a pre-authorized debit agreement at canada.ca/my-cra-business-account
- in person at your Canadian financial institution with the remittance voucher
- in person at a Canada Post retail outlet with cash or debit.
Go to the CRA Make a Payment page, select Pay by cash at Canada Post and follow the links to create a QR code

Note: The QR code contains all the information required to make your payment with cash or debit at a Canada Post retail outlet.

For more information, go to canada.ca/payments.

Don't forget your due dates

The Business Tax Reminder App lets business users create custom reminders and alerts for remittances and filing due dates. To find out how to download the mobile app, go to canada.ca/cra-mobile-apps.

Get your money faster

Get your refunds faster by registering for direct deposit and have your money deposited directly into your bank account. For more information on direct deposit, go to canada.ca/cra-direct-deposit.

This is Exhibit "P" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

Andre Ducasse

From: Andre Ducasse
Sent: July 6, 2022 11:46 AM
To: Matthew Gemmell; Osman, Aweis
Cc: Brayden LaFrance; Scott, Daniel; Burke, Todd; jhodder@wrightlawyers.ca
Subject: RE: Tankhouse Developments

Matthew,

Thank you for your June 30th and July 4th emails providing some reporting on the status of property taxes, and income tax, HST and source deduction remittances. We note, however, that requests for this information were made on June 6th and again on June 15th and 20th.

With respect to the information provided to date, however, your client should be going on line to generate detailed statements of account so that the Bank can better confirm where matters stand in terms of source deduction and HST remittances.

In any event, we note from the information made available to date by your client that there are currently priority payables totaling \$297,814.30, as follows:

- Property tax arrears: \$41,786.24
- Beer/wine tax arrears: \$32,967.11
- HST arrears: \$221,155.06
- Source deductions arrears: \$1,905.89
- **Total: \$297,814.30**

Under the now terminated forbearance agreement dated February 8, 2022, priority payables were to be brought current by April 29, 2022, which evidently has not happened. Thus, it has become apparent that the Bank's position has been and is deteriorating significantly, and that the company is insolvent and is not generating sufficient cash flow in order to service its significant indebtedness to its secured creditors (which include BDC, FCC and Trenal) and its priority creditors (which include the City of Bellville, the Federal Crown and the Ontario Ministry of Finance). Further, the Company's failure to keep priority payables current is not only a breach of the Bank's loan and security instruments, but is also imperiling the Bank's security, as any amount payable to priority creditors are and may be payable in priority to any amounts payable to the Bank under its security.

Further, your client has been attempting to divest of assets since at least January 2022 in order to repay its creditors. However, to date, no meaningful progress in this regard appears to have been made. Notably, no offer has been brought to the Bank's attention for its consideration, despite the fact that the Bank has been requesting updates and that the forbearance agreement required that any offers be brought to its attention. The Bank therefore has no confidence that a sale of the Company's assets is imminent and its position and its security will not worsen and deteriorate in the interim. Further, given the Company's current financial circumstances, there are no realistic prospects for it to secure additional/alternate financing.

Thus, under the circumstances, the Bank has come to the conclusion that it can no longer hold off on enforcing its security and it will therefore be seeking to have a receiver appointed by the Court on an expedited basis in order to preserve its interest and those of other stakeholders. I confirm that our material in this regard will follow under separate cover shortly.

Andre Ducasse

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: June 30, 2022 11:54 AM
To: Andre Ducasse; Osman, Aweis
Cc: Brayden LaFrance; Scott, Daniel; Burke, Todd; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments
Attachments: HST Period Covered - 02 01 2022 to 04 30 2022 - Issued June 20 2022.pdf; Property Tax final 2022.pdf; Property Tax 2 Final 2022.pdf

Categories: Pressing

Andre:

Here are the two most recent property tax bills together with the HST notice of assessment. Client advises that source deductions are paid through ADP. They are working on a statement to provide BDC.



Matthew Gemmell, Partner

O'Flynn Weese LLP | Barristers & Solicitors | 65 Bridge Street East, Belleville, Ontario K8N 1L8
T 613.966.5222 x 243 | F 613.966.8036 | mgemmell@owtlaw.com | [Map and Directions](#) | www.owtlaw.com



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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, June 20, 2022 11:45 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments

Matthew,

The following items remain outstanding:

- No reporting on the status of source deduction remittances has been provided.
- We have not been provided with any recent CRA statements with respect to HST, source deduction and corporate tax remittances. These reports can be readily obtained by your client from CRA's website. They will be identified as the "RC", "RP" and "RT" accounts.

With respect to the two \$10,000 wire payments made by your client to our firm in June and July 2022, the Bank notes that there is currently no forbearance agreement in place to provide for these payments and, in light of the municipal tax arrears owing to the City of Belleville, which rank in priority to the Bank's mortgage security, the Bank suggest delivering these funds to the City of Belleville to decrease the tax arrears accordingly. Please advise if we have your client's consent to proceed accordingly.

Please do not hesitate to contact me directly should you wish to further discuss this matter.

Regards,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

Soloway
Wright | lawyers

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: July 4, 2022 2:11 PM
To: Andre Ducasse <aducasse@solowaywright.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; jhodder@wrightlawyers.ca
Subject: Tankhouse Developments

Andre:

I have attached statements for source deductions and income tax.



Matthew Gemmell, Partner

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T 613.966.5222 x 243 | F 613.966.8036 | mgemmell@owtlaw.com | [Map and Directions](#) | www.owtlaw.com



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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, June 20, 2022 11:45 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments

Matthew,

The following items remain outstanding:

- No reporting on the status of source deduction remittances has been provided.
- We have not been provided with any recent CRA statements with respect to HST, source deduction and corporate tax remittances. These reports can be readily obtained by your client from CRA's website. They will be identified as the "RC", "RP" and "RT" accounts.
- We have also not been provided with any recent municipal tax certificate or statement.
- There is also no update on where matters stand on Ms. Courneyea obtaining ILA and the parties entering into a forbearance agreement by week's end as required by BDC in order to continue to forbear. Please note that my instructions in this regard have not changed and, in the event no forbearance agreement is in place accordingly, my instructions are to bring a receivership application given the company's insolvency.

I look forward to being provided with the foregoing information without delay. In the interim, this will confirm that none of the ongoing breaches under the Bank's loan and security instruments are being waived and the Bank is hereby expressly reserving all of its rights and remedies in this regard.

Regards,

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

**Soloway
Wright** lawyer

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: June 17, 2022 4:49 PM
To: Andre Ducasse <aducasse@solowaywright.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments

Andre:

I have attached the June Report and Marketing Service Report prepared by Jamie Troke which outlines the listing details and marketing approach. I understand that there have been numerous interested parties including a showing yesterday afternoon and the expectation is that a buyer will be found. There have been numerous price reductions from \$4,548,000 to the current list price of \$3,950,000. The expectation is that the business will sell in this price range.

In terms of payables, I have attached the Beer Tax Statement showing that the tax has been paid down from over \$60,000 to the current balance of \$32,967.11. Client advises that HST is currently \$221,155.06, property taxes are currently \$41,786.24 and there is nothing owing for corporate income tax. The representative from the City has indicated to Shawna that they would not commence enforcement steps on the property tax arrears until the end of this year. I understand that the business has been focusing financial resources on making the agreed payments to BDC and keeping HST and Beer Tax up to date at this time.

Earlier this week Shawna received a letter from Gowlings which included Sean's resignation as director and officer. She is currently reviewing her options to determine how she wants to move forward if she is going to be the sole director to operate the business through the sale process.



Matthew Gemmell, Partner

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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: June 15, 2022 11:12 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments

Matthew,

Where do matters stand on providing the below information with respect to the sales process and priority payables?

Also, has any progress been made in Ms. Courneyea obtaining ILA so as to permit the parties to enter into the forbearance agreement?

Thank you,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

From: Andre Ducasse

Sent: June 6, 2022 11:50 AM

To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>

Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>

Subject: RE: BDC Re: Tankhouse Developments

Matthew,

Your below email is somewhat surprising given that, since the outset, the Bank had repeatedly followed up to ensure that Ms. Courneyea had obtained independent legal advice and we were assured by previous counsel, Mr. Greg Parker, that this was addressed and was not an issue. Further, the parties had previously negotiated and entered into a forbearance agreement and the issue of Ms. Courneyea obtaining independent legal counsel was never raised. Given that the proposed further forbearance agreement is in almost all material respects identical to the previous agreement, it's not clear why this issue is now being raised for the first time.

Notwithstanding the foregoing, the Bank is prepared to provide Ms. Courneyea until June 20, 2022 to obtain whatever advice she requires in respect of this matter. Please confirm who is acting for her in this regard so we can correspondence and coordinate with them accordingly. Thereafter, in the event the parties have not entered into the forbearance agreement on the terms previously agreed to by the parties by June 24, 2022, my instructions are to bring an application for the appointment of a Court-appointed Receiver, which I trust will not be necessary.

In the interim, please provide the following by the end of this week so that the Bank may assess its risk (and all of which the Company is required to provide to the Bank pursuant to the express provisions of the loan and security instruments held by the Bank):

- A detailed update on the status of the sales process including particulars with respect to the current listing and any offers and counter-offers; and
- Full particulars with respect to all priority payables, including with respect to municipal taxes, and corporate tax, HST, source deduction and beer/alcohol tax remittances, and up-to-date statements with respect to each of these items.

In the interim, this will confirm that none of the ongoing breaches under the Bank's loan and security instruments are being waived and the Bank is hereby expressly reserving all of its rights and remedies in this regard.

I look forward to hearing from you in respect of the foregoing at the earliest opportunity.

Regards,
Andre

André A. Ducasse

Partner/Associé

Soloway Wright LLP/s.r.l.

