



This is the 1st Affidavit
of A. Arenas in this case
and was made on 10 /JUL/2024

NO. S-244212
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF GOOD NATURED PRODUCTS INC. & THOSE ENTITIES
LISTED IN SCHEDULE "A"

PETITIONERS

AFFIDAVIT

I, **AVIC ARENAS**, of 250 Howe Street, 20th Floor, Vancouver, BC, Paralegal, SWEAR (OR AFFIRM) THAT:

1. I am employed by the law firm of Dentons Canada LLP ("**Dentons**"), solicitors for Royal Bank of Canada ("**RBC**"), and as such have personal knowledge of the matters herein deposed to, except those facts that I say are based upon information and belief and as to those facts I verily believe them to be true.

Credit Facilities and Security

Commercial Mortgage

2. Now produced and shown to me and marked as **Exhibit "A"** to my affidavit is a true copy of the facility letter dated September, 20, 2022, between HSBC Bank Canada ("**HSBC**"), as lender, and 1306187 B.C. Ltd. ("**130**"), as borrower, IPF Holdings Inc. ("**IPF**"), Integrated Packaging Films LP ("**IPF LP**"), Good Natured Products Inc. ("**Good Natured**") and Good Natured Products (CAD) Inc. ("**Good Natured CAD**"), as guarantors (collectively, the "**Guarantors**").

Commercial Mortgage Security

3. Now produced and shown to me and marked as **Exhibit "B"** to my affidavit is a true copy of notice of assignment of rents-general, registered as WR1470527 in the Land Title Office of Ontario.
4. Now produced and shown to me and marked as **Exhibit "C"** to my affidavit is a true copy of the charge/mortgage registered as WR1470526 in the Land Title Office of Ontario.
5. Now produced and shown to me and marked as **Exhibit "D"** to my affidavit is a true copy of the Ontario Parcel Register with respect to the property located at 15 Waydom Drive, Ayr, Ontario.
6. Now produced and shown to me and marked as **Exhibit "E"** to my affidavit is a true copy of the general security agreement dated October 3, 2022, between 130, as debtor, and HSBC.
7. Now produced and shown to me and marked as **Exhibit "F"** to my affidavit is a true copy of the basic guarantee, undated, between HSBC, as lender, 130, as customer, and the Guarantors.

Equipment Lease:

8. Now produced and shown to me and marked as **Exhibit "G"** to my affidavit is a true copy of the offer to lease dated December 21, 2021 between HSBC, as lessor, and IPF, as lessee.
9. Now produced and shown to me and marked as **Exhibit "H"** to my affidavit is a true copy of the assignment and assumption agreement dated August 28, 2023 between IPF, as assignor, Good Natured Products Industrial Canada LP ("**GDP Industrial LP**"), as assignee, and HSBC, as lessor.
10. Now produced and shown to me and marked as **Exhibit "I"** to my affidavit is a true copy of invoice # 0000028401, dated January 7, 2022 billed to HSBC by PTi Processing Technologies INTL, LLC.

Equipment Lease Security:

11. Now produced and shown to me and marked as **Exhibit "J"** to my affidavit is a true copy of the Ontario PPR search and a brief summary prepared by Dentons with respect to Good Natured Products (CAD) Inc. and its amalgamation.

Cash Collateral Agreement

12. Now produced and shown to me and marked as **Exhibit "K"** to my affidavit is a true copy of the security over cash, credit balances, and collateral instruments agreement dated March 21, 2022 between HSBC, as secured party, and Good Natured, as debtor.

Credit Card Agreement

13. Now produced and shown to me and marked as **Exhibit "L"** to my affidavit is a true copy of the commercial MasterCard agreement dated August 30, 2021 between HSBC and Good Natured.

Intercreditor Agreement:

14. Now produced and shown to me and marked as **Exhibit "M"** to my affidavit is a true copy of the third amended and restated intercreditor agreement dated February 22, 2024, between The Toronto Dominion Bank, Wells Fargo Capital Finance Corporation of Canada, HSBC, Export Development Canada, Good Natured, Good Natured Real Estate Holdings (Ontario) Inc., 130, and Certain Subsidiaries of the Borrower Party Hereto.

Indebtedness

15. Now produced and shown to me and marked as **Exhibit "N"** to my affidavit is a true copy of an email from Cameron Bailey, Senior Manager – Special Loans and Advisory Services, of RBC, dated July 10, 2024.

SWORN (OR AFFIRMED) before me at
Vancouver, BC, on 10/JUL/2024.




A Commissioner for Taking Affidavits
for British Columbia

CASSANDRA J. FEDERICO
Barrister & Solicitor
DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460



AVIC ARENAS

This is Exhibit “ A ” referred to in
the Affidavit of A. Arenas sworn
this 10^t day of July, 2024.

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

A Commissioner for taking Affidavits
within British Columbia



September 20, 2022

1306187 B.C. Ltd.
814 - 470 Grandville Street
Vancouver, BC
V6C 1V4

PRIVATE & CONFIDENTIAL

Attention: Don Holmstrom and Paul Antoniadis

Dear Sirs:

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

BORROWER

1306187 B.C. Ltd.

(the "**Borrower**").

GUARANTORS

Good Natured Products Inc.,
Good Natured Products (CAD) Inc.,
Integrated Packaging Films Limited Partnership and
IPF Holdings Inc.

(each a "**Guarantor**" and collectively "**Guarantors**").

Each Guarantor agrees that it shall be jointly and severally, or solidarily, liable with all of the other Guarantors.

For purposes of this Facility Letter, the Borrower and Guarantors are sometimes referred to individually as a "**Credit Party**" and collectively as the "**Credit Parties**".

CREDIT FACILITIES

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

1. Capital Loan Facility

1.1 Capital Loan Facility

1.1.1 Amount

CAD 6,500,000 demand non-revolving loan facility ("**Capital Loan Facility**"), made available to the Borrower.

1.1.2 Purpose

To assist with a purchase of an industrial property located at 15 Waydom Drive, North Dumfries, Ontario.

1.1.3 Availability

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

- (a) CAD advance based on the Bank's Prime Rate ("**CAD Prime Rate Loan**"); or
- (b) CAD advance based on the Bank's CAD Fixed Rate at the rate and for the period advised by the Bank from time to time ("**CAD Fixed Rate Loan**").

1.1.4 Repayment

All amounts outstanding under this Capital Loan Facility shall be repaid on demand by the Bank and until such demand, the Borrower shall make monthly principal repayments, in an amount advised by the Bank, together with accrued interest calculated at the applicable rate per annum based on a notional amortization period of 25 years commencing on the date advised by the Bank.

The Capital Loan Facility shall, in any event, be repaid in full on or before the fifth anniversary of the initial advance, subject to the Bank's unfettered rights of demand for accelerated payment at any time.

A prepayment at the Borrower's option of all or part of a Capital Loan Facility may be made upon 5 Business Days prior written notice by the Borrower to the Bank, subject to payment to the Bank of the sum referred to in section III(b) of Schedule A, if applicable. Any amount repaid or prepaid may not be reborrowed.

In the event of demand for repayment by the Bank of any issued and outstanding Fixed Rate Loan, the Borrower shall deliver cash collateral to the Bank to fully secure its obligations to the Bank with respect to such Loans.

1.1.5 Interest

Interest on the principal balance of this Capital Loan Facility shall, unless otherwise provided, be calculated and payable as follows:

- (a) for a CAD Prime Rate Loan, the Bank's Prime Rate plus 1.35% per annum, accruing daily, calculated monthly in arrears on the daily balance, and payable as provided in this section, or
- (b) for a CAD Fixed Rate Loan, the Bank's CAD Fixed Rate per annum, accruing daily, calculated monthly in arrears on the daily balance, and payable as provided in this section.

1.1.6 Fees

The Borrower shall pay to the Bank:

- (a) a set-up fee and administration fee in the aggregate amount of CAD 16,250. This amount may be deducted from the initial advance of the Capital Loan Facility; and
- (b) an annual review fee of CAD 3,000.

2. Loan Documents

2.1 Loan Documents

The liability, indebtedness and obligations of the Borrower and the Guarantors to the Bank shall be evidenced, governed and secured, as the case may be, by the following documents and any other documents reasonably required by the Bank from time to time, including this Facility Letter, (referred to collectively as the "**Loan Documents**") completed in a form and manner satisfactory to the Bank:

- (a) guarantee from the Guarantors of indebtedness of the Borrower to the Bank;
- (b) general security agreement from the Borrower creating a first ranking Lien on all present and future or after-acquired Collateral of the Borrower (including its intellectual property, if any);
- (c) mortgage or deed of hypothec in the amount of CAD 8,000,000 (the "**Mortgage**") from the Borrower creating a first ranking charge over all the lands and premises municipally known as 15 Waydom Drive, North Dumfries, Ontario (the "**Lands**");
- (d) general assignment of rents in respect of the Lands;
- (e) title insurance in an amount and from an insurer acceptable to the Bank with respect to ownership of Lands secured by the Mortgage or opinion of the solicitors acceptable to the Bank and addressed to the Bank confirming title to Lands secured by the Mortgage and the first priority ranking of the Mortgage, subject only to Permitted Encumbrances;
- (f) environmental agreement and indemnity from the Borrower in respect of the Lands;
- (g) assignment of all risk insurance, including extended coverage, public liability coverage, business interruption coverage and fire insurance coverage if required by the Bank, in amounts and from an insurer acceptable to the Bank in each case, on all of the Borrower's Collateral showing the Bank as first loss payee with standard mortgage endorsement for property damage coverage (and as an additional insured for public liability coverage), as acknowledged by the relevant insurer or its authorized representative;
- (h) assignment and postponement by the Guarantors, Shepherd Thermoforming & Packaging Inc. and Good Natured Real Estate Holdings (Ontario) Inc. in favour of the Bank of all present and future amounts owing to them by the Borrower;
- (i) supporting officer's certificates, certificates of status (or good standing) and other certificates in connection with each Credit Party as the Bank may reasonably require which shall confirm, among other things, the constitutional documents for each Credit Party, incumbent officers with specimen signatures of authorized signatories, and the applicable authorizing resolutions for the Loan Documents, together with legal opinion of the solicitors acting for each Credit Party confirming power and capacity of each Credit Party, existence,

due authorization, execution, delivery and enforceability of the Loan Documents to which each is a party and the priority of the Liens granted by each to the Bank; and

- (j) such other Loan Documents as the Bank may reasonably request in order to register or otherwise perfect the Liens granted to the Bank or as the Bank may reasonably require.

2.2 Registration and Priority; Counsel Fees

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

3. Conditions Precedent

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

- (a) the Loan Documents, duly authorized, executed and delivered, and, as relevant, duly registered;
- (b) copies of all Material Agreements (if any) and such other documents as the Bank may reasonably request; and
- (c) environmental questionnaire by the Borrower and a clean site registry check on the Lands.

4. Covenants and Conditions

- (a) Without limiting the Bank's right to demand repayment of any outstanding amounts, the Borrower covenants and agrees with the Bank that it shall not, without the prior written consent of the Bank:
 - (i) permit the ratio of Debt to TNW of the Borrower and IPF Holdings Inc. (on a combined basis) to at any time exceed 3.00 to 1.00; or
 - (ii) permit the Debt Service Coverage of the Borrower and IPF Holdings Inc. (on a combined basis) to be less than 1.25 to 1.00 at any time.

The Borrower agrees that the foregoing financial tests may be calculated periodically by the Bank using financial statements provided by the Borrower and IPF Holdings Inc. or with such other statements as the Bank may agree to use from time to time. Any amounts not in CAD shall be calculated at the Canadian Dollar Equivalent.

- (b) The Borrower agrees to give the Bank written notice of any of the following events as soon as possible and in any event within 5 Business Days of the occurrence thereof:
 - (i) any litigation, proceeding or dispute which if adversely adjudged, mediated or arbitrated could reasonably be expected to constitute a Material Adverse Change;
 - (ii) any representation and warranty given by a Credit Party to the Bank being false or misleading;

- (iii) the death or insolvency of an individual Guarantor or the dissolution, merger or insolvency of any other Guarantor;
- (iv) any notice from any Governmental Authority with respect to any violation, possible violation, non-compliance or possible non-compliance or claim which constitutes or could reasonably be expected to constitute a Material Adverse Change;
- (v) any claim or action made or taken by a creditor of a Credit Party with respect to Debt exceeding CAD 50,000 with respect to an actual or alleged default;
- (vi) default by a Credit Party under any of its respective credit facilities with the Bank or any other lender;
- (vii) arranging or undertaking to enter into an agreement for the purchase or sale of any property outside the normal course of business; or
- (viii) arranging to borrow money, obtain credit or incur additional funded indebtedness (other than pursuant to the Credit Facilities).

The Borrower shall give the Bank at least 5 Business Days prior notice of any proposed change of name by a Credit Party and any proposed change in governing jurisdiction or location of a Credit Party.

5. Reporting Requirements

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

- (a) annually, within 120 days of the Borrower's fiscal year end:
 - (i) compilation engagement financial statements for the Borrower, signed by the Borrower;
 - (ii) review engagement financial statements for IFP Holdings Inc; and
- (b) such additional financial statements and information as and when requested by the Bank.

6. Counterparts and Electronic Communication

This Facility Letter (and each Loan Document) may be signed by handwritten signature or electronically by using technology acceptable to the Bank. To evidence execution of this Facility Letter (or any Loan Document), the Borrower or Guarantor, as applicable, must deliver and return to the Bank an executed copy of each with the original handwritten signatures of each Credit Party's duly authorized signatories (or Electronic Signatures of such signatories if so permitted by the Bank) by physical delivery, or if so permitted by the Bank, by facsimile, email or other electronic delivery or transmission and such transmission shall constitute delivery of an executed copy of the Facility Letter or relevant Loan Document. If a Credit Party uses an Electronic Signature to indicate its agreement, it shall ensure that its Electronic Signature is attached to or associated with this Facility Letter (or such Loan Document). This Facility Letter and each Loan Document may be executed in one or more counterparts and signed as outlined above, each of which when so executed when taken together shall constitute one and the same agreement. Delivery of a handwritten or electronically-signed counterpart and electronic delivery (including by email transmission or transmission over an Electronic Signature platform acceptable to the Bank) are each as valid, enforceable, binding and effective.

7. Notices

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

If to the Borrower, addressed as follows:

1306187 B.C. Ltd.
814 - 470 Grandville Street, Vancouver, BC V6C 1V4

Attention: Don Holmstrom and Paul Antoniadis
Email: don@goodnatured.ca and paul@goodnatured.ca

If to the Bank, addressed as follows:

HSBC Bank Canada
885 West Georgia St., Vancouver, BC V6C 3G1

Attention: Derek Li
Email: derek.bin.li@hsbc.ca

If to the Guarantors, addressed as follows:

Good Natured Products Inc.
814 - 470 Grandville Street, Vancouver, BC V6C 1V4

Attention: Don Holmstrom and Paul Antoniadis
Email: don@goodnatured.ca and paul@goodnatured.ca

Good Natured Products (CAD) Inc.
814 - 470 Grandville Street, Vancouver, BC V6C 1V4

Attention: Don Holmstrom and Paul Antoniadis
Email: don@goodnatured.ca and paul@goodnatured.ca

Integrated Packaging Films Limited Partnership
814 - 470 Grandville Street, Vancouver, BC V6C 1V4

Attention: Don Holmstrom and Paul Antoniadis
Email: don@goodnatured.ca and paul@goodnatured.ca

IPF Holdings Inc.
814 - 470 Grandville Street, Vancouver, BC V6C 1V4

Attention: Don Holmstrom and Paul Antoniadis
Email: don@goodnatured.ca and paul@goodnatured.ca

8. Lapse and Cancellation

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

Credit Facilities under this Facility Letter are uncommitted and, notwithstanding any other provision of this Facility Letter, the Bank may, at any time, in its sole discretion: (i) terminate any right to make requests for credit or advances under the Credit Facilities; (ii) even if the Bank has not terminated such right to request credit or advances under the Credit Facilities, decline any request for credit or advances under the Credit Facilities, including requests for renewals or reissuances of any instruments or advances, and may refuse to honour or accept any cheques or other payment items; (iii) demand repayment of all outstanding indebtedness and liability of the Borrower at any time, all upon such notice and otherwise in accordance with applicable law as the Bank may determine.