T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com

700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

From: Matthew Gemmell <mgemmell@owtlaw.com>

Sent: June 2, 2022 5:14 PM

To: Andre Ducasse <aducasse@solowaywright.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>

Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>

Subject: RE: BDC Re: Tankhouse Developments

Andre:

In the course of negotiating and confirming the terms of the Bank's proposed second forbearance agreement I recommended to Mrs. Courneyea that she seek independent counsel with respect to her duties/obligations as being named as the Estate Trustee in the Last Will and Testament of Richard Courneyea as she could potentially be in a conflict in acting as Estate Trustee. Mrs. Courneyea's counsel has suggested that until such time as certain assurances can be provided to provide some protections or guarantees that Mrs. Courneyea will not be held personally liable for the debts of Tankhouse Development by acting as Estate Trustee without being appointed by the Courts, that she should not consent or agree to the second forbearance agreement.

As you can certainly appreciate, Mrs. Courneyea was never provided with an opportunity to have independent legal advice with respect to the business decisions her late husband made and how these decisions could impact her financial future. We appreciate that BDC has not proceeded to enforce on its security. Mrs. Courneyea is operating the brewery to ensure it has income to pay the debts owed to creditors which has been very challenging given that she was not previously involved in its operation.

She does advise that the Corporation has funds to make the \$10,000.00 payment to BDC and funds could be wired on Tuesday June 7th. Can you confirm if you agree with funds being wired directly from Tankhouse Developments Inc. to your trust account?

In the interim, she advised that she will work with her independent counsel on the estate side and advise once she is ready to move forward.

Note that I will be out of the office tomorrow and will be returning on Monday June 6th.



Matthew Gemmell, Partner

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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Thursday, June 2, 2022 4:18 PM
To: Osman, Aweis <Aweis.Osman@gowlingwlg.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Thank you for confirming Aweis.

Matthew, please note that the Bank will require the following by the end of business tomorrow, failing which my instructions will be to bring a receivership application, which I trust will not be necessary:

- A duly executed copy of the forbearance agreement and the consent appended thereto;
- The required forbearance fee in the amount of \$1,000.00; and
- The required monthly payment in the amount of \$10,000.00.

Please find attached wiring instructions for our firm's trust account for payment of the above amounts.

Thank you,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

**Soloway
Wright** lawyers

From: Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Sent: June 2, 2022 10:17 AM
To: Andre Ducasse <aducasse@solowaywright.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Apologies Andre,

I am in discovery this week, but have requested an executed copy today. We should be able to get it back to you shortly.

Kind regards,
Aweis

Aweis Osman
Associate
T +1 613 783 8824
aweis.osman@gowlingwlg.com



From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Thursday, June 02, 2022 9:14 AM
To: Osman, Aweis <Aweis.Osman@ca.gowlingwlg.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@ca.gowlingwlg.com>; Burke, Todd <Todd.Burke@ca.gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments
Importance: High

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Counsel, the executed forbearance agreement and forbearance fee were to be delivered no later than the end of business yesterday. When can we expect to receive same?

Thank you.

From: Andre Ducasse <aducasse@solowaywright.com>
Sent: May 25, 2022 11:06 AM
To: Osman, Aweis <Aweis.Osman@gowlingwlg.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Dear Counsel,

Following our below email exchange, please refer to the attached forbearance agreement. The agreement is in the same form as the previous agreement, but for your ease of reference, the revisions have been incorporated into paras. 1, 2.a., 2.d., 2.e. and 2.g., and the consent receivership order has been appended as Schedule "C".

I would ask that you please return a duly executed copy of the agreement and consent at Schedule "C" by no later than June 1, 2022, as set out in the agreement.

Thank you,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | C: 613.324.3732 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

Soloway
Wright Lawyers

From: Andre Ducasse
Sent: May 19, 2022 11:04 AM

To: Osman, Aweis <Aweis.Osman@gowlingwlg.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Thank you for confirming Aweis.

I will circulate a revised forbearance agreement shortly.

Regards,
Andre

From: Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Sent: May 18, 2022 3:37 PM
To: Andre Ducasse <aducasse@solowaywright.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Andre,

This to confirm that Mr. Hibbert is in agreement with the terms.

Many thanks,
Aweis

Aweis Osman
Associate
T +1 613 783 8824
aweis.osman@gowlingwlg.com



From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, May 16, 2022 11:57 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@ca.gowlingwlg.com>; Burke, Todd <Todd.Burke@ca.gowlingwlg.com>; Osman, Aweis <Aweis.Osman@ca.gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Todd/Aweis, can you please confirm on behalf of Mr. Hibbert and then I can prepare and circulate a revised forbearance agreement?

Thanks,
Andre

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: May 16, 2022 11:38 AM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Andre:

Our client has confirmed that they are in agreement with the terms below.

Please advise if Mr. Hibbert is also in agreement with the terms for the extension.



Matthew Gemmell, Partner

O'Flynn Weese LLP | Barristers & Solicitors | 65 Bridge Street East, Belleville, Ontario K8N 1L8
T 613.966.5222 x 243 | F 613.966.8036 | mgemmell@owtlaw.com | [Map and Directions](#) | www.owtlaw.com



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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Friday, May 13, 2022 12:45 PM
To: Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Matthew,

My instructions from the Bank are as follows:

- The Bank will require a consent to a receivership order to be held in escrow, which is typical in such circumstances. Given that the Bank has this right under its security, this ought not be an issue for your client.
- The Bank will also require an updated appraisal given that the 2019 appraisal is now dated and the market has changed. This is also provided for in the Bank's security.
- With respect to the proposed monthly payments in the amount of \$10,000, in accordance with BDC's loan and security instruments and policy, they will be applied first to protective disbursements, which include any professional fees incurred by the Bank, and then to interest and principal.

Please confirm by 5:00 pm on May 17, 2022 that the Bank's proposed forbearance terms are acceptable and I can then circulate a revised forbearance agreement accordingly. Should I not receive confirmation by then, the Bank's proposed forbearance terms shall be deemed to have been withdrawn and I will then seek further instructions from the Bank.

Thank you,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

**Soloway
Wright** lawyers

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: May 10, 2022 2:52 PM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Subject: BDC Re: Tankhouse Developments

Andre:

Moving forward, our client would certainly like to work with BDC to allow for a sale of the business. They continue to have interest in the business and are hopeful it will sell in the upcoming 3 months.

Their position is that BDC already has the right to appoint a receiver under the Forbearance Agreement and General Security Agreement and that a consent to a receivership order is unnecessary. They are hesitant to agree to same.

I have attached the appraisal from 2019. Our client's position is that this appraisal should be sufficient for purposes of listing the property. Given the financial constraints within the business, they want to focus on paying required amount to BDC, HST and trade payables..

Our client is in agreement with the \$10,000 monthly payments but would need to know how those payments are being credited? Are they being credited against the outstanding balance?

They are in agreement with the consultation requirement on list price and the forbearance fee.



Matthew Gemmell, Partner

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Andre Ducasse

From: jhodder@wrightlawyers.ca
Sent: June 7, 2022 2:37 PM
To: Andre Ducasse; 'Matthew Gemmell'; 'Osman, Aweis'
Cc: 'Brayden LaFrance'; 'Scott, Daniel'; 'Burke, Todd'
Subject: RE: BDC Re: Tankhouse Developments

Good afternoon Andre

I confirm that I am representing Shawna Courneyea in her personal capacity. We greatly appreciate the extension to June 20, 2022 to allow Mrs. Courneyea time to provide me with instructions.

Warmest Regards,



WRIGHT LAW

Jessica Hodder
Barrister, Solicitor, Notary Public

WRIGHT LAW
220 Front Street
Belleville, Ontario
K8N 2Z2

T: (613) 966-9711
F: (613) 962-6833
E: jhodder@wrightlawyers.ca

The information contained in this transmission is solicitor-client privileged and confidential. It is intended only for the use of the party above named. You are notified that any dissemination, distribution or copy of this communication is strictly prohibited. If the reader of this message is not the above party, please delete and disregard without reading the enclosures/attachments. If the intended party is not available at this email address or if this communication has been forwarded to the wrong email address, please disregard and delete.

From: Andre Ducasse <aducasse@solowaywright.com>
Sent: June 7, 2022 9:17 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; jhodder@wrightlawyers.ca
Subject: RE: BDC Re: Tankhouse Developments

Thank you for confirming Matthew.

I look forward to hearing from Ms. Hodder accordingly.

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: June 7, 2022 9:07 AM
To: Andre Ducasse <aducasse@solowaywright.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>

Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>

Subject: RE: BDC Re: Tankhouse Developments

Jessica Hodder from Wright Law is acting for Ms. Courneyea and I have forwarded the email correspondence to her.

Here is her contact information:

Jessica Hodder
Barrister, Solicitor, Notary Public

WRIGHT LAW
220 Front Street
Belleville, Ontario
K8N 2Z2

T: (613) 966-9711
F: (613) 962-6833
E: jhodder@wrightlawyers.ca



Matthew Gemmell, Partner

O'Flynn Weese LLP | Barristers & Solicitors | 65 Bridge Street East, Belleville, Ontario K8N 1L8
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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: Tuesday, June 7, 2022 9:02 AM

To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>

Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>

Subject: RE: BDC Re: Tankhouse Developments

Thank you Matthew.

Please also confirm who is acting for Ms. Courneyea and that my below email has been conveyed to her and her counsel.

From: Matthew Gemmell <mgemmell@owtlaw.com>

Sent: June 6, 2022 2:43 PM

To: Andre Ducasse <aducasse@solowaywright.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Thanks Andre.