9. Schedules

Each of the following Schedules as attached here or advised by the Bank from time to time, comprise part of the Facility Letter:

Schedule A - Definitions and Additional Terms and Conditions

10. Language Choice

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

11. Acceptance

The offer of credit upon the terms and conditions contained in this Facility Letter may be accepted by the Borrower and acknowledged by the Guarantors signing, dating and delivering a copy of this Facility Letter to the Bank by 5:00 p.m. local time on October 11, 2022. Failing such acceptance and delivery to the Bank, this offer shall be of no further force or effect.

Yours truly,

HSBC BANK CANADA


Derek Li (Sep. 29, 2022 14:58 PPT)
Derek Li
Senior Relationship Manager
Commercial Banking


Jack Coley (Sep. 29, 2022 15:02 PPT)
Jack Coley
Director & Team Lead
Commercial Banking

The undersigned hereby acknowledge(s) and agree(s) to the terms and conditions of this Facility Letter as of:

- (a) Where signed fully or partly using Electronic Signatures, the date indicated in connection with the Electronic Signature of the last or final signatory;
- (b) Where signed solely by manual signatures, the following date:

the 21 day of September, 2022

BORROWER:

1306187 B.C. Ltd.

Don Holmstrom
 Per: Don Holmstrom (Sep 21, 2022 10:34 PDT)
 Authorized Signatory
 Title: EVP
 Name: Don Holmstrom

Paul Antoniadis
 Per: Paul Antoniadis (Sep 21, 2022 16:49 PDT)
 Authorized Signatory
 Title: CEO
 Name: Paul Antoniadis

GUARANTORS:

Good Natured Products Inc.

Don Holmstrom
 Per: Don Holmstrom (Sep 21, 2022 10:34 PDT)
 Authorized Signatory
 Title: EVP
 Name: Don Holmstrom

Paul Antoniadis
 Per: Paul Antoniadis (Sep 22, 2022 16:49 PDT)
 Authorized Signatory
 Title: CEO
 Name: Paul Antoniadis

Good Natured Products (CAD) Inc.

Don Holmstrom
 Per: Don Holmstrom (Sep 21, 2022 10:34 PDT)
 Authorized Signatory
 Title: EVP
 Name: Don Holmstrom

Paul Antoniadis
 Per: Paul Antoniadis (Sep 22, 2022 16:49 PDT)
 Authorized Signatory
 Title: CEO
 Name: Paul Antoniadis

Integrated Packaging Films Limited Partnership, by its general partner,
Integrated Packaging Films GP Inc.

Don Holmstrom
Per: Don Holmstrom (Sep 21, 2022 12:34 PDT)

Name: Don Holmstrom
Title: EVP

Paul Antoniadis
Per: Paul Antoniadis (Sep 22, 2022 16:49 PDT)

Name: Paul Antoniadis
Title: CEO

IPF Holdings Inc.

Don Holmstrom
Per: Don Holmstrom (Sep 21, 2022 10:34 PDT)

Authorized Signatory
Title: Don Holmstrom
Name: EVP

Paul Antoniadis
Per: Paul Antoniadis (Sep 22, 2022 16:49 PDT)

Authorized Signatory
Title: CEO
Name: Paul Antoniadis

SCHEDULE A

TO FACILITY LETTER
FROM HSBC BANK CANADA
TO 1306187 B.C. LTD.
DATED SEPTEMBER 20, 2022

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

I. Definitions and Interpretation

The section and Schedule headings are for ease of reference only and shall not affect the meaning or interpretation of this Facility Letter.

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

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

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

"Bank Branch" means the branch of the Bank identified under the heading "Notices" in the Facility Letter or as otherwise advised by the Bank from time to time.

"Bank's CAD Fixed Rate" means the annual fixed rate of interest offered by the Bank and accepted by the Borrower for the requested funds in CAD for a period of 30, 60, 90, or 180 days or 1, 2, 3, 4 or 5 years, subject to confirmation by the Bank, as selected by the Borrower (but in any event not diminishing or prejudicing the rights of the Bank to demand payment of all indebtedness and liabilities under the Credit Facilities at any time), but in no event shall such interest rate be less than 0% per annum. A confirmation

or certificate from the Bank shall, absent manifest error, be conclusive evidence of the Bank's CAD Fixed Rate from time to time.

"Bank's USD Fixed Rate" means the annual fixed rate of interest offered by the Bank and accepted by the Borrower for the requested funds in USD for a period of 30, 60, 90, or 180 days or 1, 2, 3, 4 or 5 years, subject to confirmation by the Bank, as selected by the Borrower (but in any event not diminishing or prejudicing the rights of the Bank to demand payment of all indebtedness and liabilities under the Credit Facilities at any time) but in no event shall such interest rate be less than 0% per annum. A confirmation or certificate from the Bank shall, absent manifest error, be conclusive evidence of the Bank's USD Fixed Rate from time to time.

"Bank's Prime Rate" means the variable annual rate of interest per annum established and adjusted by the Bank from time to time as a reference rate for purposes of determining rates of interest it will charge on commercial loans in Canada denominated in Canadian dollars based on a year of 365 days and which was 5.45% per annum on September 20, 2022 provided that if such interest rate is less than zero, then such rate shall be deemed to be zero. Such rate is available in a Bank Branch or on the Bank's website. A confirmation or certificate from the Bank shall, absent manifest error, be conclusive evidence of the Bank's Prime Rate from time to time.

"Bank's U.S. Base Rate" means the variable annual rate of interest established and adjusted by the Bank from time to time as a reference rate for purposes of determining rates of interest it will charge on commercial loans denominated in United States dollars in Canada based on a year of 360 days, and which was 6.70% per annum on September 20, 2022 provided that if such interest rate is less than zero, then such rate shall be deemed to be zero. Such rate is available in a Bank Branch. A Certificate of a manager or account manager of the Bank shall, absent manifest error, be conclusive evidence of the Bank's U.S. Base Rate from time to time.

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

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

"CAD Fixed Rate Loan" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

"CAD Prime Rate Loan" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

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

"Collateral" means all property of the relevant Credit Party, real and personal, movable and immovable, present and future or after-acquired, subject to the Liens granted to the Bank pursuant to the Loan Documents.

"Compensating Amount" means an amount determined by the Bank to be the net cost, if any, incurred by the Bank as a direct result of the repayment of all or a portion of any advance under any of the Credit Facilities which bears interest at the Bank's CAD Fixed Rate, the Bank's USD Fixed Rate, CDOR or based on LIBOR or other rate, on a date other than the expiration of the selected Interest Period, LIBOR Period or CDOR Period, including, without limitation, any unwinding costs and other losses or expenses or damages sustained or incurred by the Bank relating to such payment. A confirmation or certificate from the Bank shall, absent manifest error, be conclusive evidence of the Compensating Amount from time to time.

"Compliance Action" has the meaning ascribed to it in section XIX of this Schedule A.

"Conditions Precedent" means the conditions precedent to the initial advance and the continued availability of the Credit Facilities set out in the Facility Letter, including this Schedule A and any other Schedules and Addenda hereto.

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

"Credit Party" and **"Credit Parties"** have the meanings ascribed to such terms under the heading "Borrower(s)" or "Guarantor(s)" as applicable, in the Facility Letter.

"DC's" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

"Debt" means all indebtedness and liability of the Borrower including without limitation under the Credit Facilities, and Off-Balance Sheet Arrangements and the principal portion of non-realty operating lease obligations, less (i) deferred taxes; (ii) loans to the Borrower that are postponed and subordinated in favour of the Bank, in form and substance satisfactory to the Bank; and (iii) the after tax portion of any management bonus or any amount payable under an employee profit sharing plan ("**EPSP**") which has been postponed and subordinated, to the Bank's satisfaction, to the indebtedness and liability of the Borrower to the Bank.

"Debt Service Coverage" means (A) EBITDA less (i) unfunded capital expenditures, (ii) deferred charges, (iii) dividends, (iv) distributions, (v) advances to related companies and affiliates, (vi) investments in related companies and affiliates, (vii) cash taxes, including those related to any discretionary management bonus, and (viii) add back 50% management fee from IPF Holdings Inc. to Good Natured Products (CAD) Inc. as discretionary item, divided by (B) the total of all payments of principal and interest on debt, capital leases and obligations under the Credit Facilities including payments under leases and Off-Balance Sheet Arrangements.

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

"EBITDA" means earnings before interest, taxes, depreciation and amortization plus non-cash expenses approved by the Bank, less (to the extent included in determining net income) non-cash non-recurring items on a trailing twelve month basis.

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

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

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

"Financial LG" means any LG which is not a Performance LG and in that regard, determination of whether an LG is a Financial LG or Performance LG shall be at the Bank's sole discretion.

"Fixed Rate Loan" means any LIBOR Loan, USD Fixed Rate Loan or CAD Fixed Rate Loan.

"Foreign Currency Obligation" has the meaning ascribed to such term under section V of this Schedule A.

"Foreign Exchange Facility Limit" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

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

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

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

"Governing Jurisdiction" has the meaning ascribed to such term under section XVII of this Schedule A.

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

"HSBC Group" has the meaning ascribed to such term under section XVIII of this Schedule A.

"Insured Receivables" means those Acceptable Receivables of the Borrower which are insured for payment by Export Development Canada or similar insurer approved by the Bank.

"Interest Period" means such period of time mutually agreed between the Bank and the Borrower.

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

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

"LIBOR" means:

- (a) the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency of the relevant Loan for the relevant amount and the relevant LIBOR Period, displayed at about 11:00am UK time on the Business Day prior to the day on which the relevant LIBOR Period is due to commence, on pages LIBOR1 or LIBOR2 of the Reuters screen (or any replacement Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters (the **"Screen Rate"**); or
- (b) if no Screen Rate is available for the relevant LIBOR Period, the applicable LIBOR shall be the interpolated Screen Rate, being in relation to any proposed LIBOR Loan, for a period equal in length to the LIBOR Period of that Loan, the rate which results from interpolating on a linear basis between (i) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the LIBOR Period of that Loan; and (ii) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the LIBOR Period of that Loan (the **"Interpolated Screen Rate"**). If it is not possible to calculate the Interpolated Screen Rate, the interest rate of the relevant Loan shall be based on the base reference bank rate for the currency of that Loan and for a period equal in length to the LIBOR Period of that Loan as determined by the Bank,

provided that if LIBOR or the interest rate as calculated above is determined to be less than zero, then LIBOR or such rate shall be deemed to be zero.

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

"LIBOR Period" means a period of one month, two months, three months or six months or 360 days, subject to availability and, for certainty, subject to a Screen Rate being displayed and published for such period as contemplated in paragraph (a) in the definition of "LIBOR".

"LIBOR Switch Date" means June 30, 2023 or an earlier date as agreed between the Bank and the Borrower.

"Lien" means any mortgage, hypothec, lien, security interest, pledge, charge, prior claim, conditional sale agreement, reservation of ownership, rights of the lessor under a leasing agreement, or other encumbrance of any kind in respect of any property of any Credit Party.

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

"Loan Documents" has the meaning ascribed to such term under the heading "Loan Documents" in the Facility Letter.

"Margin Requirements" has the meaning ascribed to such term under the heading "Margin Requirement" in the Facility Letter.

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

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

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

"Performance LG" means an LG which is (a) an LG issued to secure ordinary course performance obligations of the Borrower to a third party (the **"Performance Obligations"**), including, without limitation, any performance related advance payment, retention or warranty obligations, in each case in connection with project engineering, procurement, construction, power business, maintenance and other similar projects (including projects about to be commenced) or bids for prospective project engineering, procurement, construction, power business, maintenance and other similar projects, or (b) an LG issued to back a bank guarantee, surety bond, performance bond, or other similar obligation in each case issued to support performance obligations and is not a documentary credit issued to finance the import or export of goods.

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

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

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

"Premises" has the meaning ascribed to such term under section VII of this Schedule A.

"Required Notice" means a written notice in form and content approved by the Bank, signed by the Borrower, given to the Bank Branch not later than 10:30 a.m. local time (of the Bank Branch) two Business Days immediately preceding the date on which:

- (a) a CAD Prime Rate Loan, a USD Floating Rate Loan, a LIBOR Loan, a CAD Fixed Rate Loan, a USD Fixed Rate Loan, CDOR Loan or other advance (other than by way of account overdrafts) is to be made;
- (b) a rollover is to be made from one interest option to another, or a rollover of an existing Loan on maturity to the same type of Loan; or
- (c) an LG or DC is to be issued by the Bank;

as the case may be, stating the requested date, amount and, if applicable, term to maturity (or Interest Period or LIBOR Period) of the requested advance or rollover, or particulars of the LG or DC requested.

With respect to the foregoing, a confirmation or certificate from the Bank shall be *prima facie* evidence of the above-mentioned rates from time to time.

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

"Screen Rate" has the meaning ascribed to that term in paragraph (a) of the definition of "LIBOR".

"Standard Trade Terms" means the Bank's "Standard Trade Terms" (as amended from time to time), which can be accessed, read and printed by the Borrower at/from www.gbm.hsbc.com/gtrfstt or, alternatively, upon request from the Borrower's relationship manager.

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

"TNW" means the aggregate of paid in capital, retained earnings and loans (including principal and interest) to the Borrower which have been subordinated and postponed in favour of the Bank, in form and substance satisfactory to the Bank, less any assets deemed by the Bank to be intangible including, without limitation, (i) goodwill, (ii) related company and affiliate accounts receivable, (iii) advances to shareholders, (iv) deferred charges and (v) investments in related companies and affiliates.

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

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

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

"USD Fixed Rate Loan" has the meaning ascribed to such term under the heading "Credit Facilities" in the Facility Letter.

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

II. Representations and Warranties

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

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

future by the United States, Canada, the European Union (and any of its member states), the United Kingdom or the United Nations Security Council, or any other legislative body of the United Nations or other relevant Governmental Authority (collectively, "**Sanctions**"), or (ii) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions other than to the extent that such representation and warranty would result in a violation of an applicable Legal Requirement in which case the applicable Credit Party shall immediately notify the Bank and provide particulars;

- (g) with respect to each LG or DC issued by the Bank pursuant to any of the Credit Facilities all required import or export licenses applicable to the transactions for which such LG or DC is issued have been obtained and the Borrower is in compliance in all material respects with foreign and domestic laws and regulations pertaining to each jurisdiction in which it operates and to each LG and/or DC and the subject matter of such LG and/or DC including, if applicable, the shipment and financing of the goods described in such LG and/or DC;
- (h) no shares in a Credit Party have been issued as, or are held as, or convertible to, bearer shares; and
- (i) it holds insurance coverage in accordance with the requirements set forth in section VI of this Schedule A.

III. Interest, Fees

- (a) Interest on the daily balance of the principal amount advanced under the Credit Facilities and remaining unpaid from time to time shall accrue and shall be payable by the Borrower as set out in this Facility Letter both before and after demand, default, maturity, or judgment and until indefeasible payment in full, except as otherwise expressly provided for.
- (b) If the Borrower repays any portion of the Credit Facilities accruing interest at the Bank's CAD Fixed Rate, the Bank's USD Fixed Rate, CDOR or based on LIBOR on a date other than the expiration of the selected Interest Period, CDOR Period or LIBOR Period, as the case may be, whether as a result of a demand for repayment by the Bank or otherwise, it shall also concurrently pay to the Bank the greater of:
 - (i) three months' interest on the portion prepaid at the interest rate applicable to such Credit Facility; and
 - (ii) the applicable Compensating Amount.
- (c) Interest based on the Bank's U.S. Base Rate and on LIBOR shall be computed on the basis of a year of 360 days and for actual days that the amounts are outstanding under the relevant Credit Facilities on this basis. For the purpose of the Interest Act (Canada), (i) the annual rate of interest to which interest computed on the basis of a year of 360 days is equivalent is the rate of interest as provided in this Facility Letter multiplied by the actual number of days in such year (whether 365 or 366) and divided by 360 and (ii) the annual rate of interest to which interest computed on the basis of a year of 365 days is equivalent is the rate of interest as provided in this Facility Letter multiplied by the actual number of days in such year (whether 365 or 366) and divided by 365. The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Credit Facilities based on the methodology for calculating per annum rates provided for in this Facility Letter. The Bank agrees that if requested in writing by the Borrower, it shall calculate the nominal and effective per annum rate of interest on any advance outstanding at any time and provide such information to the Borrower promptly following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve any Credit Party of any of its obligations under this Facility Letter or any other Loan Document, nor result in any liability to the Bank. Each Credit Party hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Loan documents, that the interest payable under the Loan Documents and the calculation thereof has not been

adequately disclosed to the Credit Parties, whether pursuant to section 4 of the *Interest Act (Canada)* or any other applicable law or legal principle.