I have followed up with our client's real estate agent and will provide an update on the sale process. I have also requested updates on priority payables.



Matthew Gemmell, Partner

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From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, June 6, 2022 11:50 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Matthew,

Your below email is somewhat surprising given that, since the outset, the Bank had repeatedly followed up to ensure that Ms. Courneyea had obtained independent legal advice and we were assured by previous counsel, Mr. Greg Parker, that this was addressed and was not an issue. Further, the parties had previously negotiated and entered into a forbearance agreement and the issue of Ms. Courneyea obtaining independent legal counsel was never raised. Given that the proposed further forbearance agreement is in almost all material respects identical to the previous agreement, it's not clear why this issue is now being raised for the first time.

Notwithstanding the foregoing, the Bank is prepared to provide Ms. Courneyea until June 20, 2022 to obtain whatever advice she requires in respect of this matter. Please confirm who is acting for her in this regard so we can correspond and coordinate with them accordingly. Thereafter, in the event the parties have not entered into the forbearance agreement on the terms previously agreed to by the parties by June 24, 2022, my instructions are to bring an application for the appointment of a Court-appointed Receiver, which I trust will not be necessary.

In the interim, please provide the following by the end of this week so that the Bank may assess its risk (and all of which the Company is required to provide to the Bank pursuant to the express provisions of the loan and security instruments held by the Bank):

- A detailed update on the status of the sales process including particulars with respect to the current listing and any offers and counter-offers; and
- Full particulars with respect to all priority payables, including with respect to municipal taxes, and corporate tax, HST, source deduction and beer/alcohol tax remittances, and up-to-date statements with respect to each of these items.

In the interim, this will confirm that none of the ongoing breaches under the Bank's loan and security instruments are being waived and the Bank is hereby expressly reserving all of its rights and remedies in this regard.

I look forward to hearing from you in respect of the foregoing at the earliest opportunity.

Regards,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

**Soloway
Wright** lawyers

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: June 2, 2022 5:14 PM
To: Andre Ducasse <aducasse@solowaywright.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Andre:

In the course of negotiating and confirming the terms of the Bank's proposed second forbearance agreement I recommended to Mrs. Courneyea that she seek independent counsel with respect to her duties/obligations as being named as the Estate Trustee in the Last Will and Testament of Richard Courneyea as she could potentially be in a conflict in acting as Estate Trustee. Mrs. Courneyea's counsel has suggested that until such time as certain assurances can be provided to provide some protections or guarantees that Mrs. Courneyea will not be held personally liable for the debts of Tankhouse Development by acting as Estate Trustee without being appointed by the Courts, that she should not consent or agree to the second forbearance agreement.

As you can certainly appreciate, Mrs. Courneyea was never provided with an opportunity to have independent legal advice with respect to the business decisions her late husband made and how these decisions could impact her financial future. We appreciate that BDC has not proceeded to enforce on its security. Mrs. Courneyea is operating the brewery to ensure it has income to pay the debts owed to creditors which has been very challenging given that she was not previously involved in its operation.

She does advise that the Corporation has funds to make the \$10,000.00 payment to BDC and funds could be wired on Tuesday June 7th. Can you confirm if you agree with funds being wired directly from Tankhouse Developments Inc. to your trust account?

In the interim, she advised that she will work with her independent counsel on the estate side and advise once she is ready to move forward.

Note that I will be out of the office tomorrow and will be returning on Monday June 6th.



Matthew Gemmell, Partner

O'Flynn Weese LLP | Barristers & Solicitors | 65 Bridge Street East, Belleville, Ontario K8N 1L8
T 613.966.5222 x 243 | F 613.966.8036 | mgemmell@owtlaw.com | [Map and Directions](#) | www.owtlaw.com



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From: Andre Ducasse <aducasse@solowaywright.com>

Sent: Thursday, June 2, 2022 4:18 PM

To: Osman, Aweis <Aweis.Osman@gowlingwlg.com>; Matthew Gemmell <mgemmell@owtlaw.com>

Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>

Subject: RE: BDC Re: Tankhouse Developments

Thank you for confirming Aweis.

Matthew, please note that the Bank will require the following by the end of business tomorrow, failing which my instructions will be to bring a receivership application, which I trust will not be necessary:

- A duly executed copy of the forbearance agreement and the consent appended thereto;
- The required forbearance fee in the amount of \$1,000.00; and
- The required monthly payment in the amount of \$10,000.00.

Please find attached wiring instructions for our firm's trust account for payment of the above amounts.

Thank you,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

Soloway
Wright lawyers

From: Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Sent: June 2, 2022 10:17 AM
To: Andre Ducasse <aducasse@solowaywright.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Apologies Andre,

I am in discovery this week, but have requested an executed copy today. We should be able to get it back to you shortly.

Kind regards,
Aweis

Aweis Osman
Associate
T +1 613 783 8824
aweis.osman@gowlingwlg.com



From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Thursday, June 02, 2022 9:14 AM
To: Osman, Aweis <Aweis.Osman@ca.gowlingwlg.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@ca.gowlingwlg.com>; Burke, Todd <Todd.Burke@ca.gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments
Importance: High

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Counsel, the executed forbearance agreement and forbearance fee were to be delivered no later than the end of business yesterday. When can we expect to receive same?

Thank you.

From: Andre Ducasse <aducasse@solowaywright.com>
Sent: May 25, 2022 11:06 AM
To: Osman, Aweis <Aweis.Osman@gowlingwlg.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Dear Counsel,

Following our below email exchange, please refer to the attached forbearance agreement. The agreement is in the same form as the previous agreement, but for your ease of reference, the revisions have been incorporated into paras. 1, 2.a., 2.d., 2.e. and 2.g., and the consent receivership order has been appended as Schedule "C".

I would ask that you please return a duly executed copy of the agreement and consent at Schedule "C" by no later than June 1, 2022, as set out in the agreement.

Thank you,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | C: 613.324.3732 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

**Soloway
Wright** lawyers

From: Andre Ducasse
Sent: May 19, 2022 11:04 AM
To: Osman, Aweis <Aweis.Osman@gowlingwlg.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Thank you for confirming Aweis.

I will circulate a revised forbearance agreement shortly.

Regards,
Andre

From: Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Sent: May 18, 2022 3:37 PM
To: Andre Ducasse <aducasse@solowaywright.com>; Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Andre,

This to confirm that Mr. Hibbert is in agreement with the terms.

Many thanks,
Aweis

Aweis Osman
Associate

T +1 613 783 8824
aweis.osman@gowlingwlg.com



From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Monday, May 16, 2022 11:57 AM
To: Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@ca.gowlingwlg.com>; Burke, Todd <Todd.Burke@ca.gowlingwlg.com>; Osman, Aweis <Aweis.Osman@ca.gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

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Todd/Aweis, can you please confirm on behalf of Mr. Hibbert and then I can prepare and circulate a revised forbearance agreement?

Thanks,
Andre

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: May 16, 2022 11:38 AM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Andre:

Our client has confirmed that they are in agreement with the terms below.

Please advise if Mr. Hibbert is also in agreement with the terms for the extension.



Matthew Gemmell, Partner

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electronically is done so in accordance with our firm's privacy policy, which is available by contacting us, or can be found on our website.

From: Andre Ducasse <aducasse@solowaywright.com>
Sent: Friday, May 13, 2022 12:45 PM
To: Matthew Gemmell <mgemmell@owtlaw.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Subject: RE: BDC Re: Tankhouse Developments

Matthew,

My instructions from the Bank are as follows:

- The Bank will require a consent to a receivership order to be held in escrow, which is typical in such circumstances. Given that the Bank has this right under its security, this ought not be an issue for your client.
- The Bank will also require an updated appraisal given that the 2019 appraisal is now dated and the market has changed. This is also provided for in the Bank's security.
- With respect to the proposed monthly payments in the amount of \$10,000, in accordance with BDC's loan and security instruments and policy, they will be applied first to protective disbursements, which include any professional fees incurred by the Bank, and then to interest and principal.

Please confirm by 5:00 pm on May 17, 2022 that the Bank's proposed forbearance terms are acceptable and I can then circulate a revised forbearance agreement accordingly. Should I not receive confirmation by then, the Bank's proposed forbearance terms shall be deemed to have been withdrawn and I will then seek further instructions from the Bank.

Thank you,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

**Soloway
Wright** lawyers

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: May 10, 2022 2:52 PM
To: Andre Ducasse <aducasse@solowaywright.com>
Cc: Brayden LaFrance <blafrance@owtlaw.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>; Burke, Todd <Todd.Burke@gowlingwlg.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Subject: BDC Re: Tankhouse Developments

Andre:

Moving forward, our client would certainly like to work with BDC to allow for a sale of the business. They continue to have interest in the business and are hopeful it will sell in the upcoming 3 months.

Their position is that BDC already has the right to appoint a receiver under the Forbearance Agreement and General Security Agreement and that a consent to a receivership order is unnecessary. They are hesitant to agree to same.

I have attached the appraisal from 2019. Our client's position is that this appraisal should be sufficient for purposes of listing the property. Given the financial constraints within the business, they want to focus on paying required amount to BDC, HST and trade payables..

Our client is in agreement with the \$10,000 monthly payments but would need to know how those payments are being credited? Are they being credited against the outstanding balance?

They are in agreement with the consultation requirement on list price and the forbearance fee.



Matthew Gemmell, Partner

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T 613.966.5222 x.243 | F 613.966.8036 | mgemmell@owtlaw.com | www.owtlaw.com

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Andre Ducasse

From: Andre Ducasse
Sent: May 5, 2022 2:14 PM
To: Matthew Gemmell; Scott, Daniel
Cc: Burke, Todd; Osman, Aweis
Subject: RE: BDC re: Tankhouse Developments Inc. (the "Company") [GWLG-ACTIVE_CA.FID1450392] Update

Matthew, Counsel,

Thank you for the update.

As you will recall, the forbearance period under the current forbearance agreement expires on May 9, 2022. The Bank is prepared to extend the forbearance agreement for a further three month period on the following additional forbearance terms:

- The Company shall consent to a receivership order that will be held in escrow by my office and will be released only in the event of default under the forbearance agreement.
- BDC shall mandate an appraisal of the River Road property, the cost of which shall be borne by the Company/guarantors.
- In addition to the current reporting requirements with respect to the sales process, BDC shall be consulted about and have input on the listing price of the property.
- A forbearance fee of \$1,000 shall be required.
- Monthly payments in the amount of \$10,000 shall be paid on the third day of the months of June, July and August, and which are to be paid by way of wire transfer to our firm's trust account.

Please confirm whether the foregoing is acceptable and I can thereafter prepare and circulate a revised agreement accordingly.

Thank you,
Andre

André A. Ducasse
Partner/Associé
Soloway Wright LLP/s.r.l.
T: 613.782.3225 | F: 613.238.8507 | aducasse@solowaywright.com
700-427 Laurier Av. W, Ottawa, ON K1R 7Y2 | www.solowaywright.com

Soloway
Wright | lawyers

From: Matthew Gemmell <mgemmell@owtlaw.com>
Sent: May 4, 2022 10:28 AM
To: Andre Ducasse <aducasse@solowaywright.com>; Scott, Daniel <Daniel.Scott@gowlingwlg.com>
Cc: Burke, Todd <Todd.Burke@gowlingwlg.com>; Osman, Aweis <Aweis.Osman@gowlingwlg.com>
Subject: BDC re: Tankhouse Developments Inc. (the "Company") [GWLG-ACTIVE_CA.FID1450392] Update

Andre:

The asking price has now been reduced from \$4,548,000 to \$4,250,000 and they are actively revisiting all previous enquires and re launching marking with the new price.

They have also advised that they have set aside all new HST payable and will be in a position to remit as required with their next remittance at the end of May. They expect to be in a position to start paying down arrears as the business gets busy in the summer season.



Matthew Gemmell, Partner

O'Flynn Weese LLP | Barristers & Solicitors | 65 Bridge Street East, Belleville, Ontario K8N 1L8

T 613.966.5222 x 243 | F 613.966.8036 | mgemmell@owtlaw.com | [Map and Directions](#) | www.owtlaw.com



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This is Exhibit "Q" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.



Soloway Wright LLP
700 - 427 Laurier Avenue West
Ottawa ON K1R 7Y2

T: 613.236.0111 | 1.866.207.5880
F: 613.238.8507
www.solowaywright.com

André A. Ducasse
Partner

Direct line: 613.782.3225
Email address: aducasse@solowaywright.com

FILE NO: 50400-1201

BY COURIER, REGULAR MAIL

AND EMAIL (seanhibbert@hotmail.com, richard@signal.beer and shawna.courneyea@gmail.com)

January 28, 2022

Tankhouse Developments Inc.
271 Front Street, Suite 31
Belleville, ON K8N 2Z6

Dear Sir, Madam:

Re: Indebtedness to Business Development Bank of Canada

We are the lawyers for Business Development Bank of Canada (the "Bank"). Tankhouse Developments Inc. (the "Company") is indebted to the Bank as of January 28, 2022, in respect of the following (errors and omissions excluded):

Loan No.	Amount Outstanding	Interest
11055601	\$1,298,383.67	\$196.99 (per diem)
11055602	\$213,617.49	\$32.36 (per diem)

The foregoing indebtedness owed to the Bank by the Company as of January 28, 2022 is therefore the aggregate amount of **\$1,512,001.16**, plus ongoing interest and costs, fees and disbursements incurred by the Bank (the "Indebtedness").

The Indebtedness to the Bank is secured by, amongst other things, the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").

In light of the Company's defaults with respect to the above-noted loans and the Security and/or the Company's breaches of various covenants contained in the loan agreements and the Security, on behalf of the Bank, we hereby demand payment from the Company of the full amount of the Indebtedness, along with accrued interest and costs, fees and disbursements, by February 7, 2022.

Ottawa Office

700 - 427 Laurier Avenue West, Ottawa ON K1R 7Y2
T: 613.236.0111 | 1.866.207.5880 | F: 613.238.8507

Kingston Office

510 - 366 King Street, Kingston ON K7K 6Y3
T: 613.544.7334 | 1.800.263.4257 | F: 1.800.263.4213

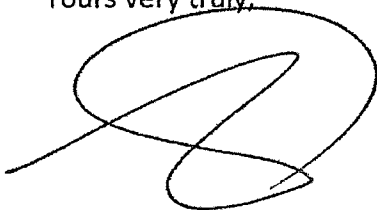
The Bank reserves its right to enforce the Security. The Bank also reserves its right to take earlier enforcement proceedings with respect to its Security in the event that it determines a material adverse change occurred in the Company's financial circumstances.

Should the Company fail to pay the Indebtedness by February 7, 2022, this correspondence shall constitute notice, pursuant to the Security held by the Bank, of the Bank's demand for payment of the Indebtedness together with additional accrued interest and legal costs, fees and disbursements incurred to the date of payment.

Enclosed please find a Notice of Intention to Enforce Security that is delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*, along with a Consent with respect to earlier enforcement for the Company's execution.

The Company may direct communications with respect to satisfaction of your obligations to the undersigned.

Yours very truly,

A handwritten signature in black ink, appearing to be 'A. Ducasse', written over a large, loopy scribble.

André A. Ducasse
AAD/rrc

Encls.

Schedule "A"

1. **Charge/Mortgage in the principal amount of \$1,500,000.00 for the properties described in PINs 40524-0678(LT), 40523-0199(LT) and 40523-0202(LT), and registered as Instrument No. HT201955, LRO #21**
2. **General Security Agreement of Tankhouse Developments Inc., dated December 14, 2016**
3. **Guarantee of Richard G. Courneyea for 35% of the outstanding balance of the loan in the amount of \$1,300,000.00, dated December 14, 2016**
4. **Guarantee of Sean A. Hibbert for 20% of the outstanding balance of the loan in the amount of \$1,300,000.00, dated December 14, 2016**
5. **Guarantee of Sean A. Hibbert for 20% of the outstanding balance of the loan in the amount of \$200,000.00, dated January 31, 2018**
6. **Guarantee of Richard G. Courneyea for 100% of the outstanding balance of the loan in the amount of \$200,000.00, dated January 31, 2018**
7. **Postponement of Shareholder's Loans of Sean A. Hibbert, dated January 31, 2018**
8. **Postponement of Shareholder's Loans of Richard Courneyea, dated January 31, 2018**

CONSENT

TO: Soloway Wright LLP
700 – 427 Laurier Avenue West
Ottawa, ON K1R 7Y2

FROM: Tankhouse Developments Inc.
271 Front Street, Suite 31
Belleville, ON K8N 2Z6 (the “Debtor”)

DATED: January 28, 2022

The Debtor hereby acknowledges receipt of a Notice of Intention to Enforce Security (the “Notice”) issued by Soloway Wright LLP on behalf of Business Development Bank of Canada pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act* in respect of the security granted by the Debtor in favour of Business Development Bank of Canada. A copy of the Notice is attached.

The Debtor hereby consents to Business Development Bank of Canada enforcing the security described in the Notice prior to the expiry of the ten (10) day period referred to in the Notice or any time thereafter.

The Debtor hereby releases Business Development Bank of Canada, its officer, employees, agents and assigns and each of them of and from all actions, claims and demands whatsoever at law or in equity which the Debtor may have by reason of the enforcement of the security by Business Development Bank of Canada prior to the expiry of the said notice period.

Tankhouse Developments Inc.

Name:

Title:

NOTICE OF INTENTION TO ENFORCE SECURITY
Pursuant to Subsection 244(1) of the *Bankruptcy and Insolvency Act*
R.S.C. 1985, c.B-3 as amended

TO: Tankhouse Developments Inc.
271 Front Street, Suite 31
Belleville, ON K8N 2Z6 (the "Debtor")

TAKE NOTICE THAT:

1. Business Development Bank of Canada (the "Bank"), a secured creditor, intends to enforce its security described below on the property of the insolvent Debtor.
2. The security that is to be enforced is in the form of the security instruments described in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security").
3. The outstanding indebtedness owed to the Bank as of January 28, 2022 is as follows (e.&o.e.):

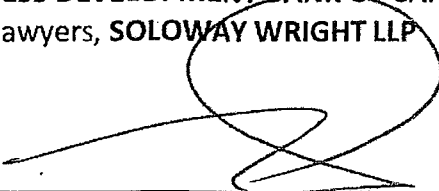
Loan No.	Amount Outstanding	Interest
11055601	\$1,298,383.67	\$196.99 (per diem)
11055602	\$213,617.49	\$32.36 (per diem)

The foregoing indebtedness owed to the Bank is therefore the aggregate amount of **\$1,512,001.16** plus ongoing interest, which will accrue at the rates detailed above, as well as costs, fees and disbursements.

4. The Bank will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this Notice, unless the insolvent Debtor consents to an earlier enforcement.