- (d) Upon expiration of the Interest Period of any CAD Fixed Rate Loan or USD Fixed Rate Loan unless another interest rate option is selected by the Borrower to refinance such Loan, by delivery to the Bank of a Required Notice:
 - (i) if in CAD, it shall bear interest at the rate applicable to, and payable as described for, CAD Overdraft Loans;
 - (ii) if in USD, it shall bear interest at the rate applicable to, and payable as described for, USD Overdraft Loans;

provided that if the Facility Letter does not provide for such an Overdraft Loan:

- (iii) if in CAD, it shall bear interest at the Bank's Prime Rate plus 3% per annum, calculated daily and payable monthly; or
 - (iv) if in USD, it shall bear interest at the Bank's U.S. Base Rate plus 3% per annum, calculated daily and payable monthly.
- (e) The fees paid to and received by the Bank shall be its entitlement as consideration for the time, effort and expense incurred by the Bank in the review of financial statements and its review and administration of documents, and the Borrower acknowledges and agrees that the determination of these costs is not feasible and that the fees set out in this Facility Letter represent a reasonable estimate of such costs.
- (f) Whenever any payment shall be due on a day which is not a Business Day including, for greater certainty, if such date is the end of an Interest Period or LIBOR Period, the date for payment thereof shall be extended to the next succeeding Business Day. Interest shall continue to accrue and be payable thereon as provided herein, until the date on which such payment is received by the Bank.
- (g) In the event that interest is not received by the Bank on any date for payment provided for in this Facility Letter or in any other relevant document, interest on such overdue interest shall be compounded on the basis of interest calculated and payable on overdue interest in the same manner and at the same rate per annum as is applicable to such overdue interest until indefeasible payment in full. Any other amounts which become payable to the Bank under this Facility Letter or the other Loan Documents and which are not paid when due shall accrue interest and be payable from the due date at the Bank's Prime Rate plus 3% per annum, calculated and payable monthly on the last day of each month, both before and after demand, default, maturity or judgment and until indefeasible payment in full (other than for overdrafts exceeding the permitted limit which shall accrue interest at the rate of 21% per annum both before and after demand, default and judgment until indefeasible payment in full).
- (h) All payments to the Bank shall be made at the address of the Bank Branch or at such other place as the Bank may specify in writing from time to time. The Borrower shall make payment to the Bank in immediately available funds in the same currency(ies) as the currency in which the original Loan or other credit was advanced or made available by the Bank. Any payment delivered or made to the Bank by 1:00 p.m. local time at the place where such payment is to be made shall be credited as of that day, but if made after such time such payment shall be credited as of the next Business Day.
- (i) The parties acknowledge that: (i) the applicable rate of interest payable by a Borrower in connection with this Facility Letter shall not be less than zero, and in the event any reference rate is negative it shall be deemed to be zero unless specifically stated otherwise; and (ii) the Bank may, in its discretion, and is hereby irrevocably authorized by the Borrower to, make an advance under the Credit Facilities (or debit or set-off any bank account of a Borrower with the Bank in any currency).

to pay any unpaid interest, fees or other amounts which have become due under the terms of this Facility Letter. If any provision of this Facility Letter or any other Loan Document would obligate a Credit Party to make a payment of interest or other amount to the Bank in an amount or calculated at a rate that would be prohibited by law or would result in receipt by the Bank of interest at a criminal rate (as construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in receipt by the Bank of interest at a criminal rate.

- (j) The Borrower acknowledges that the actual recording of the amount of any advance or repayment thereof under the Credit Facilities, and interest, fees and other amounts due in connection with the Credit Facilities, in an account of a Borrower maintained by the Bank shall constitute *prima facie* evidence of the Borrower's indebtedness and liability from time to time under the Credit Facilities; provided that the obligation of the Borrower to pay or repay any obligations in accordance with the terms and conditions of the Credit Facilities shall not be affected by the failure of the Bank to make such recording. The Borrower also acknowledges being indebted to the Bank for principal amounts shown as outstanding from time to time in the Bank's account records, including any amounts for which the Borrower is jointly and severally, or solidarily, liable, if any, and all accrued and unpaid interest in respect of such amounts, in accordance with the terms and conditions of this Facility Letter.
- (k) The obligation of the Borrower to make all payments under this Facility Letter and the other Loan Documents shall be absolute and unconditional and shall be made without any deduction or withholding of any nature and shall not be limited or affected by any circumstance, including, without limitation:
 - (i) any set-off, compensation, counterclaim, recoupment, defence or other right which the Borrower may have against the Bank or anyone else for any reason whatsoever; or
 - (ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Borrower.
- (l) In addition to and not in limitation of any rights now or hereafter available to the Bank under applicable law or arising under the Loan Documents, the Bank is hereby irrevocably authorized, at any time and from time to time, to set-off and appropriate and to apply any and all deposits (general and special) and any other indebtedness at any time held by or owing by the Bank to or for the credit of the Borrower against and on account of the obligations of the Borrower to the Bank under this Facility Letter, irrespective of currency and irrespective whether such obligations of the Borrower are owing on a joint and several, or solidary, basis. The Bank agrees to provide written notice to the Borrower of the exercise of any of the rights under this section promptly after the exercise of such rights.
- (m) The Borrower shall pay to and indemnify and save harmless the Bank for the full amount of all out of pocket costs and expenses (including, but not limited to, any interest payable in order to maintain any Loan hereunder) which the Bank may sustain or incur as a consequence of the failure by the Borrower to pay when due any principal of or any interest on any Loan or any other amount due hereunder.
- (n) All payments made on account of principal, interest or otherwise shall be made to the Bank, to the extent permitted by applicable Legal Requirements, free and clear of and exempt from, and without deduction for or on account of, any present or future Taxes or other charges of any nature imposed, levied, collected, withheld or assessed by any Governmental Authority. However, in the event that any payments made under this Facility Letter shall not be made free and clear of and exempt from, and without deduction or withholding for or on account of any Taxes, then the Borrower shall gross up the payments to the Bank so that the Bank receives such additional amounts as may be necessary in order that each such net payment to the Bank, after payment or deduction or withholding for and on account of any such Taxes, will not be less than the amount to be paid and

received by the Bank in accordance with this Facility Letter. With respect to each such deduction or withholding, the Borrower shall promptly pay any such Taxes and (but in no event later than 90 days after payment) furnish to the Bank evidence of such payment, satisfactory to the Bank and also at the Bank's request provide such certificates, receipts and other documents required to establish any tax credit to which the Bank may be entitled.

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

IV. Conditions Precedent

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

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

V. Borrower's Covenants and Conditions of Credit

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

- (a) The Borrower shall not, without the prior written consent of the Bank:
 - (i) grant or allow any Lien to be registered against or exist on any of its property and in particular, without limiting the generality of the foregoing, shall not grant a trust deed or other instrument in favour of a trustee;
 - (ii) become a guarantor or an endorser or otherwise become liable upon any note or other obligation other than in the normal course of business of the Borrower;
 - (iii) declare any management bonus, declare or pay dividends on any class or kind of its shares or other securities, repurchase or redeem any of its shares or other securities, or reduce

- its capital in any way whatsoever or repay any shareholders' advances that would cause a breach of agreed covenants;
- (iv) amalgamate with or permit all or substantially all of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change in ownership or corporate structure of the Borrower or the Guarantor, or issue bearer shares;
 - (v) permit any property taxes or strata fees to be past due at any time;
 - (vi) enter into any agreement for the purchase or sale of any property outside the normal course of business; or
 - (vii) borrow money, obtain credit or incur additional funded indebtedness (other than pursuant to the Credit Facilities).
- (b) The Borrower agrees to file all tax returns which it is required to file in accordance with any Legal Requirement from time to time; to pay or make provision for the payment of all taxes (including any interest and penalties); to pay any Potential Prior Ranking Claims when due; and to maintain adequate reserves for the payment of any tax which is being contested diligently in good faith.
 - (c) The Bank shall have the right to waive the delivery of any Loan Documents or the performance of any term or condition of this Facility Letter, and may advance all or any portion of the Loan(s) prior to satisfaction of any of the Conditions Precedent, but waiver by the Bank of any obligation or condition shall not constitute a waiver of performance of such obligation or condition for any future advance.
 - (d) All financial terms and covenants shall be determined in accordance with generally accepted accounting principles, applied consistently.
 - (e) If the amount outstanding under any Credit Facility (i) in CAD plus the Canadian Dollar Equivalent of the amount outstanding under any of the Credit Facilities in a currency other than Canadian Dollars, or (ii) in USD plus the USD Equivalent of the amount outstanding under any of the Credit Facilities in a currency other than USD, at any time exceeds the amount of such Credit Facility specified above (taking into account the Margin Requirement, if any), the Bank may, from time to time, in its sole discretion:
 - (i) limit the further utilization of that Credit Facility;
 - (ii) convert all or part of the amount outstanding under that Credit Facility to Canadian Dollars in which event, interest shall accrue and be paid on such converted amounts at the rate set out in this Facility Letter for Canadian dollar advances accruing interest with reference to the Bank's Prime Rate. If no such rate is set out in this Facility Letter, interest shall accrue on the amount so converted at the Bank's Prime Rate plus 3% per annum, calculated monthly and payable on the last day of each month, both before and after demand, default, maturity or judgment and until indefeasible payment in full; or
 - (iii) require the Borrower to pay the excess.
 - (f) With respect to any monies payable by the Borrower hereunder, or any portion or portions thereof, which are payable in a currency other than CAD (the "**Foreign Currency Obligation**"), the following provisions shall apply:
 - (i) payment of the Foreign Currency Obligation made hereunder shall be made in immediately available funds in lawful money of the jurisdiction in the currency of which the Foreign Currency Obligation is payable in such form as shall be customary at the time of payment for settlement of international payments in Vancouver, British Columbia without set-off, compensation, or counterclaim and free and clear of and without deduction for any and all

present and future taxes, levies, imposts, deductions, charges and withholdings with respect thereto;

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

VI. Insurance Matters

- (a) The Borrower and each Guarantor providing security to the Bank shall insure and keep insured, with good and responsible insurance companies, all of their Collateral against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like property. The Borrower and each Guarantor providing security to the Bank shall also insure such other hazards and risks (including employers' and public liability risks) as and to the extent usually insured by Persons similarly situated and conducting similar businesses. The Borrower and each Guarantor providing security to the Bank shall at all times insure or cause to be insured such property against such risks and hazards as other Persons similarly situated insure against, and including in any event loss or damage by fire, theft, burglary, pilferage, loss in transit

and such other hazards as the Bank may determine. The Borrower shall, prior to the first advance hereunder and at any time on demand by the Bank, furnish to the Bank a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this section. Notwithstanding the foregoing, all insurance required hereby shall be maintained in amounts and under policies and with insurers acceptable to the Bank, and all such policies shall contain a standard mortgage clause and loss payable clauses naming the Bank as loss payee and first mortgagee in a form acceptable to the Bank. The Borrower and each Guarantor providing security to the Bank shall pay or cause to be paid all premiums on such insurance. Certificates of insurance evidencing compliance with the foregoing and, at the Bank's request, copies of the policies of such insurance, shall be delivered by the Borrower to the Bank annually. All insurance required hereby shall provide that any loss shall be payable to the Bank notwithstanding any act or negligence of the insured, shall provide that no cancellation thereof or amendment thereto shall be effective until at least thirty (30) days prior written notice thereof to the Bank, and shall be satisfactory to the Bank in all other respects.

- (b) In case of any loss, damage to or destruction of the Collateral or any part thereof, the Borrower shall promptly give written notice thereof to the Bank describing the nature and extent of such damage or destruction. The Borrower and each Guarantor providing security to the Bank hereby authorizes the Bank to adjust, compromise and settle any such losses under any insurance afforded, and does hereby irrevocably constitute the Bank, and each of its nominees, officers, agents, attorneys, and any other Person whom the Bank may designate, as its attorney, with full power and authority to effect such adjustment, compromise or settlement and to endorse any drafts drawn by an insurer of the Collateral or any part thereof and to do everything necessary to carry out such purposes. In the event the Borrower or any Guarantor providing security to the Bank shall receive any proceeds of such insurance regarding such loss, damage or destruction, the Borrower or such Guarantor shall immediately pay over or cause to be paid such proceeds to the Bank. Net insurance proceeds received by the Bank under the provisions hereof or under any policy of insurance covering the Collateral or any part thereof shall be held as collateral security for or applied to the reduction of the obligations secured under the Loan Documents, whether or not then due, as the Bank may determine in its sole discretion. If insurance proceeds are released to the Borrower or a Guarantor, the Borrower or the relevant Guarantor shall at its cost and expense, promptly cause to be repaired or replaced the Collateral so lost, damaged or destroyed (whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for that purpose). All insurance proceeds shall be subject to the Liens of the Bank under the Loan Documents.

VII. Environmental Matters

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

on, or the contamination of, the Premises, or incorporated in any improvements thereon. The Bank may, but shall not be obligated to, enter upon the Premises and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Borrower shall reimburse the Bank on demand for the full amount of all costs and expenses incurred by the Bank in connection with such compliance activities.

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

VIII. Increased Cost Indemnities

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

IX. Bank Visits

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

X. Legal and Other Expenses

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

XI. Non-Merger; Records of Bank; Assignment

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

The taking of judgment on any covenant contained in this Facility Letter and/or the other Loan Documents shall not operate so as to create any merger or discharge of any indebtedness or liability of the Borrower under, nor of any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or

security of any form held or which may in the future be held by the Bank from the Borrower or from any other Person.

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

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

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

XII. Waiver; Amendment

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

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

XIII. Severability

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

XIV. Consent to Disclosure

- (a) Each Credit Party consents to and acknowledges that it is aware that credit, financial and personal inquiries and information regarding each Credit Party and individuals connected to Credit Parties (including directors, officers, shareholders and individuals acting on behalf of a Credit Party) may be gathered, made, maintained and/or used at any time in connection with: (i) initial and ongoing credit assessment, (ii) any funding of the Credit Facilities by investors or participants or any assignment or sale of the Credit Facilities by the Bank, (iii) the enforcement of any remedies that the Bank may have under the Credit Facilities, and (iv) compliance and risk monitoring purposes. Each Credit Party consents to the making of any such inquiries by or on behalf of the Bank, confirms the consent of any such individuals connected to Credit Parties has been provided, if required, to such collection, use and disclosure, and consents, without restriction and without further notice to or further consent, to disclosure of such information to any service provider, prospective investor, participant, assignee or purchaser of all or any part of the Credit Facilities, to any affiliate or supplier of the Bank, and to any regulator, examiner, monitor, auditor or similar person.
- (b) The Bank may collect, use, transfer and disclose information for the following purposes and as follows:

- (i) Providing the Credit Facilities (including adjudicating, monitoring, and reviewing availability of the Credit Facilities) and information respecting other services;
 - (ii) Taking any Compliance Action referred to in this Schedule A (including actions taken to comply with laws, international guidance, internal policies or procedures, requirements from judicial, administrative, law enforcement and regulatory authorities);
 - (iii) Conducting financial crime risk management activity, including verifying the identification of the Credit Party and related individuals, screening, monitoring and investigation activity, and sharing information within HSBC Group, including in other jurisdictions, for these purposes;
 - (iv) As requested or required by judicial, administrative, public or regulatory bodies, as well as governments, tax, revenue and monetary authorities, examiners, monitors, securities or futures exchanges, courts, central banks or law enforcement bodies with jurisdiction over any HSBC Group member.
- (c) The Bank may collect, transfer and disclose information for these purposes from and to members of the HSBC Group, sub-contractors, agents and service providers within Canada and in other jurisdictions.
- (d) Before providing the Bank with personal information respecting any connected individual, the Credit Party will ensure that it has provided all necessary disclosures to, and obtained any necessary consents from, such individuals in connection with the collection, use and disclosure of such information by the Bank.