DATED at OTTAWA, this 28th day of January, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA,
by its lawyers, **SOLOWAY WRIGHT LLP**



André A. Ducasse, SOLOWAY WRIGHT LLP
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2
613.236.0111 telephone / 613.238.8507 facsimile

Schedule "A"

1. **Charge/Mortgage in the principal amount of \$1,500,000.00 for the properties described in PINs 40524-0678(LT), 40523-0199(LT) and 40523-0202(LT), and registered as Instrument No. HT201955, LRO #21**
2. **General Security Agreement of Tankhouse Developments Inc., dated December 14, 2016**
3. **Guarantee of Richard G. Courneyea for 35% of the outstanding balance of the loan in the amount of \$1,300,000.00, dated December 14, 2016**
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5. **Guarantee of Sean A. Hibbert for 20% of the outstanding balance of the loan in the amount of \$200,000.00, dated January 31, 2018**
6. **Guarantee of Richard G. Courneyea for 100% of the outstanding balance of the loan in the amount of \$200,000.00, dated January 31, 2018**
7. **Postponement of Shareholder's Loans of Sean A. Hibbert, dated January 31, 2018**
8. **Postponement of Shareholder's Loans of Richard Courneyea, dated January 31, 2018**

This is Exhibit "R" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Roxanne Chapman

Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

Client Number 110556



C/A Number 11055602

Description	Value
PRINCIPAL EXCLUDING ARREARS	0.00
PRINCIPAL ARREARS	195,533.99
INTEREST	23,881.98
ACCRUED TO	2022-07-07
ANNUAL ADMINISTRATION FEE	350.00
PROTECTIVE DISBURSEMENT	0.00
INTEREST ON PROTECTIVE DISBURSEMENT	0.00

Description	Value
TAX ACCOUNT	0.00
DEPOSIT ACCOUNT WITH INTERESTS	0.00
DEPOSIT ACCOUNT WITHOUT INTERESTS	0.00
Total Deposit	0.00
Total Net	219,765.97
DAILY INTEREST ACCRUAL	36.42
DAILY IOI ACCRUAL	4.42
INTEREST RATE PLAN	Daily float
SPECIAL INTEREST RATE TYPE	STD
EFFECTIVE BASE RATE	5.800000 %
VARIANCE RATE	1.000000 %
INTEREST ADJUSTMENT DATE	
PROT.DISB. - DAILY INTEREST ACCRUAL	0.00
OPTION EXPIRY DATE	2022-07-07

Disclaimers:

1. Payout figures do not include: Prepayment indemnity, interest differential, net present value of premiums and royalties and the amount of the option. For these calculations, refer to the Letter of Offer of Credit, Letters of Amendment, Circulars and the revised Calculus software.
2. Escrow account balances must be analyzed internally before confirming the total payout figures to the borrower.
3. Floating Plan: Daily interest accrual subject to operational rate change.



Client Number 110556
 C/A Number 11055601



Description	Value
PRINCIPAL EXCLUDING ARREARS	0.00
PRINCIPAL ARREARS	1,199,950.00
INTEREST	133,679.32
ACCRUED TO	2022-07-07
ANNUAL ADMINISTRATION FEE	750.00
PROTECTIVE DISBURSEMENT	12,136.26
INTEREST ON PROTECTIVE DISBURSEMENT	187.95

Description	Value
TAX ACCOUNT	0.00
DEPOSIT ACCOUNT WITH INTERESTS	0.00
DEPOSIT ACCOUNT WITHOUT INTERESTS	0.00
Total Deposit	0.00
Total Net	1,346,703.53
DAILY INTEREST ACCRUAL	223.55
DAILY IOI ACCRUAL	23.84
INTEREST RATE PLAN	Daily float
SPECIAL INTEREST RATE TYPE	STD
EFFECTIVE BASE RATE	5.800000 %
VARIANCE RATE	1.000000 %
INTEREST ADJUSTMENT DATE	
PROT.DISB. - DAILY INTEREST ACCRUAL	2.26
PROT.DISB. - DAILY IOI ACCRUAL	0.02
OPTION EXPIRY DATE	2022-07-07

Disclaimers:

1. Payout figures do not include: Prepayment indemnity, interest differential, net present value of premiums and royalties and the amount of the option. For these calculations, refer to the Letter of Offer of Credit, Letters of Amendment, Circulars and the revised Calculus software.
2. Escrow account balances must be analyzed internally before confirming the total payout figures to the borrower.
3. Floating Plan: Daily interest accrual subject to operational rate change.

This is Exhibit "S" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

FORBEARANCE AGREEMENT

THIS AGREEMENT is dated as of the 8th day of February, 2022.

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA (the "Bank")

- and -

TANKHOUSE DEVELOPMENTS INC. (the "Borrower")

- and -

THE ESTATE OF THE LATE RICHARD COURNEYEA and SEAN HIBBERT (the "Guarantors")

WHEREAS as of January 28, 2022, the Borrower acknowledges being indebted to the Bank pursuant to various loans (the "Credit Facilities") particularized as follows, along with further accrued interest in accordance with the rates stipulated in the Credit Facilities and costs (the "Indebtedness"):

Loan No.	Amount Outstanding	Interest
11055601	\$1,298,383.67	\$196.99 (per diem)
11055602	\$213,617.49	\$32.36 (per diem)

AND WHEREAS the Guarantors have guaranteed to the Bank the Indebtedness owed by the Borrower to the Bank pursuant to the Guarantees listed in Schedule "A" attached hereto (collectively, the "Guarantees");

AND WHEREAS as security in respect of the Indebtedness, the Bank has been granted and holds the security listed in Schedule "A" attached hereto (hereinafter collectively referred to as the "Security");

AND WHEREAS the Bank has issued demands for payment and is entitled to enforce the Security and the Borrower and Guarantors have requested that the Bank forbear from doing so;

AND WHEREAS as an inducement to the Bank to so forbear, the Borrower and the Guarantors have agreed to enter into this agreement and to comply with the terms, conditions and provisions contained herein;

AND WHEREAS the Borrower and/or the Guarantors are or will actively attempt to sell the assets and properties of the Borrower, including, without limitation, the real property described in Schedule "B" attached hereto (hereinafter collectively referred to as the "Properties") in order to repay the Indebtedness to the Bank;

NOW THEREFORE in consideration of the acknowledgements, agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

- (a) the Bank agrees with the Borrower and the Guarantors to forbear with respect to further enforcement of the Credit Facilities and Security in accordance with the terms of this agreement (the "Agreement");
- (b) the Borrower and the Guarantors agree to execute this Agreement in order to confirm to the Bank the continuing nature of their obligations to the Bank; and
- (c) the parties hereto undertake, agree to, acknowledge and confirm the terms outlined below.

1. Forbearance

For the period (the "Forbearance Period") commencing on the date of execution of this Agreement by the Borrower and the Guarantors and terminating on the earlier of the date on which the Bank delivers a notice terminating the Agreement as herein provided, or May 9, 2022, the occurrence of which shall be referred to as the "Termination", and subject to the Borrower's compliance with and satisfaction of the terms, provisions and conditions contained in this Agreement, and subject to any further extensions of time in accordance with paragraph 14 below, the Bank shall forbear from enforcing its Security.

2. Conditions of Forbearance by the Bank and Acknowledgments by the Borrower and the Guarantors

In consideration of the Bank's forbearance, and the covenants and agreements of the Borrower and the Guarantors contained herein, the Borrower and the Guarantors agree, acknowledge and confirm as follows:

- a. Prior to or upon execution of this Agreement, the Borrower and/or the Guarantors shall pay a non-refundable forbearance fee to the Bank in the amount of \$1,000.00 by way of certified funds, which fee shall be in addition to the Indebtedness and any and all amounts owing to the Bank pursuant to the Credit Facilities, the Security and/or this Agreement;
- b. Without limiting the generality of any other provision contained in this Agreement, all of the Company's arrears with respect to Priority Payables (as hereinafter defined) remittances, including, without limitation, corporate tax, HST and source deduction remittances and any all applicable beer and/or alcohol taxes, shall be brought current by no later than April 29, 2022 and they shall provide proof of same to the Bank satisfactory to the Bank in its sole discretion. Further, and without limitation, throughout the Forbearance Period all ongoing remittances in respect of

Priority Payables, including, without limitation, all ongoing remittances in respect of corporate tax, HST and source deductions and any and all applicable beer and/or alcohol taxes, shall be kept current.

- c. Upon or prior to the execution of this Agreement, the Borrower and/or the Guarantors shall provide to the Bank municipal tax certificates confirming that all municipal taxes in respect of the Properties are current and, in the event they are not current, they shall forthwith bring them current and provide evidence of same to the Bank in a manner satisfactory to the Bank in its sole discretion;
- d. Throughout the Forbearance Period, the Sales Process shall be subject to the following conditions:
 - i. The Borrower and/or the Guarantors shall have until May 9, 2022 to complete the Sales Process and sell the Properties in order to fully repay the indebtedness to the Bank by the aforesaid date;
 - ii. The Borrower and the Guarantors shall actively promote and market the sale of the Properties in accordance with the foregoing, and the Sales Process shall be conducted in a manner satisfactory to the Bank in its sole discretion;
 - iii. The Borrower and the Guarantors shall keep the Bank fully informed of all efforts made and activities carried out in respect of the Sales Process, and they shall forthwith provide to the Bank upon request any and all information and/or documentation that the Bank may request in respect of the Sales Process, including without limitation, any letters of intent/interest, listing agreements or amendments thereto, any offers of purchase and sale, and any counter-offers. Without limiting the generality of the foregoing, they shall provide to the Bank monthly updates on the Sales Process and in the event an offer to purchase the Property is made they shall forthwith bring the offer to the Bank's attention for the Bank's consideration and input;
 - iv. The Borrower and the Guarantors shall use advisors, consultants, agents or representatives acceptable to the Bank in order to actively carry out the Sales Process, and they hereby agree and acknowledge that they shall follow their advice throughout; and
 - v. The Borrower and the Guarantors shall ensure that the Borrower's assets and the Property are fully insured in an amount sufficient to fully repay the Bank pursuant to this Agreement, the Credit Facilities and/or the Security, and all other claims they may have as against them, their assets or the Property. Without limiting the generality of the foregoing, upon or

prior to the execution of this Agreement, they shall provide to the Bank an insurance certificate in a form acceptable to the Bank confirming (1) there is sufficient coverage as per the foregoing for a period of at least one year, and (2) showing the Bank as first loss payee;

- e. The Borrower and/or the Guarantors (or any one or more of them) shall repay to the Bank the entire outstanding balance of the indebtedness, including all principal and interest, along with all applicable expenses and fees in accordance with paragraph 3 below, the Credit Facilities and/or the Security, upon the closing of the Sales Process and in no event later than the expiry of the Forbearance Agreement or immediately upon Termination. Notwithstanding the foregoing, throughout the Forbearance Period, the Borrower and/or the Guarantors shall be entitled to make payments to reduce the indebtedness and any such payments shall be applied by the Bank however it deems appropriate in its sole discretion;
- f. The Borrower and the Guarantors shall be obligated to provide such detailed and ongoing financial and other reporting within two (2) business day of any such request by the Bank as may be requested by the Bank in its sole discretion so as to facilitate the ongoing assessment of the Borrower and the Guarantors throughout the Forbearance Period;
- g. The Borrower and the Guarantors shall fully cooperate with the Bank, and shall provide access to and cooperate fully with the Bank and with any other party designated by the Bank in its sole discretion to conduct and report on its behalf in respect of any valuations, examinations, assessments, appraisals and similar reviews of the Borrower and/or the Guarantors in respect of their business, financial affairs, assets or properties, all at the expense of the Borrower and/or the Guarantors;
- h. In the event that the Borrower and/or the Guarantors fail to comply with any of the requirements of this Agreement, the Credit Facilities and/or the Security, the Bank, in addition to any other rights or remedies it might have pursuant to this Agreement, the Credit Facilities and/or the Security, shall be entitled to terminate this Agreement;
- i. The Borrower and the Guarantors acknowledge that as at January 28, 2022, the Borrower was indebted to the Bank pursuant to the Credit Facilities in the amounts outlined in the preambles above, and they further acknowledge that the indebtedness is due and owing to the Bank and the Borrower has no right or claim of set-off, counter-claim, damages or any similar right or claim against the Bank in connection with the indebtedness;
- j. The Borrower and the Guarantors acknowledge that the Bank had the right to demand repayment of the indebtedness and acknowledge receipt of the Bank's Notice of Intention to Enforce Security (the "Notice") and demand letters dated

January 28, 2022, demanding payment of the Indebtedness, and the Borrower and Guarantors do not request that the Bank withdraw the Notice or demands for payment;

- k. The Borrower and the Guarantors confirm that they do not dispute the Borrower's liability to pay the Indebtedness, and acknowledge that the Indebtedness is correctly stated and remains outstanding and unpaid;
- l. The Borrower and the Guarantors confirm that the Security has not been discharged, waived or varied, that it is binding upon the Borrower and it is valid and enforceable in accordance with its written terms and the Borrower hereby waives and agrees not to assert or cause to be asserted on its behalf, and is hereby estopped from asserting or causing to be asserted on its behalf, any defences or rights with respect to the legal effect of the Security or the legality, validity or binding effect of the obligations of the Borrower thereunder and the enforceability of same;
- m. The Borrower and the Guarantors acknowledge that defaults (the "Defaults") have occurred under the Credit Facilities which entitle the Bank to, amongst other things, declare the Indebtedness immediately due and payable and to proceed to the enforcement of its Security. More specifically and without limitation, the Borrower and the Guarantors acknowledge that the Borrower has defaulted in its repayment obligations to the Bank, there have been breaches in their financial and other reporting obligations to the Bank and there has been a material adverse change in the financial condition of the Borrower and that these defaults continue. By executing this Agreement, the Borrower and the Guarantors acknowledge the Defaults and further acknowledge and agree that the Borrower is liable to the Bank for the full amount of the Indebtedness, which is due and payable in full and is not subject to any set-off, defence or counterclaim on the part of the Borrower and/or the Guarantors;
- n. The Borrower and the Guarantors shall not attempt to sell or dispose of any of their assets, other than in the ordinary course of business or without the prior written consent of the Bank;
- o. All other terms, conditions, undertakings and acknowledgements contained in the Credit Facilities and the Security shall remain in full force and effect to the extent that they are not inconsistent with the terms, conditions, undertakings and acknowledgements contained herein;
- p. There will be no payments or settlements with any other current or future creditor of the Borrower, other than in the ordinary course of business, without obtaining the written consent of the Bank in advance;

- q. The Borrower shall indemnify and save harmless the Bank with respect to any claim which may be asserted by any Federal, Provincial and/or municipal Crown ministry, agency, department or other similar body, which claim would rank in priority to the Bank's Security (the "Priority Payables") and shall keep Priority Payables current throughout the Forbearance Period. Without limiting the generality of the foregoing, the Borrower shall indemnify and save harmless the Bank with respect to any claim asserted by any Federal, Provincial and/or municipal Crown ministry, agency, department or other similar body pursuant to, without limitation, the *Alcohol, Cannabis and Gaming Regulations and Public Protection Act*, the *Liquor Tax Act*, the *Income Tax Act*, *Excise Tax Act*, *Retail Sales Tax Act*, and the *Municipal Act, 2001* and any other such legislation and/or claims which, if unpaid, would rank in priority to the Bank's Security. The Borrower shall provide reporting to the Bank with respect to all Priority Payables at the Bank's request within two (2) business days of any such request in the Bank's sole discretion. Further, the Borrower shall provide confirmation that all Priority Payables are current as of Termination or upon the Bank being fully paid out, failing which the Bank's Security shall remain in place until all Priority Payables are brought current;
- r. The Borrower and the Guarantors agree, acknowledge and affirm that, except as herein expressly provided, the Bank has not been required nor has it made any commitment to provide any further financing or credit facilities, and that the Bank reserves its rights and remedies should the Borrower and/or the Guarantors fail to comply with the provisions of this Agreement;
- s. Should the Bank exercise its rights and remedies, the Borrower and its management agree and undertake to cooperate with the Bank to maximize the Bank's recovery and, without limitation, shall cooperate with the Bank in disposing assets;
- t. The Borrower and the Guarantors acknowledge that the recitals herein before set forth are true and correct and shall form an integral part of this Agreement; and
- u. The Borrower and Guarantors confirm that entering into this Agreement does not vitiate, alter, release or discharge them from their obligations pursuant to any security given in favour of the Bank and confirm that the Security remains in full force and effect and continues to be binding against them.

3. **Expenses and Legal and Other Fees**

The Borrower and/or the Guarantors shall pay to the Bank, as and when incurred, all of fees, costs, expenses, disbursements and taxes, of every nature and kind, incurred by the Bank regarding any aspect of the relationship between the Borrower and/or the Guarantors and the Bank, including the enforcement by the Bank of the Credit Facilities and/or the Security. In this regard, the Borrower and the Guarantors agree and

acknowledge that the Bank is to be fully indemnified by them for and of the Bank's costs, disbursements, fees, taxes, etc.

4. Representations and Warranties

The Borrower and the Guarantors represent and warrant to the Bank that the execution and delivery of this Agreement has been duly authorized by all necessary actions and does not violate any laws or any provision of its constating documents or by-laws or any unanimous shareholders' agreement to which it is subject, or result in the creation of any encumbrance on its properties and assets except as contemplated hereunder. Without in any way limiting the generality of the foregoing, the Borrower and the Guarantors represent and warrant to the Bank (and acknowledge that the Bank is relying upon such representations) as follows:

- a. the Borrower is a corporation duly incorporated, organized and subsisting, and the Borrower has all necessary power and authority and are duly qualified and hold all necessary licenses and/or registrations to carry on business as now conducted and to enter into and perform their respective obligations under this Agreement;
- b. the execution, delivery and performance of this Agreement by the Borrower and the Guarantors and the performance of their respective obligations hereunder have been duly authorized by all necessary corporate actions, do not conflict with or result in a breach or violation of or constitute a default under the constating documents or by-laws of the Borrower, any law, rule, regulation, order, judgment, writ, injunction or decree applicable to the Borrower, any commitment, agreement or other instrument to which the Borrower is now a party or otherwise bound, and does not require the consent or approval of any third party;
- c. there is no matter, fact or event which is known to the Borrower or the Guarantors that has not been disclosed to the Bank which constitutes an Event of Default or is likely to have a material adverse effect on the performance of their respective obligations under this Agreement; or have a material adverse effect on the assets or the operations of the Borrower, and the Borrower has conducted such investigations as they consider reasonably necessary to make this representation and warranty; and
- d. no proceeding or action has been taken or commenced by any person against the Borrower in respect of any amounts owing by the Borrower to any person.