XV. Time of Essence

Time shall be of the essence of this Facility Letter.

XVI. Indemnity

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

XVII. Governing Law

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

XVIII. Financial Crimes and Sanctions Laws Acknowledgements and Indemnification

Each Credit Party acknowledges and agrees that:

- (a) the Bank, HSBC Holdings plc, its affiliates and subsidiaries (collectively "**HSBC Group**"), and HSBC Group's service providers are required to act in accordance with the laws and regulations of various jurisdictions, including those which relate to Sanctions and the prevention of money laundering, terrorist financing, bribery, corruption and tax evasion;

- (b) the Bank may take, and may instruct other members of the HSBC Group to take, to the extent it or such member is legally permitted to do so under the laws of its jurisdiction, any action (a "**Compliance Action**") that the Bank or any such other member, in its sole discretion, considers appropriate to act in accordance with Sanctions or domestic and foreign laws and regulations. Such Compliance Action may include but is not limited to the interception and investigation of any payment, communication or instruction or other information; the making of further enquiries as to whether a Person or entity is subject to any Sanctions; and the refusal to issue, pay, renew, extend or transfer any DC or LG or to process any transaction or instruction that, in the Bank's discretion, may not conform with Sanctions. The Bank will use reasonable commercial efforts to notify the Borrower of the existence of such circumstances as soon as is reasonably practicable, to the extent permitted by law;
- (c) neither the Bank nor any member of HSBC Group will be liable for any loss, cost, damage, claim, action, suit, liabilities, suffered or incurred by the Borrowers, any Guarantor or other Person, or for any delay or any failure of the Bank to perform its duties under this Facility Letter arising out of or relating to any Compliance Action taken by or on behalf of the Bank, its service providers, or any HSBC Group member in its sole discretion;
- (d) the Bank may, in its sole discretion, refuse to issue, pay, renew, extend or transfer any DC or LG in connection with or relating to any countries, governments, entities or other Persons that are subject to Sanctions or limitations imposed by domestic or foreign laws, or by the Bank or any member of the HSBC Group, and that the Bank has the right, without prior notice to any Credit Party, to reject, refuse to pay, any demand, or not process any transaction or instruction that does not conform with any such Sanctions, or limitations; and
- (e) The Borrower will indemnify the Bank for all losses, costs, damages, claims, actions, suits, demands and liabilities suffered or incurred by or brought against the Bank arising out of or relating to any Compliance Action, unless such losses, costs, damages, claims, actions, suits, demands and liabilities are determined by a final, non-appealable decision of a court of competent jurisdiction to have been caused solely and directly by the gross negligence or wilful misconduct of the Bank.

XIX. Electronic Communications and Electronic Signatures

- (a) The Borrower hereby authorizes the Bank to accept Electronic Communications and Electronic Signatures from the Borrower in relation to this Facility Letter and the other Loan Documents and hereby consents to receiving commercial electronic messages from or on behalf of the Bank and any agreement, instruction, document, information, disclosure, notice or other form of communication from the Bank by Electronic Communication.
- (b) The Borrower agrees that any Electronic Communication, including any Electronic Signature associated with such Electronic Communication, which the Bank receives from the Borrower or in the Borrower's name, or which appears to be from the Borrower or in its name, will be considered to be duly authorized and binding upon the Borrower (whether or not that Electronic Communication was actually from or authorized by the Borrower) and the Bank will be authorized to rely and act upon any such Electronic Communication, including any Electronic Signature associated with the Electronic Communication, even if it differs in any way from any previous Electronic Communication sent to the Bank.
- (c) The Borrower acknowledges and agrees that the Bank's methods of storing, maintaining and retrieving any Electronic Communication, including any Electronic Signatures associated with such Electronic Communication, and the Bank's data systems, maintain the integrity of the Electronic Communication.
- (d) If, for any reason, an Electronic Communication stored in the Bank's data systems differ from the Borrower's, the Borrower acknowledges and agrees that the version stored on the Bank's data systems shall prevail over any inconsistency. In this regard, the Borrower acknowledges and agrees that Electronic Communications maintained by the Bank will be admissible in any legal or

other proceedings as conclusive evidence as to the contents of those Electronic Communications in the same manner as an original paper document, and that further proof of our records system integrity is not required (the integrity of the Bank's records system is hereby acknowledged and agreed by the Borrower) and the Borrower hereby waives any right to object to the introduction of any such Electronic Communications into evidence. To the fullest extent permitted by applicable law, the Borrower waives any defence, or waiver of liability, based on the absence of a written document in paper format, signed manually. The Borrower will keep its own records of all Electronic Communications for a period of 7 years (unless otherwise stipulated by local regulation) and will produce them to the Bank upon request.

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

XX. Further Assurances

Each Credit Party shall, at its cost and expense, upon request of the Bank, duly execute and deliver, or cause to be duly executed and delivered, to the Bank all such further agreements, instruments, documents and other assurances and do and cause to be done all such further acts and things as may be necessary or desirable in the reasonable opinion of the Bank to carry out more effectually the provisions and purposes of this Facility Letter or any of the other Loan Documents.

XXI. Conflict

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

XXII. Confidentiality

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

This is Exhibit "B" referred to in
the Affidavit of A. Arenas sworn
this 10th day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia

Properties

PIN 03848 - 0103 LT
Description LT 9 PL 1407 NORTH DUMFRIES; PT LT 31 CON 11 NORTH DUMFRIES, PT RDAL
 BTN LT 30 & 31 CON 11 NORTH DUMFRIES CLOSED BY BYLAW WS607557, PTS 14 &
 15 67R1392; S/T WS607559, WS607564; NORTH DUMFRIES
Address 15 WAYDOM DRIVE
 AYR

Applicant(s)

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

Name 1306187 B.C. LTD.
Address for Service 814-470 Granville Street, Vancouver, BC
 V6C 1V5

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name HSBC BANK CANADA
Address for Service 885 West Georgia St., Vancouver, BC V6C 3G1

Statements

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

This notice may be deleted by the Land Registrar when the registered instrument, WR1470526 registered on 2022/10/03 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Talia Rose Lerner-Rotman 66 Wellington Street West, Suite 4100 acting for Signed 2022 09 30
 Toronto Applicant(s)
 M5K 1B7

Tel 416-365-1110

Fax 416-365-1876

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

Talia Rose Lerner-Rotman 66 Wellington Street West, Suite 4100 acting for Signed 2022 09 30
 Toronto Party To(s)
 M5K 1B7

Tel 416-365-1110

Fax 416-365-1876

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

Submitted By

WEIRFOULDS LLP 66 Wellington Street West, Suite 4100 2022 10 03
 Toronto
 M5K 1B7

Tel 416-365-1110

Fax 416-365-1876

Fees/Taxes/Payment

Statutory Registration Fee \$66.30
Total Paid \$66.30

File Number

Applicant Client File Number 1350821049

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT made this 3rd day of October, 2022.

BETWEEN:

1306187 B.C. LTD.

(hereinafter called the "**Borrower**")

- and -

HSBC BANK CANADA

(hereinafter called the "**Lender**")

WHEREAS:

- A. By a certain mortgage (the "**Charge**") dated as of the date hereof in the principal amount of \$8,000,000.00 which Charge was registered in the Land Registry Office for Waterloo (No. 58) with the registration number shown in the '*Notice of Assignment of Rents – General*' document to which this Schedule is annexed, the Borrower granted, mortgaged and charged to the Lender the lands and premises described therein, including those described in Schedule "A" annexed hereto (the said lands and premises together with the buildings, improvements and fixtures situate thereon being hereinafter referred to as the "**Premises**") to secure the payment to the Lender of the principal, interest on and all other moneys which may become owing on or pursuant to a Loan Agreement dated September 20, 2022 (the "**Loan Agreement**") and the Charge (whenever in this Indenture reference is made to the Charge, it shall be deemed to include any renewals or extensions thereof and any Charges or mortgages taken in substitution therefor either in whole or in part); and
- B. As security for the due performance by the Borrower pursuant to the Loan Agreement and all of the covenants contained in the Charge, the Borrower has agreed to assign, transfer and set over unto the Lender all the Borrower's right, title and interest as landlord in all leases and/or offers to lease and/or tenancies, including but not limited to those set out in Schedule "B" annexed hereto (the "**Leases**"), now or hereafter existing on or affecting any and all portions of the Premises, together with all present and future rents pursuant to the Leases, all insurance indemnities covering the said rents and all income and accounts derived from any of the Leases including all proceeds receivable from early termination of any of the Leases and all other rights, privileges, benefits and advantages to

be derived therefrom now due and payable or hereafter to become due and payable under the Leases (the "**Rents**").

NOW THIS INDENTURE WITNESSETH that in consideration of the premises and other good and valuable consideration the Borrower represents, covenants and agrees with the Lender as follows:

1. Assignment. The Borrower hereby irrevocably assigns, transfers and sets over unto the Lender, subject to no prior claim or assignment, the Leases and the Rents and all benefits and advantages to be derived therefrom, including any guarantees given to the Borrower in respect of the Leases and Rents, to hold and receive the same unto the Lender, its successors and assigns, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment of the same in the name of the Borrower.
2. Where Borrower not in Default. Until there is an Act of Default (as defined in the Charge) that is continuing the Borrower may demand, receive, collect and enjoy the Rents only as the same fall due and payable and not in advance (other than as permitted within the Charge and/or Leases), but nothing shall permit or authorize the Borrower to collect or receive Rents contrary to the covenants contained herein. Any reference herein to "**default**" shall mean a "**Default**", and any cure period in the Charge shall apply to this Agreement.
3. Remedies. The Borrower, in the event of an act of Default that is continuing or if demand is made under the Charge, hereby authorizes the Lender, at its option and in addition to any other rights it may have hereunder or under any other agreement or at common law or in equity, to deliver to any or all of the tenants, licensees or occupiers of the Premises notices to pay all Rents to the Lender and to collect such Rents and, in addition, to enter upon the Premises by its officers, agents or employees for the purpose of collecting the Rents and/or operating and maintaining the Premises. The Borrower hereby authorizes the Lender generally to perform such acts, including any acts by way of enforcement of the covenants and exercise of the rights contained in the Leases or otherwise, as may in the opinion of the Lender be necessary or desirable for the proper operation and maintenance of the Premises, which acts may be performed in the name of the Borrower or in the name of the Lender as in the absolute discretion of the Lender may seem proper or advisable. The Lender shall, after deduction of all collection charges and all expenses which the Lender in its absolute discretion shall deem advisable to pay for the proper operation and maintenance of the Premises, credit the remainder of the moneys which it may receive in connection with the Premises on account of any amount or amounts due to the Lender from the Borrower in such manner as the Lender shall in its sole discretion determine. Notwithstanding anything herein, the Lender shall be liable to account only for such monies as shall actually come into its hands by virtue of these presents, less reasonable collection fees and charges, including reasonable legal fees.

4. Liability of the Lender. In the exercise of the powers herein granted to the Lender, no liability shall be asserted or enforced against the Lender other than liability attributed to the gross negligence or willful misconduct of the Lender. The Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this assignment, and the Borrower shall and does hereby agree to indemnify the Lender for and to hold it harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of agreements contained in the Leases, save and except for such losses resulting from the gross negligence or willful misconduct of the Lender. Should the Lender incur any such liability, loss or damage under the Leases or by reason of this assignment, or the defense of any such claims or demands (except in the case of its gross negligence or willful misconduct), the amount thereof, including costs, expenses and all legal fees, shall be secured hereby, and the Borrower shall reimburse the Lender therefor immediately upon demand.

5. Receipts by the Lender. The Borrower hereby agrees that all receipts given by the Lender to any lessee under the Leases on account of any Rents paid to the Lender in accordance with the terms of this Indenture shall constitute a good and valid discharge therefor to each lessee.

6. Not Mortgagee in Possession. Nothing herein contained shall be deemed to have the effect of making the Lender responsible for the collection of the Rents or any part thereof or for the performance of any covenants, terms or conditions either by the lessor or any lessee contained in the Leases and the Lender shall not by virtue of this Indenture be deemed a mortgagee in possession of the Premises.

7. Perform Covenants of Landlord. The Borrower shall at all times perform all of the lessor's covenants and obligations contained in the Leases and any failure on the part of the Borrower thereunder, which if curable, is not cured within 30 days of occurrence, shall constitute a default hereunder and shall be deemed to be default under the Charge. If so requested by the Lender following a default that is continuing, the Borrower will enforce the Leases and all remedies available to the Borrower against the lessees, in case of default under the Leases by the lessees.

8. Valid Leases. The Borrower hereby covenants with the Lender, notwithstanding any act of the Borrower that the Leases are or will be good, valid and subsisting leases and that the Borrower now has or hereafter will have good right, full power and absolute authority to assign such Leases to give effect to the purpose of this Indenture.

9. No Prepayment of Rents. Except for as provided in the Leases, the Borrower will not, without the consent in writing of the Lender (which consent shall not be unreasonably withheld,

conditioned or delayed), accept payment from any lessee in advance equal to more than one month's rent.

10. Covenants. The Borrower shall not without the written approval of the Lender first had and obtained do any of the following if it is likely to have a material adverse effect on the Lender's security or the Borrower's ability to fulfill its obligations to the Lender:

- (a) amend, alter or vary the rent, term, demised premises or the definition and determination of common area maintenance charges of any of the Leases;
- (b) waive, reduce or abate any of its material rights or remedies under the Leases or the obligations of any other parties thereunder or in respect thereof; or
- (c) permit any material default or breach of covenant by any lessee under the Leases.

The Borrower hereby further covenants and agrees:

- (d) that it will, at the request of the Lender, specifically assign any Lease to the Lender;
- (e) that it waives any rights of set-off against the Lessees;
- (f) that the Leases shall remain in full force and effect irrespective of any merger of the interest of the lessor and lessee thereunder;
- (g) that if the Leases provided for the abatement of rent during the repair of the demised premises by reason of fire or other casualty, the Borrower shall furnish rental insurance to the Lender, the policies to be in an amount and form and written by such insurance companies as shall be satisfactory to the Lender;
- (h) not to terminate, modify or amend the Leases or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof without the written consent of the Lender and that any attempted termination, modification or amendments of the Leases without such written consent shall be null and void;
- (i) not to collect any of the rent, income and profits arising or accruing under the Leases in advance of the time when the same become due under the terms thereof, except as provided for in the Leases;
- (j) not to discount any future accruing rents; and

- (k) expect for the Specific Assignment of Leases in favour of the Lender, not to execute any other assignments of the Leases or any interest therein or any of the rents thereunder.

11. Waiver of Covenants. The Lender may waive any default or breach of covenant and shall not be bound to serve any notice upon any lessee under the Leases upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.

12. Further Assurances. The Borrower covenants and agrees from time to time and at all times hereafter at the request of the Lender acting reasonably to execute and deliver at the expense of the Borrower such further assurances for better and more perfectly assigning to the Lender the Leases whether presently existing or hereafter created and the Rents payable thereunder in the manner aforesaid as the Lender acting reasonably may require and to execute, deliver and register, at the expense of the Borrower, all such documents as may be required to preserve, perfect and protect the security constituted hereby including all such renewals as may be required by relevant legislation, including the *Personal Property Security Act* (Ontario).

13. Re-assignment. The assignment, transfer and setting over herein provided shall not be revoked or rescinded by any variation of the terms of the Charge or any extension of time for payment or otherwise but shall remain in full force and effect until the Borrower shall have performed all of its obligations under the Charge. A discharge of the Charge executed by the Lender shall operate as a re-assignment of the Leases and Rents without the need for any further conveyance, but the Lender shall, at the request and at the expense of the Borrower, execute and deliver a full re-assignment to the Borrower of the Leases and Rents and all of its right, title and interest therein.

14. Binding Effect and Governing Law. This Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This Indenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereto agree that the Courts of Ontario shall have jurisdiction to entertain any action or other legal proceedings based on any provisions of this Agreement. Each party hereto does hereby attorn to the jurisdiction of the Courts of the Province of Ontario.

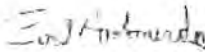
15. Paramountcy. In the event of a conflict between the terms of the Loan Agreement and the Charge, the terms of the Loan Agreement shall prevail to the extent of such conflict.