5. Covenants

The Borrower and the Guarantors covenant and agree with the Bank that, so long as the Indebtedness has not been repaid to the Bank in full, they shall:

- a. Continue to comply with all covenants and to perform or observe all obligations and conditions contained in the Credit Facilities and the Security except as varied herein;
- b. Not interfere with the Bank's right to realize upon the Security and the assets secured thereby upon termination of this Agreement, on reasonable commercial terms as would otherwise be required of a secured Bank in comparable circumstances;
- c. Not make a proposal or an assignment for the general benefit of their creditors or an assignment in bankruptcy, or issue a Notice of Intention or any of proposal under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act*;
- d. Not create or permit to exist any mortgage, hypothec, charge, pledge, lien, encumbrance or other security interest, or allow to arise any statutory trusts, upon or against the collateral charged in favour of the Bank, unless such mortgage, charge or interest is subordinate to the Security or the Bank has consented in advance thereto;
- e. Carry on business in the usual course and in a reasonable and prudent manner;
- f. Refrain from paying any bonuses or salary increases (or making any capital expenditures) or selling, transferring, releasing, settling, assigning or moving any of their property or assets out of the ordinary course of business, except with the Bank's written consent;
- g. Ensure that all assets subject to the Bank's Security is fully insured for all risks and that the Bank's interest therein is reflected on all such insurance coverage, and to ensure that all premiums are paid for the said insurance when due and to provide proof of payment of same to the Bank upon request;
- h. Immediately notify the Bank of any Event of Default as detailed below;
- i. Immediately notify the Bank of any claims, actions or suits brought against them or any orders, demands, claims or garnishments from any governmental authorities;
- j. Not dispose of any assets without the Bank's prior written approval and upon the disposition of any such assets, the full proceeds of same shall be paid to the Bank to be applied as against the indebtedness;
- k. Maintain their corporate existence as a valid and subsisting corporate entity;
- l. Not merge, amalgamate or consolidate, with any other corporation except with the prior written consent of the Bank;

- m. Not incur or become liable for any borrowed money, or for the purchase of assets, obligations and leases, obligations under letters of credit or guarantees or indemnities, obligations given pursuant to bankers' acceptances or indemnities in connection therewith, or any contingent obligation, including, without limitation, guarantees, endorsements or bills of exchange, obligations to purchase assets and obligations to make advances or otherwise provide financial assistance to any other entity without the prior written consent of the Bank;
- n. Deliver to the Bank prompt notice of any dispute, litigation, arbitration or administrative proceedings affecting any of the Security or the assets secured thereby that is before any court, arbitration, tribunal or governmental authority;
- o. Except as expressly permitted herein, shall not enter into any agreement or employ any strategy, either directly or indirectly, which would affect the ranking of the Security, encumber, restrict or otherwise impair the Security or the assets secured thereby or the marketability thereof and the Borrower shall work diligently toward the overall implementation of this Agreement;
- p. Not incur any capital expenditures, or make any payments, whether directly or indirectly, to any of their shareholders, whether by way of dividends, capital dividends, redemption or retraction of shares, bonuses or otherwise;
- q. Ensure that all monies generated by the Borrower in the course of its business operations are deposited into any account maintained by the Borrower at the Bank, and the Borrower shall only maintain accounts at the Bank;
- r. Comply with all applicable environmental laws respecting the ownership and operation of its business and keep in good standing all environmental permits required to operate the business; and
- s. Hereby authorize and direct the Bank to automatically debit, by mechanical, electronic or manual means, any account in the name of the Borrower for all amounts payable under this Agreement.

6. Events of Default

The following events shall constitute an event of default ("Event of Default") under this Agreement entitling the Bank to immediately terminate this Agreement:

- a. Any default in the observance or performance of any covenant, agreement or undertaking contained in this Agreement, the Credit Facilities, the Security or any other agreement between the Borrower and/or the Guarantors and the Bank except as the same may have been modified herein;

- b. The Borrower and/or the Guarantors fail to pay any principal, interest, fees, costs or other amounts payable by the Borrower under the Credit Facilities and/or this Agreement, as and when due except as the same may have been modified herein;
- c. The terms of the Credit Facilities and Security continue to apply to the Borrower and the Guarantors as applicable and any breach of those terms entitles the Bank to terminate this Agreement forthwith and exercise its rights under the terms of this Agreement, the Credit Facilities and/or Security;
- d. In the opinion of the Bank, acting reasonably, there is a material adverse change in the financial condition, ownership or operation of the Borrower or the Guarantors, or the ability of the Borrower and/or the Guarantors to pay amounts owing has been impaired, worsened or diminished or threatens to further deteriorate;
- e. The Borrower and/or the Guarantors cease to carry on business, make an assignment for the general benefit of their creditors, file a proposal, deliver a notice of intention to make a proposal or initiate any similar or other type of proceedings pursuant to the *Bankruptcy and Insolvency Act* (Canada), or make an application for relief under the *Companies' Creditors Arrangement Act*, or a receiver, interim-receiver, receiver and manager, trustee, manager, consultant, liquidator, agent or other similar party is appointed in respect of their property or any material part thereof;
- f. Any person takes possession of a material part of the property of the Borrower and/or the Guarantors, by way of or in contemplation of enforcement of security, or a distress, execution or similar process is levied or enforced against any such property;
- g. If any Notice of Intention to Enforce Security pursuant to s. 244 of the *Bankruptcy and Insolvency Act* is issued by any other of the creditors of the Borrower and/or Guarantors;
- h. If any stay of proceedings of any kind shall be in effect with respect to the Borrower and/or Guarantors, or their assets, which in the Bank's sole and absolute discretion and opinion, affects the Bank's rights pursuant to its Security or the prospect of complete repayment of the Indebtedness;
- i. Any representation, warranty or statement contained herein and/or in the Security, or the Credit Facilities which is or proves to be untrue or incorrect;
- j. The receipt by the Bank of a demand or requirement for payment from the Canada Revenue Agency, the Province of Ontario, or any other federal or provincial governmental agency or body, as a result of arrears of monies owing by the Borrower, which shall include, without limitation, on account of Priority Payables,

employee source deductions, harmonized sales tax, corporate tax, employee health tax, employee vacation pay, provincial pension contributions and/or property taxes and/or fees or liquor or similar taxes;

- k. The Borrower committing or threatening to commit any act of bankruptcy pursuant to or set out under the provisions of the BIA;
- l. The filing of a Bankruptcy Application for a Bankruptcy Order against the Borrower pursuant to the provisions of the BIA;
- m. Any execution, sequestration or other process of any court or other tribunal becoming enforceable against the Borrower or a distress or analogous action or proceeding being taken, commenced or issued against the Borrower or levied upon or in respect of the Security or the assets secured thereunder or any part thereof, or any lien, trust claim or any other right or entitlement against or in respect of the Security or the assets secured thereunder or any part thereof becoming effective, including, without limitation, a warrant of distress of any rent in respect of any premises occupied by the Borrower or any premises in or upon which the Security or the assets secured thereunder or any part thereof may at any time be situate; and
- n. An interim receiver, receiver and manager, agent, liquidator or other similar administrator being appointed in respect of the Security or the assets secured thereunder, or any part thereof, or the taking of a secured party, lien claimant, other encumbrancer, judgment creditor or a person asserting similar rights of possession to the Assets or any part thereof.

7. Remedies of the Bank

Upon the occurrence of an Event of Default, or the Termination or expiry of this Agreement:

- a. The Forbearance Period shall forthwith terminate and the Indebtedness shall, at the option of the Bank, become immediately due and payable;
- b. The Bank shall be entitled to immediately enforce this Agreement, the Credit Facilities and/or the Security and enforce any of its remedies without issuance of any further notice as per the terms of this Agreement, the Credit Facilities and/or the Security;
- c. The Borrower and Guarantors shall, immediately upon receipt from the Bank or its counsel of a Notice of Disposition pursuant to the provisions of subsection 63(4) of the *Personal Property Security Act (Ontario)*, consent to the immediate disposition of the Borrower's assets subject to the Security by the Bank and should the Borrower and/or the Guarantors or any one of them, fail to execute such consent when

requested to do so by the Bank, the agreement of the Borrower and/or the Guarantors to do so herein shall be deemed to constitute the irrevocable consent of the Borrower and Guarantors to the immediate disposition of the assets subject to the Security by the Bank;

- d. The Bank shall be immediately entitled to commence such legal and other proceedings as it may deem appropriate in its sole discretion and to rely upon the covenants, admissions, undertakings and obligations of the Borrower and Guarantors as set forth herein; and
- e. This Agreement, the Credit Facilities and/or the Security shall become enforceable, and the Bank may, in addition to any remedy set forth in this Agreement, the Credit Facilities and/or the Security, realize upon all or any part of the Security and commence such legal action or other proceedings against the Borrower and/or the Guarantors or their property or assets, and may appoint a private or Court appointed Receiver, as may be permitted under the terms or provisions of this Agreement, the Credit Facilities and/or the Security, or at law or in equity, all at such times and in such manner as the Bank may in its sole discretion deem expedient, and all without any additional notice, presentation, demand, entering into possession of any properties or assets charged by or subject to security interests contained in the Security or any other similar proceedings, all of which are hereby expressly waived.

8. **Bank's Rights**

It is understood and agreed that nothing contained in this Agreement and no negotiations, correspondence or discussions among the parties hereto, shall prejudice, affect or waive any of the Bank's rights under the terms of the Credit Facilities and/or the Security, except as those rights may have been modified by this Agreement.

9. **Affirmation by the Guarantors**

There is no dispute respecting the liability of the Guarantors in connection with the Indebtedness and the obligations of the Guarantors to repay the Indebtedness pursuant to the Guarantees. The Guarantors who have previously agreed to act as Guarantors hereby consent to the Borrower entering into this Agreement and ratify the covenants contained in the Guarantees, and hereby confirm to the Bank that the Guarantees shall be and remain good, valid, and binding upon and enforceable against them. It is further understood and agreed that nothing contained in this Agreement and no negotiations or discussions among the parties hereto shall prejudice the right of the Bank to pursue its remedies against the Guarantors, except as those rights may have been modified by this Agreement. The Guarantors hereby waive and agree not to assert or cause to be asserted on their behalf, and are hereby estopped from asserting or causing to be asserted on their behalf any defences or rights with respect to the legal effect of the Guarantees or the legality, validity or binding effect thereof.