[remainder of page intentionally left blank – signature page follows]

4 -

DATED this 1st day of October, 2022

1306187 B.C. LTD.

Per  Digitally signed by Paul
Antoniadis
Date: 2022.09.28 17:20:43
-0500
Name: Paul Antoniadis
Title: Chief Executive Officer

I have the authority to bind the Corporation.

SCHEDULE "A"
PREMISES

PIN: 03848-0103 (LT)

Municipal Address: 15 Waydom Drive, North Dumfries, Ontario

SCHEDULE "B"
LEASES

Lease dated August 2012 between the Tenant and Fitzpatrick Investments Inc., as assigned to Tamron Holdings Ltd. by an assignment and assumption agreement dated as of August 23, 2018, as amended and extended by a lease extension agreement dated July 25, 2017, and as assigned by Tamron Holdings Ltd. to the 1306187 B.C. Ltd. by an assignment and assumption of lease agreement dated as of _____, 2022

This is Exhibit "C" referred to in
the Affidavit of A. Arenas sworn
this 10th day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia

Properties

PIN 03848 - 0103 LT Interest/Estate Fee Simple
 Description LT 9 PL 1407 NORTH DUMFRIES, PT LT 31 CON 11 NORTH DUMFRIES, PT RDAL
 BTN LT 30 & 31 CON 11 NORTH DUMFRIES CLOSED BY BYLAW WS607557, PTS 14 &
 15 67R1392; S/T WS607559, WS607564; NORTH DUMFRIES
 Address 15 WAYDOM DRIVE
 AYR

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 1306187 B.C. LTD.
 Address for Service 814-470 Granville Street, Vancouver, BC
 V6C 1V5

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

Chargee(s)

Capacity

Share

Name HSBC BANK CANADA
 Address for Service 885 West Georgia St., Vancouver, BC V6C 3G1

Statements

Schedule: In the event of a conflict between the terms of the Facility Letter and the Charge, the terms of the Facility Letter shall prevail to the extent of such conflict.

Provisions

Principal \$8,000,000.00 Currency CDN
 Calculation Period Monthly
 Balance Due Date 2027/11/03
 Interest Rate Prime + 1.35%
 Payments
 Interest Adjustment Date
 Payment Date Monthly
 First Payment Date 2022 11 03
 Last Payment Date 2027 11 03
 Standard Charge Terms 9916
 Insurance Amount Full insurable value
 Guarantor

Additional Provisions

See Schedules

Signed By

Talia Rose Lerner-Rotman 66 Wellington Street West, Suite 4100 acting for Signed 2022 09 30
 Toronto
 M5K 1B7
 Chargee(s)

Tel 416-365-1110

Fax 416-365-1876

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

Submitted By

WEIRFOULDS LLP 66 Wellington Street West, Suite 4100 2022 10 03
 Toronto
 M5K 1B7

Tel 416-365-1110

Submitted By

Fax 416-365-1876

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Total Paid \$66.30

File Number

Chargor Client File Number

1350821049

(1) Insert Name of Customer.

1. Whereas (1) 1306187 B.C. Ltd.

(hereinafter called the "Customer") is obligated to the Chargee. If more than one person is named above, the term "Customer" means all and any one or more of them and the liabilities of the Customer (as hereinafter defined) means the liabilities of all or any one or more of them to the Chargee.

(2) Insert Maximum Amount

- 2. And Whereas** the Chargor has at the request of the Chargee agreed to give this Charge as a continuing collateral security for payment and satisfaction to the Chargee of all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Customer to the Chargee or remaining unpaid by the Customer to the Chargee heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Chargee and the Customer or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside Canada and whether the Customer be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (such obligations, debts and liabilities being hereinafter called the "liabilities") but it being agreed that this Charge at any one time will not secure that portion of the aggregate principal component of the liabilities outstanding at such time which exceeds the sum of
- (2) Eight Million Dollars
Dollars (\$ 8,000,000.00).

Prime Rate

- 3. Provided This Charge** to be void upon the Chargor, his heirs, executors, administrators, successors or assigns or any of them, paying on demand to the Chargee, its successors or assigns, the ultimate balance of the liabilities, the principal component of such liabilities not exceeding the sum of

(3) Insert Same as in item (2) above.

(3) Eight Million Dollars
Dollars (\$ 8,000,000.00) together with interest on the

(4) Insert applicable interest rate above prime

liabilities at the Prime Interest Rate per annum in effect from time to time plus (4) One point Three-Five per centum (1.35 %) per annum, calculated and payable monthly as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as on the principal sum, and all other amounts payable by the Chargor hereunder and paying any taxes, rates, levies, charges or assessments upon the said lands no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions herein contained. For the purpose hereof, "Prime Interest Rate" is the floating annual rate of interest established and recorded as such from time to time as a reference rate for determining rates of interest the Chargee will charge on loans denominated in Canadian dollars in Canada.

4. It Is Agreed By and Between the Parties Hereto as follows:

- (a) That no part of any liabilities of the Customer to the Chargee existing at the date of this Charge or incurred or arising thereafter, shall be deemed to be unsecured by this Charge.
- (b) That this Charge is and shall be a continuing collateral security to the Chargee for the amount of such liabilities and interest as herein provided and

shall be deemed to be taken as security for the ultimate balance of such liabilities; and these presents shall not, nor shall anything herein contained operate so as to create any merger or discharge of any debt owing to the Chargee or of any lien, bond, promissory note, bill of exchange or other security held by or which may hereafter be held by the Chargee from the Chargor or from the Customer or from any other person or persons and this Charge shall not in any way prejudicially affect any security held or which may hereafter be held by the Chargee for the said liabilities or any part thereof, or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Chargee for or on account of the said liabilities or any part or parts thereof, nor shall the remedies of the Chargee in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of this charge.

- (c) That any and all payments made in respect of the said liabilities and interest and the moneys or other proceeds realized from the sale of any securities held therefor including this Charge may be applied and reapplied notwithstanding any previous application on such part or parts of such liabilities or interest as the Chargee may see fit or may be held unappropriated in a separate collateral account for such time as the Chargee may see fit.
 - (d) That the Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities and guarantees from and give the same and any and all existing securities and guarantees up to, may abstain from taking securities or guarantees from or from perfecting securities or guarantees of, may accept compositions from and may otherwise deal with the Chargor, the Customer and all other persons securities and guarantees as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.
 - (e) That the taking of judgment in respect of the said liabilities or any instrument or instruments now or hereafter representing or evidencing the said liabilities or under any of the covenants herein or in any such instrument contained or implied shall not operate as a merger of the said liabilities or such instrument, instruments or covenants nor affect the Chargee's right to interest at the rate and times herein provided nor effect nor prejudice any rights or remedies given to the Chargee by the terms hereof.
5. In the event one or more of the Chargors is not also the Customer, each such Chargor which is not also the Customer (hereinafter in this paragraph called "such Chargor") jointly and severally covenants with the Chargee as follows:
- (a) This charge and the covenants, provisos, obligations and agreements on the part of the Chargor herein contained shall be the continuing obligations and liability of each such Chargor and shall cover all the liabilities and obligations of the Chargor hereunder and shall apply to and shall secure any ultimate balance of the moneys secured or intended to be secured hereby;
 - (b) The Chargee shall not be bound to exhaust its recourse against the Customer or others or any securities (which term when used in this Paragraph 5 includes guarantees) it may at any time hold before being entitled to payment from each such Chargor of the moneys hereby secured and such Chargor renounces to all benefits of discussion and division;
 - (c) This Charge and the liabilities and obligations of each such Chargor hereunder shall not be affected by the death or loss or diminution of capacity of the Customer or of any such Chargor or by any change in the name of the Customer or in the membership of the Customer's firm through the death or

retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital, structure or constitution of the Customer, or by the Customer or the Customer's business being amalgamated with a corporation or corporations, or wound up or its corporate existence terminated but shall notwithstanding the happening of any such event continue to exist and apply to the full extent as if such event had not happened;

- (d) This Charge shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Chargee and all dividends, compositions, proceeds of security valued and payments received by the Chargee from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of any such Chargors to claim in reduction of his liability under this Charge the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Chargee or proceeds thereof, and none of such Chargors shall have the right to be subrogated in any rights of the Chargee until the Chargee shall have received payment in full of all liabilities;
- (e) All of the moneys hereby secured or intended to be secured hereby shall be deemed to form part of the liabilities and obligations of each such Chargor notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or creditors, or in the taking or registering of this Charge or any other securities, the whole whether known to the Chargee or not and all the moneys secured hereby or intended to be secured hereby shall be recoverable from each such Chargor as sole or principal debtor in respect thereof and shall be paid to the Chargee on demand with interest and accessories; and
- (f) Each such Chargor shall be bound by any account settled between the Chargee and the Customer, and if no such account has been so settled immediately before demand of payment hereunder any account stated by the Chargee shall be accepted by such Chargor and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Chargee or remains unpaid by the Customer to the Chargee.

This is Exhibit "D" referred to in
the Affidavit of A. Arenas sworn
this 10th day of July, 2024.


A Commissioner for taking Affidavits
within British Columbia

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

PROPERTY DESCRIPTION: LT 9 PL 1401 NORTH DUMFRIES; PT LT 31 CON 11 NORTH DUMFRIES; PT RDAL BTW LT 30 & 31 CON 11 NORTH DUMFRIES CLOSED BY BYLAW WS607557, PTS 14 & 15
67R1392; S/T WS607559, WS607564; NORTH DUMFRIES

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 03848-0277

FIN CREATION DATE:

2003/09/15

OWNERS' NAMES:

1306187 B.C. LTD.

CAPACITY SHARE:

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/09/15 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 49(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION ACT, AND ESTATES OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(1) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2003/09/15 **</p>						
67R1392	1978/10/26	PLAN REFERENCE				
WS579340	1978/11/15	AGREEMENT			THE CORPORATION OF THE TOWNSHIP OF NORTH DUMFRIES	
WS607559	1992/01/04	TRANSFER EASEMENT			BELL CANADA	
WS607564	1992/01/04	TRANSFER EASEMENT			HYDRO ELECTRIC COMMISSION OF CAMBRIDGE AND NORTH DUMFRIES	
WS613170	1992/11/18	AGREEMENT				
RECAPED WS613170						
1548790	2003/10/31	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** BEND ALL AUTOMATIC INCORPORATED	1543516 ONTARIO INC.	
WR40360	2003/06/13	TRANSFER		*** COMPLETELY DELETED *** 1543516 ONTARIO INC.	FITZPATRICK INVESTMENTS INC.	
WR1133000	2018/08/27	LR'S ORDER		LAND REGISTRAR, WATERLOO LAND REGISTRY OFFICE		
RECAPED: AMEND DESCRIPTION						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN CERTAINITY 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
WR1133548	2018/08/23	TRANSFER		*** COMPLETELY DELETED *** FITZPATRICK INVESTMENTS INC.	TAMRON HOLDINGS LTD.	
		REMARKS: PLANNING ACT STATEMENTS				
WR1470525	2022/10/03	TRANSFER	\$9,400,000	TAMRON HOLDINGS LTD.	1306187 B.C. LTD.	
		REMARKS: PLANNING ACT STATEMENTS				
WR1470526	2022/10/03	CHARGE	\$8,000,000	1306187 B.C. LTD.	HSBC BANK CANADA	
WR1470527	2022/10/03	NO ASSGN RENT GEN		1306187 B.C. LTD.	HSBC BANK CANADA	
		REMARKS: WR1470526				
WR1470528	2022/10/03	NOTICE OF LEASE		1306187 B.C. LTD.	IPF HOLDINGS INC.	
WR1470529	2022/10/03	NO ASSGN RENT GEN		1306187 B.C. LTD.	HSBC BANK CANADA	
		REMARKS: WR1470528. ASSIGNS WR1470529				

This is **Exhibit** “ E ” referred to in
the Affidavit of A. Arenas sworn
this 10th day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia



HSBC Bank Canada
General Security Agreement (Ontario)

This Agreement made as of the 3rd day of October, 2022.

Between:

1306187 B.C. Ltd.

(Name of Debtor)

(hereinafter called the
'Debtor')

814 - 470 Granville Street, Vancouver, BC V6C 1V4

(Address)

And:

HSBC Bank Canada

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

885 West Georgia St., Vancouver, BC V6C 3G1

(Address)

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

For the purposes of this Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. Grant of Security Interests

1. As continuing security for the payment and performance of all Indebtedness, the Debtor hereby mortgages, charges, pledges, assigns, hypothecates, transfers and grants a security interest (collectively, the "**Security Interest**") to the Bank in all of the Debtor's right, title and interest in and to its present and after-acquired property, assets and undertaking of whatsoever nature and kind and wherever situate, including:
 - (a) all present and future Equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, apparatus, plant furniture, fixtures, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (b) all present and future Inventory of the Debtor of whatever kind and wherever situate, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;
 - (c) all present and future Intangibles of the Debtor, including all of its present and future Accounts and other amounts receivable, book debts, all Contractual Rights, goodwill, Intellectual Property and choses in action of every nature and kind howsoever arising or secured including, without limitation, letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (d) all present and future Documents of Title, Chattel Paper, Instruments and Money of the Debtor;
 - (e) all present and future Investment Collateral;
 - (f) all present and future real property, personal property, assets, and undertaking of the Debtor of any nature or kind, including all real property, personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled (other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or Security Interest by subsection 1(a), (b), (c), (d) or (e) hereof and subject to the exceptions hereinafter contained); and

- (g) all Proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 1, together with insurance proceeds and any other payment representing indemnity or compensation for loss of expropriation or damage thereto.
- 2. The Security Interest hereby created shall not extend or attach to: (i) any property held in trust by the Debtor and lawfully belonging to others; or (ii) any property of the Debtor that constitutes consumer goods for the personal use of the Debtor; or (iii) the last day of the term of any lease, (oral or written) or agreement therefor, now held or hereafter acquired by the Debtor, whether falling within the general or particular description of the Collateral, shall be excluded from the scope of the Security Interest but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of such term upon trust to assign or dispose of the same to any Person acquiring such term upon the enforcement of the Security Interest.
- 3. Despite any other provision of this Agreement, the Security Interest shall not attach to any Contractual Right to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual Right in trust for the Bank and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Bank, or as the Bank may otherwise direct. The Debtor agrees that it shall, upon the request of the Bank, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.
- 4. Despite any other provision of this Agreement, the interests granted to the Bank pursuant to this Agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Bank's Security Interests therein.

B. Attachment

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

C. Investment Collateral

- 6. Whenever any Investment Collateral is a Security that is a Certificated Security, an Uncertificated Security or a Security Entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the securities intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Bank in a manner satisfactory to the Bank.
- 7. All certificates representing Investment Collateral may remain registered in the name of the Debtor, but the Debtor shall, promptly at the request of the Bank, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Bank; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Bank. Upon the request of the Bank:
 - (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Bank or its nominee, and the Bank is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Bank or its nominee;
 - (b) the Debtor shall promptly cause each securities intermediary that holds any Investment Collateral that is a Security Entitlement to record the Bank as the entitlement holder of such Investment Collateral; and
 - (c) the Debtor shall promptly:
 - (i) cause a Security Certificate to be issued for any Investment Collateral that is in the form of an Uncertificated Security or a Security Entitlement;
 - (ii) endorse such Security Certificate in blank;

- (iii) deliver such Security Certificate to the Bank; and
 - (iv) take all other steps necessary to give exclusive control over such Certificated Security to the Bank, in a manner satisfactory to the Bank.
8. Until further notice is given by the Bank to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Bank or which would have the effect of reducing the value of the Investment Collateral as security for the Indebtedness, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Bank.
 9. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Bank. Upon receipt by the Debtor of such notice, the Debtor shall not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Bank, the Debtor shall hold such amounts in trust, as trustee for the Bank, and the Debtor shall forthwith pay such amounts to the Bank, to be applied to reduce the Indebtedness or, at the option of the Bank, to be held as additional security for the Indebtedness.
 10. The responsibility of the Bank in respect of any Investment Collateral held by the Bank shall be limited to exercising the same degree of care which it gives valuable property of the Bank at the Bank's office where such Investment Collateral is held. The Bank shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Bank be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 9, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Bank and shall be forthwith paid to the Bank.

D. Representations and Warranties of Debtor

11. The Debtor hereby represents and warrants to the Bank that:
 - (a) the Debtor has the capacity and authority to incur the Indebtedness, to create the Security Interest and to execute and deliver and perform its obligations under this Agreement;
 - (b) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder (including, without limitation, the repayment of the Indebtedness) have been duly authorized by all necessary proceedings;
 - (c) this Agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
 - (d) the Collateral is genuine and except for the Security Interest and any Permitted Encumbrances, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
 - (e) the jurisdiction in which the Debtor is located for purposes of the PPSA and under which the Debtor is incorporated, continued, amalgamated or otherwise organized is the Province or Territory identified in **Schedule "A"** of this Agreement;
 - (f) the Debtor does not keep tangible Collateral at any location(s) except the location(s) listed in **Schedule "A"** hereto other than tangible Collateral in transit to or from such locations;
 - (g) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the presently held Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;

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- (h) all Contractual Rights relating to or affecting the presently held Intellectual Property are in good standing;
 - (i) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the presently held Intellectual Property;
 - (j) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the presently held Intellectual Property;
 - (k) **Schedule "C"** hereto contains a complete and accurate list of all of the presently registered Intellectual Property of the Debtor, including all registered patents, trademarks and copyrights of the Debtor; and
 - (l) the Debtor has no Contractual Right which, because of the granting of the Security Interest therein, would be breached or could be terminated, except for any such Contractual Rights if any, identified to the Bank in writing, which schedule contains an accurate description of all such Contractual Rights, the parties thereto, and any provisions thereof which would be so breached or which would result in such a termination right.

E. Covenants and Agreements of Debtor

12. The Debtor hereby covenants and agrees with the Bank that at all times while this Agreement remains in effect, it shall:
- (a) pay or perform the Indebtedness when due;
 - (b) not without the prior written consent of the Bank sell or dispose of any of the Collateral in the ordinary course of business or otherwise (provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of the Debtor's business and for the purpose of carrying on the same) and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Bank and forthwith pay over the same to the Bank upon request;
 - (c) not without the prior written consent of the Bank create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Bank;
 - (d) at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions. In the event that the Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Bank may make such payments to be repayable by the Debtor on demand and any such payments made by the Bank shall comprise part of the Indebtedness and be secured hereby;
 - (e) keep the Collateral in good condition and repair according to the nature and description thereof, and the Bank may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby and the Bank may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and comprise part of the Indebtedness and be secured hereby;
 - (f) duly pay all taxes, rates, levies, assessments and other impositions and charges of every nature and kind which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust or other Encumbrance affecting the Debtor or the Collateral, as and when the same become due and payable;
 - (g) permit the Bank, at any time, whether before or after the Security Interest shall have become enforceable, to notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Bank, take control of any Proceeds of Collateral and may hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness;
 - (h) make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;

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

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

F. Default

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

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

G. Remedies of the Bank

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

- (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity including by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity;
 - (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
 - (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;
 - (o) accepting the Collateral in satisfaction of the Indebtedness;
 - (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
 - (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
 - (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.
19. Any Receiver appointed by the Bank may be any Person or Persons (including one or more officers or employees of the Bank), and the Bank may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Bank provided in this Agreement including, without limitation, the power to take possession of the Collateral or any part thereof and to carry on the business of the Debtor, further charge the Collateral in priority to the Security Interests as security for money so borrowed, and sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the Receiver shall determine. The Bank shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Bank expressly specifies in writing that the Receiver shall be agent for the Bank for one or more purposes. Without limiting the generality of the forgoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Bank as the Bank may specify in writing in its sole discretion. The Debtor agrees to ratify and confirm all actions of any Receiver appointed by the Bank acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.
20. Without limiting the ability of the Bank or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor to the fullest extent permitted by applicable law. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Bank or any Receiver appointed by the Bank may, in its sole discretion, deem advantageous and may take place whether or not the Bank or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Bank.
21. The Bank shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.
22. No right, power or remedy of the Bank (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.
23. The Debtor agrees, without diminishing the covenant in section 12(n) above, and in furtherance thereof, to pay to the Bank, forthwith on demand by the Bank, all costs and expenses incurred by the Bank in connection with the exercise by the Bank of its rights, powers and remedies hereunder, including:
- (a) any costs and expenses incurred by the Bank in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;

- (b) any legal fees and expenses incurred by the Bank in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Indebtedness;
- (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
- (d) all costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Bank (including any legal fees and expenses incurred by any such Receiver, agent or consultant).

All such sums shall bear interest at the highest rate applicable to the Indebtedness, shall form part of the Indebtedness and shall be secured by the Security Interest.

- 24. Any and all payments made in respect of the Indebtedness from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this Agreement) may be applied to such part or parts of the Indebtedness as the Bank may see fit, and the Bank shall at all times and from time to time have the right to change any appropriation as the Bank may see fit and to re-apply the same on any other part or parts of the Indebtedness as the Bank may see fit, notwithstanding any previous application by whomsoever made.
- 25. The Debtor shall remain liable for all Indebtedness that is outstanding following realization of all or any part of the Collateral.
- 26. The Bank may pay the whole or any part of any liens, taxes, rates, charges or Encumbrances now or hereafter existing in respect of any Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Indebtedness, shall bear interest at the highest rate applicable to the Indebtedness, and shall be secured by the Security Interest. Whenever the Bank pays any such lien, tax, rate, charge or Encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
- 27. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this Agreement, the Bank may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Bank will not constitute a waiver, remedy or satisfaction of such failure. The costs and expenses of the Bank incurred in connection with any such performance or compliance shall be payable by the Debtor to the Bank on demand, form part of the Indebtedness, bear interest at the highest rate applicable to the Indebtedness and be secured by the Security Interest.
- 28. The term 'Receiver' as used in this Agreement includes a receiver and manager, a receiver, a liquidator, a custodian, monitor, or consultant whether appointed by the Bank by instrument in writing or appointed pursuant to a court order.

H. Rights of the Bank

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

I. Miscellaneous

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

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

HSBC Bank Canada
885 West Georgia St., Vancouver, BC V6C 3G1

Attention Derek Li
Fax Number: <insert number>

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

1306187 B.C. Ltd.
814 - 470 Granville Street, Vancouver, BC

Attention Paul Antoniadis
Fax Number: <insert number>

Electronic/email: paul@goodnatured.com

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

38. Where any provision or remedy contained or referred to in this Agreement is prohibited, modified or altered by the laws of any Province or Territory of Canada which governs that aspect of this Agreement and the provision or remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and excludes such provision to the fullest extent permissible by applicable law.
39. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. For the purpose of legal proceedings this Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this Agreement and the Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction

of such courts, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the Debtor in the Courts of any other Province, country or jurisdiction.

40. References such as "**this Agreement**", "**hereof**", "**herein**", "**hereto**" and like references refer to this Agreement and any schedules, exhibits or appendices attached hereto from time to time, or described as comprising a part of this Agreement (all of which schedules, exhibits and appendices form a part of this Agreement) and not to any particular section, subsection, paragraph or other subdivision of this Agreement.
41. The word "**Debtor**", the personal pronoun "**it**" or "**its**" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term "**successors**" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).
42. Nothing herein (including the definition and use of the term Permitted Encumbrances) is intended or shall be deemed to subordinate the Security Interest to any Permitted Encumbrance or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.
43. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the determination, consent or approval of the Bank or is to be acceptable to the Bank, such determination, consent, approval or determination of acceptability will be in the sole discretion of the Bank, which means the Bank shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" shall mean "**including, without limitation**" and the use of the term "**includes**" shall mean "**includes, without limitation**".
44. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day immediately thereafter.
45. Time shall be of the essence of this Agreement.
46. Upon full, final and indefeasible payment and fulfillment by the Debtor, its successors or permitted assigns, of all Indebtedness and provided that the Bank is then under no obligation (conditional or otherwise) to make any further loans, advances or extend any other type of credit to the Debtor or to any other Person, the payment of which is secured, directly or indirectly, by this Agreement, the Bank shall, upon request in writing by the Debtor, delivered to the Bank at the Bank's address as set out in section 37 hereof and at the Debtor's expense, discharge this Agreement.
47. The Bank may in writing, which may be provided electronically, (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this Agreement; provided that no waiver by the Bank shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.
48. The Debtor agrees that the Bank may from time to time provide information concerning this Agreement (including a copy hereof), the Collateral and the Indebtedness to any Person the Bank in good faith believes is entitled thereto pursuant to applicable law.
49. The Debtor acknowledges having received an executed copy of this Agreement and hereby waives, to the fullest extent permitted by applicable law, receipt of a copy of any financing statement or financing change statement filed at any time in respect of this Agreement or any verification statement in respect of the same.
50. This Agreement and any amendment, supplement, restatement or termination may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which, taken together, shall constitute one and the same agreement. Any party hereto may deliver an executed copy of this Agreement electronically or by facsimile to the other parties hereto.
51. The Debtor by its signature of this Agreement on the one hand and the Bank by making this Agreement available to the Debtor on the other hand acknowledge having expressly required it to be drawn up in the English language *La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à la disposition des garants d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.*

Location of the Debtor:

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

(i) British Columbia

(ii) Ontario

Locations of Collateral:

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

15 Waydom Drive, North Dumfries, Ontario

Permitted Encumbrances:

All registered encumbrances existing as of the date of this agreement.

Schedule 'C'

Intellectual Property of Debtor:

None.

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1. Governing Jurisdiction

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

2. Registration of Personal Property Financing Statements

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

3. Debtor – Legal Entity

Where the Debtor is not a corporation, use the following variations, in the signature blocks.

General Partnership:

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

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Limited Partnership

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

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Trust

The signature block is to be set out as follows:

[Full Legal Name of Trust], by its authorized trustees

Per: _____

Name:

Title:

Per: _____

Name:

Title:

This is Exhibit "F" referred to in
the Affidavit of A. Arenas sworn
this 10^t day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia



HSBC Bank Canada

Guarantee**BASIC GUARANTEE****To: HSBC Bank Canada**

In consideration of HSBC Bank Canada (the "**Bank**") dealing with 1306187 B.C. Ltd. (the "**Customer**") and the payment of ten dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (and each of them if more than one) hereby jointly and severally unconditionally guarantee(s) payment to the Bank immediately on demand by the Bank of all present and future debts and liabilities direct or indirect, absolute or contingent, now or at any time and from time to time hereafter due or owing to the Bank from or by the Customer whether as principal, surety or indemnitor, and whether incurred by the Customer alone or jointly with any other person(s), or otherwise and including not only principal, interest and the amount of all indemnity, guarantee/surety obligations but also all costs, charges and expenses (including legal fees on a full indemnity basis) incurred by or on behalf of the Bank in connection with the negotiation, execution, delivery, perfection and enforcement of this Guarantee and any security held by the Bank in respect of all or any portion of such amounts (collectively, the "**Obligations**").

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

In addition to the guarantee provided in the foregoing paragraphs, and as a separate and distinct obligation, the undersigned jointly and severally unconditionally agree(s) to indemnify and save harmless the Bank, immediately on demand by the Bank, from and against any and all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind which the Bank may suffer or incur in any way relating to or arising from:

- (a) the failure of the Customer to pay and satisfy the Obligations; or
- (b) the Obligations or any agreement creating or relating to any or all Obligations in any way being or becoming for any reason whatsoever, in whole or in part, void, voidable, ultra vires, illegal, invalid, ineffective or otherwise unenforceable or released or discharged by operation of law or otherwise.

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

1. The sum collectible by the Bank under this Guarantee shall include interest accruing on the Obligations at the respective rate(s) of interest applicable to the Obligations, both before and after demand, default and judgment.
2. A certificate issued by the Bank shall be to the fullest extent permitted by applicable law, conclusive evidence (a) that the amount identified in the certificate is at such time due and payable to the Bank and is covered hereby; and (b) of any allocation of the Obligations of the Customer for collection under this Guarantee and the applicable rate(s) of interest.
3. If the Customer is a corporation, no change in the name, objects, capital stock, corporate existence, structure, ownership or control, constitution or constating documents of the Customer (including any arising from any merger, consolidation, amalgamation, reorganization or similar transaction) shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Guarantee shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the Obligations of the Customer in whole or in part in whatsoever manner including, without limitation, by amalgamation with the Customer.
4. The Bank shall not be obliged to inquire into the powers of the Customer or any of its directors, officers, employees, partners, trustees or agents acting or purporting to act on its behalf, and all

* If unlimited
delete paragraph
and have cus-
tomers initial.

moneys, advances, renewals or credits in fact borrowed or obtained from the Bank by the Customer in purported exercise of such powers shall be deemed to form part of the Obligations hereby guaranteed, notwithstanding that such borrowing or obtaining of moneys, advances, renewals or credits may exceed the powers of the Customer or such persons and notwithstanding any lack or limitation of status or power, any incapacity or disability of the Customer or any such persons and notwithstanding that the Customer may not be a legal entity or that such borrowing or obtaining of monies, advances, renewals or credits or the execution and delivery of any agreement or document by or on behalf of the Customer is in any way irregular, defective, fraudulent or informal. The Bank shall be entitled to rely on this paragraph notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

5. If the Customer is a partnership or trust, no change in the name of the Customer or in the membership of the Customer or in the beneficial interests of the Customer, or change in the trustee(s) of the Customer through the death, retirement or introduction of one or more partners, beneficiaries or trustees or otherwise, or by the disposition of the Customer's business in whole or in part, shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Guarantee shall extend to all debts and liabilities to the Bank of the person or corporation who or which becomes a partner of the Customer in whole or in part in whatsoever manner.
6. The liability of the undersigned hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by:
 - (a) the lack of validity or enforceability of the Obligations in whole or in part for any reason whatsoever, including without limitation by reason of prescription, by operation of law or as a result of any applicable statute, law or regulation;
 - (b) any prohibition or restriction imposed in respect of any rights or remedies of the Bank in respect of any Obligations, including without limitation any court order which purports to prohibit or suspend or stay the acceleration of the time for payment of any Obligations, the payment by the Customer of any Obligations or the rights or remedies of the Bank against the Customer in respect of any Obligations;
 - (c) the lack of validity or enforceability in whole or in part of:
 - (i) any credit agreement or any other agreement made from time to time between the Customer and the Bank in connection with any Obligations;
 - (ii) any security given by the Customer or any other person or entity in favour of the Bank from time to time in connection with any Obligations; or
 - (iii) any guarantee or security given by any person or entity in favour of the Bank from time to time in connection with or relating to any Obligations.
 - (d) the dissolution, winding-up, liquidation or other distribution of the assets of the Customer, whether voluntary or otherwise;
 - (e) the Customer becoming insolvent or bankrupt or subject to any proceeding under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, any legislation similar to the foregoing in any jurisdiction, or any legislation enacted substantially in replacement of any of the foregoing, or the Bank's voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
 - (f) the valuation by the Bank of any security held in respect of the Obligations, which shall not be considered as an agreement by the Bank to sell, or as any implied purchase of such security or as payment on account of the Obligations;
 - (g) any right or alleged right of set-off, combination of accounts, counterclaim, appropriation or

application or any claim or demand that the Customer or the undersigned may have or may allege to have against the Bank;

- (h) the failure or neglect of the Bank to enforce any security held in respect of the Customer or in respect of any guarantor of Obligations;
- (i) the Bank having released, discharged, compromised or otherwise dealt with any such security in any manner whatsoever;
- (j) the enforcement by the Bank of any such security in an improvident or commercially unreasonable manner (including the sale or other disposition of any assets encumbered by such security at less than the fair market value thereof) whether as a result of negligence, recklessness or wilful action or inaction on the part of the Bank or otherwise, and regardless of any duty which the Bank might have to the Customer under applicable law (including applicable personal property security legislation) in respect of the enforcement of any such security; or
- (k) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Customer in respect of the Obligations or of the undersigned in respect of this Guarantee.