10. Waivers

The Bank (by itself or through its agents) has made no promise, nor has it taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Security, or which would estop it from doing so and that no statement, representation, promise, act or omission by the Bank or its employees or agents shall create such a waiver or estoppel unless the Bank executes and delivers to the Borrower a written waiver of any such right. No delay on the part of the Bank in exercising any remedy or any waiver of the rights given to it hereunder or under the Credit Facilities and/or the Security shall operate as a waiver thereof, except as to a waiver which is specifically given in writing by the Bank to the Borrower.

11. Tolling Provisions

As of the date hereof and continuing until the termination of the Forbearance Period, and thereafter until the termination of the tolling arrangements hereof in the manner provided for in the following paragraph and whether or not the demand for payment or Notice has previously been delivered by the Bank in respect of the Indebtedness, the Bank, the Borrower and all Guarantors hereby agree to toll and suspend the running of the applicable limitation period, laches or other doctrines related to the passage of time in relation to the Indebtedness, the Security and any other related matters, and each of the parties confirms that this agreement is intended to be an agreement to suspend or extend the basic limitation period provided by Section 4 of the *Limitations Act*, 2002 (Ontario) (the "*Limitations Act*") as well as the ultimate limitation period provided by Section 15 of the *Limitations Act* in accordance with the provisions of Section 22(2) of the *Limitations Act* and as a business agreement in accordance with the provisions of Section 22(5) of the *Limitations Act* and any contractual time limitation on the commencement of proceedings, any claims or defences based upon such application, statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches.

The tolling provisions of this Forbearance Agreement will terminate upon any party providing the others with 60 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 60 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the Indebtedness or the Security and any other related matters, will recommence running as of the effective date of such notice, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Forbearance Agreement shall not be included in the computation of any limitation period.

12. Releases

The Borrower and Guarantors hereby acknowledge and agree that the Bank's administration of the Credit Facilities and its conduct and actions in dealing with the Borrower and Guarantors, have been fair and reasonable and hereby waive and agree not to assert or cause to be asserted on behalf of any of them, and are hereby estopped from asserting or causing to be asserted on behalf of any of them, any defences, rights, or claims on any grounds whatsoever with respect to such administration, conduct, action and dealings, and hereby absolutely, unconditionally and irrevocably release and remise the Bank (and its present and former affiliates, subsidiaries, divisions, predecessors, directors, officers, employees, agents and other representatives and their successors and assigns) of and from any and all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages or any other claims, counterclaims, defences, rights of set-off, demands and liabilities of any nature and kind whatsoever, known or unknown, both at law and in equity that the Borrower or Guarantors or any of their successors, assigns, or other legal representatives may not or hereafter have against the Bank. Further, in executing and delivering this Agreement, the Borrower and Guarantors hereby acknowledge and agree that they are acting freely and without duress and that this release may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release and that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of this release. Without limiting the generality of the foregoing, the Borrower and Guarantors waive any and all rights that they may have to assess any of the reasonable and customary legal fees previously paid or payable by the Bank to its solicitors or such reasonable and customary legal fees payable to its solicitors in connection with or any way related to the Credit Facilities, the Security and/or this Agreement, or otherwise, whether such right of assessment arises pursuant to the *Solicitors Act* (Ontario) or under any other law or statute.

13. Entire Agreement in Writing

This Agreement, the Credit Facilities and the Security and the documents contemplated thereby or taken in support thereof, constitute the entire agreement between the Borrower, the Guarantors and the Bank as to the matters dealt with herein. There are not and shall not be any oral statements, representations, warranties, undertakings or agreements between the Borrower, Guarantors and the Bank.

14. Amendments

This Agreement may be modified, cancelled, or extended at any time, but only with the written consent and agreement of the Bank.

15. Further Assurances

The Borrower and the Guarantors shall from time to time and at all times hereafter, at every request of the Bank, make, do, execute and deliver, or cause to be made, done, executed and delivered, all such further acts, deeds and assurances and things as may be necessary or desirable in the sole opinion of the Bank for more effectually implementing the true intent and meaning of this Agreement.

16. Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

17. Severability

The parties acknowledge and agree that if any provision of this Agreement or any Schedules attached hereto or the application thereof becomes illegal or unenforceable, it shall during such period be considered severable from the remaining provisions of this Agreement or any Schedules thereto, which shall remain in force and be binding as though the said provision had never been included.

18. Contra Proferentem Rule

This Agreement and all Schedules attached hereto have been drafted with the equal participation of all parties hereto and the parties hereto hereby acknowledge and agree that the *contra proferentum* rule has no application.

19. Date For Acceptance

This Agreement shall be open for acceptance by the Borrower and Guarantors until 5:00 p.m. on February 15, 2022 by which date if not executed and received by the Bank it shall be considered withdrawn.

20. Execution

The parties hereby agree that this Agreement may be executed in counterparts, and further that communication of the execution of the document may be made by facsimile or email transmittal, and such executed and faxed or emailed versions of the document shall be deemed to be originals of the Agreement.

21. Legal Advice

The parties also acknowledge and agree that they have received independent legal advice with respect to the terms and provisions of this Agreement or have been advised

to obtain the same and have declined to do so. They further agree and acknowledge that they have freely elected to enter into this Agreement without any form of duress and that they have not been induced or coerced to enter into this Agreement.

(Signature page follows)

All of the foregoing is agreed to by the undersigned as of the date recited above.


BUSINESS DEVELOPMENT BANK OF CANADA

E-SIGNED by Golda D'SOUZA
on 2022-02-16

E-SIGNED by Andy Cheema
on 2022-02-16


Name:
Title:
I have authority to bind the Bank

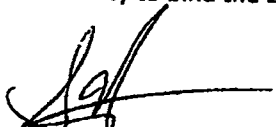
TANKHOUSE DEVELOPMENTS INC.




Name: Sean Hibbert
Title: secretary
I have authority to bind the Corporation

THE ESTATE OF THE LATE RICHARD COURNEYEA


Per: _____
Name: Shawna-lee Courneyea
I have authority to bind the Estate



SEAN HIBBERT
Guarantor



Witness:

Schedule "A"

The Security includes the following instruments, amongst others:

1. Charge/Mortgage in the principal amount of \$1,500,000.00 for the properties described in PINs 40524-0678(LT), 40523-0199(LT) and 40523-0202(LT), and registered as Instrument No. HT201955, LRO #21
2. General Security Agreement of Tankhouse Developments Inc., dated December 14, 2016
3. Guarantee of Richard G. Courneyea for 35% of the outstanding balance of the loan in the amount of \$1,300,000.00, dated December 14, 2016
4. Guarantee of Sean A. Hibbert for 20% of the outstanding balance of the loan in the amount of \$1,300,000.00, dated December 14, 2016
5. Guarantee of Sean A. Hibbert for 20% of the outstanding balance of the loan in the amount of \$200,000.00, dated January 31, 2018
6. Guarantee of Richard G. Courneyea for 100% of the outstanding balance of the loan in the amount of \$200,000.00, dated January 31, 2018
7. Postponement of Shareholder's Loans of Sean A. Hibbert, dated January 31, 2018
8. Postponement of Shareholder's Loans of Richard Courneyea, dated January 31, 2018

Schedule "B"

The legal description of the Properties are as follows:

1. PT LT 4 PL 61 THURLOW; PT 4 21R23923; BELLEVILLE; COUNTY OF HASTINGS

PIN: 40523-0199 (LT)

LRO: #21

Municipal Address: 86 River Road, Corbyville, ON

2. PT LT 14 PL 44 THURLOW; PT LT 4 PL 61 THURLOW; PT EARLE STREET PL 61 THURLOW
CLOSED BY RBL208, PT 3 21R23923; BELLEVILLE; COUNTY OF HASTINGS

PIN: 40523-0202 (LT)

LRO: #21

Municipal Address: 86 River Road, Corbyville, ON

3. PT BLK A PL 61 THURLOW; PT PARSONAGE LT PL 44 THURLOW; PT 1 21R23923;
BELLEVILLE; COUNTY OF HASTINGS

PIN: 40524-0678 (LT)

LRO: #21

Municipal Address: 93 River Road, Corbyville, ON

This is Exhibit "T" referred to in the Affidavit of Golda D'Souza sworn by Golda D'Souza at the City of Ottawa, in the Province of Ontario, before me on July 7, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

Roxanne Rejeanne Alexina Chapman, a
Commissioner, etc., Province of Ontario, for
Soloway Wright LLP, Barristers and Solicitors.
Expires July 13, 2023.

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

TANKHOUSE DEVELOPMENTS INC.

Respondent

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

CONSENT

MNP Ltd. hereby agrees and consents to act as the Court-Appointed Receiver/Manager without security of the Respondent, Tankhouse Developments Inc., should a receivership order be made in the within application against the said Respondent.

DATED this 6 day of July, 2022.

MNP LTD.

Per: 

Name: John Haralovich, CPA, CA, CMA, LIT
Title: Senior Vice-President

As Receiver without security, and not in its
personal capacity

MNP

BUSINESS DEVELOPMENT BANK OF CANADA
Applicant

-and- TANKHOUSE DEVELOPMENTS INC.
Respondent

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

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

**AFFIDAVIT OF GOLDA D'SOUZA
(sworn on July 7, 2022)**

SOLOWAY WRIGHT LLP

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

André A. Ducasse (#44739R)
aducasse@solowaywright.com
613-236-0111 telephone
613-238-8507 facsimile

Lawyers for the Applicant, Business Development Bank of
Canada

BUSINESS DEVELOPMENT BANK OF CANADA
Applicant

-and-

TANKHOUSE DEVELOPMENTS
Respondent

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

Court File No. CV-22-00089649-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT OTTAWA

APPLICATION RECORD

SOLOWAY WRIGHT LLP

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

Lawyers for the Applicant