7. The liability of the undersigned shall be absolute and unconditional and, without notice to and without the consent of the undersigned and without exonerating in whole or in part the undersigned and without in any way prejudicing the rights of the Bank hereunder and without releasing, discharging, limiting or otherwise affecting in whole or in part the liability of the undersigned under this Guarantee, the Bank may, from time to time, grant time, renewals, extensions, indulgences, releases and discharges to, take or release security from and give the same and any or all existing security to, abstain from taking security from, or from registering or perfecting security of, cease or refrain from giving credit or making loans or advances to the Customer, convert revolving lines of credit to non-revolving lines of credit, increase or decrease the amount of credit available to the Customer, increase the interest rates, fees and charges applicable to all or any portion of the Obligations and otherwise amend, renew, waive, release or terminate any credit document or any provisions thereof in whole or in part (including, without limitation, any provisions relating to margin requirements, conditions for the extension of credit and the determination of the amount of credit available, positive and negative covenants, payment provisions, the application of payments received by or on behalf of the Customer, and events of default), or otherwise change the terms of any Obligations, or make additional advances and extend credit to, the Customer (including new loans and credit facilities, whether in addition to or in replacement for other loans and credit facilities previously established by the Bank for the Customer), and receive payments in respect of the Obligations, take, refrain from taking or release guarantees from other persons in respect of Obligations, accept compromises or arrangements from the Customer, any guarantor of Obligations or any other person, refrain from demanding payment from or exercising any rights or remedies in respect of the Customer or any guarantor of Obligations, or apply all monies received from the Customer, by any guarantor of the Customer or any other person or from the proceeds of any security to pay such part of the Obligations as the Bank may see fit, or change any such application in whole or in part from time to time, notwithstanding any direction which may be given regarding application of such monies by the Customer, any guarantor of the Customer or any other person, and may otherwise deal with the Customer and all other persons (including the undersigned and any other guarantor) and security, as the Bank may see fit, and all dividends, compositions, and moneys received by the Bank from the Customer or from any other persons or estates capable of being applied by the Bank in reduction of Obligations hereby guaranteed, shall be regarded for all purposes as payments in gross. Until all Obligations of the Customer to the Bank have been indefeasibly paid in full, the undersigned shall not have any right of subrogation to the Bank or to the security held by the Bank and this Guarantee shall not be diminished or act or failure to act on the part of the Bank which would prevent subrogation from operating in favour of the undersigned. The undersigned waives, to the fullest extent permitted by applicable law, any right to enforce any remedy that the Bank now has or may have, after this Guarantee takes effect, against the Customer or the undersigned in respect of the Obligations, and the undersigned waives any benefit of, and any right to participate in, any security, whether charging real (immovable) or personal (movable) property, now or in the future held by the Bank for the

Obligations until the time that all Obligations are finally and indefeasibly paid in full. If the Bank receives from the undersigned a payment or payments on account of the liability of the undersigned under this Guarantee, the undersigned will not be entitled to claim contribution or indemnity from the Customer or any other Guarantor until the claims of the Bank against the Customer have been finally and indefeasibly paid in full or the Bank has waived its rights in respect of those claims. The Bank shall be entitled to prove against the estate of the Customer in respect of the whole of said Obligations upon any insolvency or winding-up, and the undersigned shall have no right to be subrogated to the Bank or to the security held by the Bank until the Bank has received final and indefeasible payment in full of all Obligations with interest.

8. The Bank shall not be bound or obliged to exhaust its recourse against nor commence proceedings against the Customer or any other persons or entities or enforce any security it may hold or take any other action before being entitled to payment from the undersigned of the guaranteed Obligations and it shall not be obliged to offer or deliver its security before its whole claim has been paid. The undersigned unconditionally waives all benefits of discussion and division and any right the undersigned may have to oblige the Bank to (i) proceed against the Customer or any other person or entity; (ii) exhaust its rights and remedies against any property, security or assets furnished to the Bank, by the Customer or any other person who is or may become liable in respect of any of the Obligations; or (iii) apply any property, security or assets of the Customer or any other person or entity who is or may become liable in respect of any of the guaranteed Obligations to the discharge of the guaranteed Obligations or to the benefit of the undersigned.
9. The Bank, in its sole discretion and as the Bank sees fit, without in any way prejudicing or affecting the rights of the Bank hereunder, may appropriate any moneys received to any portion of the Obligations hereby guaranteed, whether then due or to become due, and may revoke or alter any such appropriation.
10. This shall be a continuing guarantee, and shall cover and guarantee the Obligations and any ultimate balance thereof owing to the Bank, notwithstanding that the Customer may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations. Provided always that the undersigned may determine the undersigned's further liability under this continuing guarantee by 90 days' prior notice in writing to be given to the Bank, and the liability hereunder of the undersigned shall continue until the expiration of 90 days following the date of receipt by the Bank of such notice, notwithstanding the death or incapacity or change in name, objects, capital stock, corporate existence, structure, ownership or control, constitution, constating documents or membership of or in the undersigned or the Customer, and after the expiry of such 90 day period the undersigned shall remain liable under this Guarantee in respect of the aggregate amount of all Obligations of the Customer to the Bank on such 90th day and also in respect of any contingent or future liabilities incurred to the Bank, or by the Bank for the Customer's account, on or before such 90th day but maturing thereafter, (including, without limitation in respect of letters of credit, letters of guarantee or bankers acceptances issued by, or accepted by the Bank prior to such 90th day as well as contingent obligations or liabilities of the Customer incurred prior to such 90th day) but in the event of the determination of this Guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
11. Notwithstanding the provisions of any statute relating to the rate of interest payable by debtors, this Guarantee shall remain in full force and effect whatever the rate of interest received or demanded by the Bank from the Customer comprising any part of the Obligations for which the undersigned is liable as guarantor, provided however that notwithstanding any other provisions of this Guarantee, if the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted hereunder relating to any portion of the Obligations would otherwise contravene the provisions of Section 347 of the Criminal Code (Canada), Section 8 of the *Interest Act* (Canada) or any successor or similar legislation, or would exceed the amounts which the Bank is legally entitled to charge and receive from the undersigned under any applicable law, then such amount or rate of interest shall be reduced to the maximum amount so as not to contravene any such provision; and to the extent that any excess has been charged or received, the Bank shall apply such excess against the Obligations and refund to the person lawfully entitled thereto any further excess amount.

12. The Bank may from time to time combine, consolidate or merge accounts and set off and apply any liabilities it may have to the undersigned (including liabilities in respect of bank accounts, credits or balances held by the undersigned with the Bank) against any and all of the Obligations for which the undersigned is liable to the Bank now or hereafter existing under this Guarantee, whether or not the Bank has made any demand hereunder, and whether or not any of such Obligations may be unliquidated, contingent or unmatured. The Bank may appropriate and apply any accounts, deposits, investments, credits or balances by the undersigned or for the undersigned's benefit with any branch of the Bank, general or special, matured or unmatured, and any other indebtedness and liability of the Bank to the undersigned, matured or unmatured, against and on account of the undersigned's liabilities under this Guarantee when due.
13. The undersigned hereby postpones and subordinates payment of all present and future debts and liabilities of the Customer to the undersigned to payment of all Obligations to the Bank. The undersigned agree that the undersigned shall not, except to the extent consented to by the Bank in writing, require or receive any payment of principal, interest or any other amount from the Customer in respect of any such postponed indebtedness until all Obligations have been indefeasibly paid and satisfied in full. All moneys received by the undersigned from the Customer in contravention of the foregoing provisions shall be received by the undersigned as trustee and agent for the Bank and forthwith upon receipt shall be paid over to the Bank until all Obligations are fully and indefeasibly paid and satisfied; all without prejudice to or without in any way limiting or lessening the liability of the undersigned to the Bank whether this Guarantee is expressed to be made in respect of a Limited Amount or otherwise. If the undersigned now or in the future holds any security for payment of any postponed indebtedness (the "**Postponed Security**"), the Postponed Security and the security interests constituted thereby are hereby postponed and subordinated to all present and future security and security interests held by the Bank in respect of the Obligations, notwithstanding the order of execution, delivery, attachment, registration or perfection of such security or security interests, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security or security interests. The undersigned shall not initiate or take any action to enforce the Postponed Security without the prior written consent of the Bank. The undersigned shall, promptly at the Bank's request, deliver to the Bank, in form and substance satisfactory to the Bank, an assignment by the undersigned to the Bank of all postponed indebtedness and Postponed Security, as security for the undersigned's liabilities and obligations to the Bank pursuant to this Guarantee.
14. The Bank shall not be obliged to give the undersigned notice of default by the Customer.
15. No suit or proceeding based on this Guarantee shall be instituted until demand for payment has been made under this Guarantee by the Bank to the undersigned. Any notice, demand or court process may be served by the Bank on the undersigned or the undersigned's legal personal representatives in accordance with the provisions of paragraph 31 below.
16. This Guarantee shall be operative and binding upon every signatory hereof notwithstanding the non-execution hereof by any other proposed signatory or signatories, and the undersigned acknowledges that this Guarantee has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the undersigned affecting or limiting the liability of the undersigned under this Guarantee or inducing the undersigned to grant this Guarantee except as specifically contained herein in writing, and agrees that this Guarantee is in addition to and not in substitution for any other guarantees, security or any other rights or remedies held or which may hereafter be held by the Bank.
17. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on the Bank unless made in writing and signed by an authorized officer of the Bank, and any such waiver shall apply only with respect to the specific instance involved, and shall not impair the rights of the Bank or the liability of the undersigned hereunder in any other respect or at any other time. No delay on the part of the Bank in exercising any of its options, powers, rights or remedies, or any partial or single exercise thereof, shall constitute a waiver thereof.

18. The undersigned shall file all claims against the Customer in any bankruptcy, insolvency, windingup or other proceedings in which the filing of claims is required by law in connection with any indebtedness of the Customer to the undersigned and the undersigned hereby irrevocably agrees that it shall assign to the Bank all of the undersigned's rights thereunder. In all such cases, whether an administration, bankruptcy, insolvency, plan of arrangement, proposal, windingup, dissolution or otherwise, the trustee, liquidator, receiver, receiver-manager, or other person or persons authorized to pay such claims shall be directed and authorized by the undersigned to pay to the Bank the full amount payable on the claim in the proceeding before making any payment to the undersigned, all without in any way limiting or lessening the liability of the undersigned to the Bank whether this Guarantee is expressed to be made in respect of a Limited Amount or otherwise. All moneys received by the undersigned in all such cases shall be received by the undersigned as trustee and agent for the Bank and forthwith upon receipt shall be paid over to the Bank until all Obligations are fully indefeasibly paid and satisfied. To the fullest extent necessary for the purposes of this paragraph 18 the undersigned hereby assigns to the Bank all the undersigned's rights to any payments or distributions to which the undersigned otherwise would be entitled.
19. In this Guarantee, any word importing the singular number shall include the plural, and without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and every one of the undersigned, and any word importing a person shall include a corporation, partnership and any other entity. If this Guarantee is executed by more than one party, the liability of each of the undersigned hereunder shall be joint and several.
20. This Guarantee shall extend to and enure to the benefit of the successors and assigns of the Bank, and shall be binding upon the undersigned and the respective heirs, executors, administrators, successors and assigns of each of the undersigned.
21. No invalidity, irregularity or unenforceability by reason of any bankruptcy or similar law or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect the liability of the Customer to the Bank or of any security therefor, shall affect, impair or be a defence to this Guarantee. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable from this Guarantee and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
22. The undersigned shall make payment to the Bank hereunder in immediately available funds in the same currency(ies) as is/are required to be paid by the Customer in respect of the relevant Obligations. With respect to any monies payable by the undersigned hereunder, or any portion or portions thereof, which are payable in a currency other than Canadian dollars (the "**Foreign Currency Obligation**"), the following provisions shall apply:
 - (a) payment made hereunder of the Foreign Currency Obligation shall be made in immediately available funds in lawful money of the jurisdiction in the currency of which the Foreign Currency Obligation is payable (the "**Foreign Currency**") in such form as shall be customary at the time of payment for settlement of international payments in Vancouver, British Columbia without set-off, compensation, or counterclaim and free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges and withholdings with respect thereto.
 - (b) if the undersigned makes payment to the Bank, or if an amount is applied by the Bank, in Canadian dollars in circumstances where the relevant Obligations (or portion thereof) constitute a Foreign Currency Obligation, such payment or amount shall satisfy the said liability of the undersigned hereunder only to the extent that the Bank is able, using the rate of exchange applied by the Bank in accordance with its normal banking procedures, to purchase the full amount of the relevant Foreign Currency owing with the amount of the Canadian dollars received by the Bank on the date of receipt, and the undersigned shall remain liable to and hereby agrees to indemnify the Bank for any deficiency (together with interest accruing thereon calculated and payable pursuant to the terms of the relevant underlying Obligations).

- (c) the undersigned shall indemnify and hold the Bank harmless from any loss incurred by the Bank arising from any change in the value of Canadian dollars in relation to the relevant Foreign Currency between the date the Foreign Currency Obligation becomes due and the date of full, final and indefeasible payment thereof to the Bank; and
- (d) if for the purpose of commencing any proceeding against the undersigned to enforce payment of its indebtedness and liability hereunder it is necessary to convert a sum due hereunder in a Foreign Currency into Canadian dollars, the rate of exchange used for purposes of commencing such proceeding shall be the rate of exchange at which in accordance with its normal banking procedures the Bank could purchase Canadian dollars with such Foreign Currency amount claimed to be due hereunder on the business day preceding that on which proceeding is commenced.
- (e) the obligation of the undersigned in respect of any such sum due from it to the Bank hereunder shall, notwithstanding any judgment in Canadian dollars, be discharged only to the extent that on the business day following receipt by the Bank of any sum adjudged to be so due in Canadian dollars the Bank may, using the rate of exchange applied by the Bank in accordance with its normal banking procedures purchase the relevant Foreign Currency in the full amount owing hereunder with the Canadian dollars; if the amount of such Foreign Currency so purchased is less than the sum actually due to the Bank in such Foreign Currency the undersigned agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Bank against such loss and if the Foreign Currency purchased exceeds the sum actually due to the Bank in the Foreign Currency, the Bank agrees to remit such excess to the undersigned as the undersigned may be entitled thereto.

23. All the rights, powers and remedies of the Bank hereunder and under any other agreement now or at any time hereafter in force between the Bank and the undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of the Bank at law or in equity.

24. The undersigned expressly assumes the risk of superior force, in all circumstances as permitted by Article 1693 of the *Civil Code of Québec*.

25. The undersigned by its signature of this Guarantee on the one hand and the Bank by making this Guarantee available to the undersigned on the other hand acknowledge having expressly required it to be drawn up in the English language. La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à la disposition des garants d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.

26. This Guarantee shall be construed in accordance with the laws of the Province of* **British Columbia** _____ and shall be deemed to have been made in such Province and to be performed there, and the Courts of such Province shall have jurisdiction over all disputes which may arise under this Guarantee, provided that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

The undersigned hereby submits to the non-exclusive jurisdiction of the courts of the Province referred to in this paragraph 26, and hereby waives, to the fullest extent permitted by applicable law, any defence based on convenient forum if the undersigned changes its governing jurisdiction or becomes resident outside the Province referred to in this paragraph 26.

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

*(Insert generally Province of in which corporate Guarantor is organized, or which individual Guarantor has his or her principal residence, or in special cases (as advised by Bank's legal counsel) for corporate guarantor with public record of constating documents where the Guarantor is located.)

"mandatory", iv) joint and several" and "jointly and severally" shall include "solidary" and "solidarily", and v) a "corporation" shall include a "company" and vi) "negligence" shall include "fault".

28. For the purposes of this Guarantee, "**business day**" means any day of the year (other than Saturday or Sunday, a statutory or civic holiday or any other day on which banks are closed for normal business in the Province identified in paragraph 26 above).
29. If at any time all or any part of any payment previously received and/or applied by the Bank to any portion of the Obligations is rescinded or returned by the Bank for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, as a result of or in connection with the insolvency, bankruptcy or reorganization of the Customer or the undersigned, or any allegation that the Bank received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned, such portion of the Obligations shall be deemed to have continued in existence notwithstanding such initial receipt and application by the Bank, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment had not been made.
30. Except as otherwise required by law, each payment by the undersigned hereunder to the Bank shall be made without withholding for or on account of any present or future tax imposed by or within the jurisdiction in which the undersigned is domiciled, any jurisdiction from which the undersigned makes any payment or any other jurisdiction, or (in each case) any political subdivision or taxing authority. If any such withholding is required by law, the undersigned shall make the withholding, pay the amount withheld to the appropriate governmental authority before penalties attach thereto or interest accrues thereon and forthwith pay to the Bank such additional amount as may be necessary to ensure that the net amount actually received by the Bank (after payment of such taxes including any taxes on such additional amount paid) is equivalent to the amount which the Bank would have received if no amounts had been withheld.
31. All demands, notices, service of process and other communications provided for or permitted hereunder shall be in writing and delivered to the addressee by ordinary mail, personal delivery, fax or other direct written electronic means, to the address of the addressee noted on the last page or pages of this Guarantee. Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a business day by personal delivery or by fax shall be deemed to have been given, received and made on such business day and if so given after 5:00 p.m. (Toronto time) on a business day or on a day which is not a business day, such notice, demand or other communication shall be deemed to have been given, received and made on the next following business day. Any party may change its address for service by notice given in the foregoing manner.
32. The undersigned agrees, at the undersigned's own expense, to promptly execute and deliver or cause to be executed and delivered to the Bank, upon the Bank's request from time to time, all such other and further documents, agreements, opinions, certificates and instruments as are required under this Guarantee or as may be reasonably requested by the Bank if necessary or desirable to more fully document or evidence the obligations intended to be entered into herein.
33. The undersigned agrees that, to the extent permitted by law, all limitation periods established by the applicable limitations act are hereby excluded and shall not apply to this Guarantee, other than an ultimate 15-year limitation period. The undersigned agrees that this Guarantee constitutes a "**business agreement**" as such term is defined by the Limitations Act (Ontario).
34. The undersigned hereby acknowledges receipt of a copy of this Guarantee and waives, to the fullest extent permitted by applicable law, all rights to receive from the Bank a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Guarantee.
35. Each of the undersigned hereby acknowledges that it has read the contents of the Guarantee, understands that the signing of this Guarantee involves joint and several financial responsibility on the part of the undersigned and has in no way whatsoever, directly or indirectly, sought, received or relied upon any representation or statement from or any agreement or undertaking with the Bank or any officer, employee or agent thereof.

[Remainder of Page Intentionally Left Blank]

Check serial and date of

Witness

Guarantor (Individual)

Name _____

Signature _____

_____ Date

Municipal Address for Notices

City/State _____

Zip _____

Witness

Guarantor (Individual)

Name _____

Signature _____

_____ Date

Municipal Address for Notices

City/State _____

Zip _____

Witness
Name _____
Signature _____
Date _____

Guarantor (Business)

Good Net Used Products, Inc.
(Name of Corporation, Partnership or Trust)

Paul Antkowiak

Name of Authorized Signatory/Agent/Trustee (S)

(Signature of Authorized Signatory)

(Print Name of Authorized Signatory)

Municipal Address for Notices
614 - 470 (Hawthorne Street, Vancouver, BC)

City/State

Zip _____

Guarantor (Business)

Good Net Used Products, Inc.
(Name of Corporation & Partnership or Trust)

Paul Antkowiak

Name of Authorized Signatory/Agent/Trustee (S)

(Signature of Authorized Signatory)

(Print Name of Authorized Signatory)

Municipal Address for Notices
614 - 470 (Hawthorne Street, Vancouver, BC)

City/State

Zip _____

QUANTUM QUESTIONS

Integrated Packaging Firm's LP, by its
general partner Integrated Packaging Firm
GP LLC.

(Name of Corporation, Partnership or Trust)

Paul Andrews

(Name of Authorized Signatory, Partner/ Trustee/ CO)

Paul Andrews

Office signed by Paul
Andrews

Consolidated Packaging Co.

(Signature of Authorized Signatory)

(Print Name of Authorized Signatory)

Company Address for Mailing:

814 - 475 Granite Street, Vinton, VA

Fax to:

Email: quantumquest@comcast.net

QUANTUM QUESTIONS

Quantum Quest (Q&Q) Inc.

(Name of Corporation, Partnership or Trust)

Paul Andrews

(Name of Authorized Signatory, Partner/ Trustee/ CO)

Paul Andrews

Office signed by Paul
Andrews

Consolidated Packaging Co.

(Signature of Authorized Signatory)

(Print Name of Authorized Signatory)

Company Address for Mailing:

814 - 475 Granite Street, Vinton, VA

Fax to:

Email: quantumquest@comcast.net

This is Exhibit " G " referred to in
the Affidavit of A. Arenas sworn
this 10th day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia



December 21, 2021

CONFIDENTIAL

IPF Holdings Inc.
15 Wadsworth Dr
Aur, Ontario,
N0B 1E0

Attention: Don Holmstrom

OFFER TO LEASE

We are pleased to advise that, on the basis of the financial statements and other information provided by you ("**Lessee**") and the Guarantor(s) specified below, HSBC Bank Canada ("**Lessor**") hereby offers to lease to Lessee the Equipment (as described below), on the terms and conditions set out in this Offer and in the form of the Master Equipment Lease and the lease schedule (together with any attachments, the "**Schedule**") (the Master Equipment Lease and the Schedule, together, the "**Lease**").

The Lease is incorporated in this Offer as if set out herein and Lessee agrees to be bound by the Lease as if executed by Lessee. Terms used in this Offer and not otherwise defined, have the meanings set out in the Lease. If the Equipment will be leased to Lessee under more than one Schedule, then each reference in this Offer to "the Schedule" shall be interpreted as referring to the applicable Schedule(s).

This Offer Letter shall, on execution by the Lessee, replace all previous Offer Letters from the Lessor to the Lessee and Guarantors with respect to the Leases.

1. **Currency:**

The Lease shall be in US dollars. Unless otherwise expressly stated, all references to dollar amounts in this Offer are to amounts in such currency.

2. **Equipment:**

<u>Description</u>	<u>Estimated Cost</u>
New/used* packaging and food processing equipment (collectively, the " Equipment ")	\$1,650,000**

* Financing of used equipment is subject to approval by the Lessor, on a case by case basis and on terms and conditions acceptable to the Lessor.

** Lessee acknowledges that \$0 of the \$1,650,000 non-revolving lease limit has been advanced as of the date of the offer to Lease, therefore \$1,650,000 is available for future advance(s), subject to the terms and conditions outlined in this Offer Letter and Related Documents.

3. **Guarantor(s):**

Good Natured Products Inc.

4. **Amount of Lease Advance:**

- 4.1 The amount Lessor shall pay to purchase the Equipment shall be the actual cost thereof (including all applicable Taxes) to Lessee or to Lessor, as the case may be (the "**Equipment Cost**"), but in any event, not more than \$1,650,000 (the "**Advance**"). If the Equipment Cost exceeds the Advance, Lessor is not obliged to purchase the Equipment or enter into the Lease.
- 4.2 Lessor may also, at any time in Lessor's discretion, with or without notice to Lessee, as part of any periodic review of such financing facilities, amend any fee or rate payable by Lessee or other terms and conditions under this Offer with respect to any Lease not then in effect.
- 4.3 Lessor has agreed to provide the lease financing described in this Offer to Lessee on a non-revolving basis.

5. **Availability of the Advance:**

- 5.1 If title to the Equipment is to be acquired by Lessor directly from the supplier or suppliers of the Equipment (collectively, the "**Supplier(s)**"), Lessor shall pay the Equipment Cost in one lump sum payment directly to the Supplier(s) and Lessee hereby irrevocably authorizes Lessor to purchase and pay for the Equipment on the terms and conditions of this Offer. If Lessee presently owns or will, prior to Lessor's payment of the Equipment Cost, become the owner of the Equipment, Lessor shall pay the Equipment Cost in one lump sum payment directly to Lessee.
- 5.2 Any payment by Lessor under this section 5, whether to Lessee or the Supplier(s), shall be subject to satisfaction of the conditions precedent specified below and, without limitation, in consideration of Lessee or the applicable Supplier(s), as the case may be, transferring legal and beneficial title to the Equipment to Lessor free and clear of all Liens. Upon any such transfer, and subject to the conditions precedent specified below, Lessor will then lease the Equipment to Lessee on the terms and conditions set out in the Lease, as completed in accordance with this Offer.

6. **Term:**

- 6.1 New equipment shall be leased for a maximum term (the "**Term**") of 72 months with a maximum amortization of 72 months.
- 6.2 Used assets will be financed on a case by case basis acceptable to the Lessor.
- 6.3 The Term will commence, notwithstanding the date of delivery of the equipment to Lessee, on the commencement Date of Rental payments (as defined below).

7. **Rent:**

- 7.1 Regular Rental Payments shall be (i) payable in advance commencing on the Commencement Date of Rental Payments and (ii) payable monthly. If at any time there is any uncertainty or ambiguity as to the amount of any such rates, Lessor's determination thereof shall be conclusive for all purposes.
- 7.2 Applicable Taxes shall be added to Rental Payments in all cases.
- 7.3 The "**Commencement Date of Rental Payments**" shall be the date agreed upon in writing by Lessee and Lessor.
- 7.4 The Rental Factor and, therefore, the Rental Payments payable under the Lease, will then be fixed for the Term of the Lease. By way of example, based on a total cost of the Equipment of USD \$1,650,000, as of the date of this Offer, such regular Rental Payments would be USD \$25,091.49 based on a 60-month Term. The implicit rate, as of the date of this Offer, is 3.14%.
- 7.5 The Rental Payments shall be paid by Lessee via pre-authorized payments from Lessee's bank account.

8. **Fees:**

- 8.1 Lessee shall pay to Lessor, the sum of CAD \$500.00 as provided for in a Schedule as an administration fee at the time of the execution of such Schedule plus applicable Taxes as consideration for the time, effort and expense incurred by Lessor in the review of documents and financial statements in connection with the lease facility contemplated hereunder.
- 8.2 Lessee acknowledges and agrees that the determination of the aforementioned costs is not feasible and that the application and set up fee, administration fee and prepaid rent specified above represent a reasonable estimate thereof, are not in any way to be considered a penalty and shall be retained by Lessor without prejudice to any other remedies which may be available to Lessor at law or in equity.

9. **Option to Purchase:**

- 9.1 Subject to section 18 of the Master Equipment Lease titled "Purchase Option" and following receipt by Lessor of the 72nd monthly rental payment hereunder, Lessee shall have the right, exercisable at its option and on the terms and conditions more particularly specified in the Lease, to purchase all Lessor's right, title and interest in and to the Equipment for a purchase price in an amount equal to \$100.00 together with all applicable Taxes.

10. **Related Documents:**

Prior to Lessor paying the Equipment Cost, Lessee shall provide, or cause to be provided, to Lessor each of the following documents (the "**Related Documents**"):

- 10.1 an invoice from Lessee or the Supplier(s), as the case may be, to Lessor, identifying and describing the Equipment in a manner acceptable to Lessor;

- 10.2 an executed bill of sale evidencing the sale of the Equipment to Lessor (in that event), executed by Lessee, free from all Liens;
- 10.3 the Master Equipment Lease and the applicable Schedule, each executed by Lessee;
- 10.4 a pre-authorized payment form in Lessor's standard form and executed by Lessee with respect to interbank debiting of Rental Payments due under the Lease;
- 10.5 such waivers, releases, acknowledgements and consents in registrable form (if necessary) as Lessor may require, in form and substance acceptable to Lessor, from the owners, landlords and mortgagees of any real property upon which any Equipment may be located;
- 10.6 all such additional instruments, documents, certificates and opinions as Lessor shall reasonably require.
- 10.7 the Prior Security Documents (as defined below)

Copies of Lessor's usual forms for the Related Documents are available for inspection by Lessee or any guarantor upon request.

Without limitation of any provision of or any of the rights and remedies available to the Lessor under any of the Related Documents specifically identified herein or required specifically in connection with the Lease contemplated herein, the Lessee and Guarantors hereby acknowledges and agree that any and all other instruments, documents and agreements (collectively, the "**Prior Security Documents**") previously executed by the Lessee and Guarantors, in favour of HSBC Bank Canada, whether in connection with the Lease contemplated hereunder or otherwise, shall, notwithstanding any inconsistency or provision to the contrary contained therein, constitute continuing security for the indebtedness, obligations and liabilities of the Lessee to the Lessor, under the Lease and Related Documents, or any of them.

11. Conditions Precedent:

Lessor's obligation to purchase or pay for any Equipment and enter into any lease thereof to Lessee is subject to satisfaction of each of the following conditions, each of which conditions is inserted for Lessor's sole benefit and may (but need not) be waived by Lessor at its option:

- 11.1 Lessor shall have received duly executed original copies of each of the Related Documents completed and, where necessary, registered, in a form and manner satisfactory to Lessor and Lessor's solicitors;
- 11.2 if the Equipment is being purchased by Lessor from Lessee, Lessor shall have received evidence satisfactory to Lessor that Lessee has legal and beneficial title to the Equipment, free and clear of any Liens, and that upon payment of the Equipment Cost therefor to Lessee, Lessor shall acquire legal and beneficial title to the Equipment, free and clear of any Liens, other than any Liens granted by Lessor;
- 11.3 if the Equipment is being purchased by Lessor directly from the Supplier(s), evidence satisfactory to Lessor that upon payment of the Equipment Cost therefor to the Supplier(s), Lessor shall acquire legal and beneficial title to the Equipment, free and clear of any Liens;

- 11.4 Lessor shall have received confirmation of insurance conforming to all requirements specified in the Lease;
- 11.5 if required by Lessor, Lessor shall have received an appraisal of the Equipment addressed to Lessor by an appraiser acceptable to Lessor, which appraisal shall confirm the fair market value of the Equipment to be in an amount acceptable to Lessor;
- 11.6 no Event of Default or Unmatured Event of Default shall have occurred, or shall occur, as a result of the purchase of the Equipment by Lessor or the lease thereof to Lessee.
- 11.7 the Lessee shall be deemed in default in the event of a default or failure by the Lessee to comply with any of their representations, covenants or other obligations in respect of their leases the Lessee has arranged under other Offer to Leases or with any other lenders.

If, after the acceptance of this Offer, either (i) there has been, in Lessor's sole opinion, a material adverse change in the financial condition of Lessee, or any Guarantor, or (ii) any of the conditions set out above have not been met and such conditions have not been waived in writing by Lessor, then this Offer shall terminate. Lessor shall have no further obligation to purchase or pay for any Equipment or enter into any lease thereof to Lessee and all of Lessor's other obligations hereunder or under the Lease with respect to the Equipment shall terminate.

12. **Additional Considerations Related to Master Equipment Lease**

We agree to amend the Master Equipment Lease as follows:

- Section 12(k) is hereby replaced with the following:
 - (k) deliver to the Lessor annually, within 120 days of the Guarantors' fiscal year end, as the case may be, Audited consolidated financial statements for the Guarantor, consolidated pro forma financial statements, cash flow statement and budget for the following fiscal year of the Guarantor, and such additional financial and other information as Lessor may reasonably require from time to time;
- Section 16(e) is hereby replaced with the following:
 - (e) Notwithstanding wear and tear through ordinary use at the sole discretion of the Lessor, acting reasonably, the Equipment is used in a manner that may result in accelerated depreciation; or
- Section 16(k) is hereby replaced with the following:
 - (k) Lessee or any Guarantor fails to pay when due any indebtedness for borrowed money or any other indebtedness under conditional sales agreement, instalment sales agreement, leases or obligations evidenced by bonds, debentures, notes or other similar agreements or instruments or guarantees thereof, and such failure to pay is not cured within the applicable grace period; or
- Section 16(o) is hereby replaced with the following:

(o) control or beneficial ownership of Lessee or any Guarantor which is not an individual changes from that which existed at the date of execution of this**; or

- The following new section is added, 17(e)

(e) The Lessee shall have 5 business days to remedy an Event of Default of Section 16 (a) and (g) only;

All other language and clauses contained within the Master Equipment Lease remain unchanged and fully enforceable.

13. **Other Conditions:**

Notwithstanding anything to the contrary as contained in the Master Equipment Lease, the Lessor acknowledges and consents to the Liens in favour of National Bank of Canada against the Lessee existing as of the date hereof, provided that such Liens do not impair the Lessor's ability to obtain a first perfected security interest in the Equipment.

14. **Guarantor (s):**

By executing this Offer, each Guarantor hereby jointly and severally agrees with Lessor that (i) it will cause Lessee to perform all of its obligations hereunder, under the Lease and under all Related Documents; (ii) it will Guaranty Lessor against any Losses suffered by Lessor as a result of Lessee failing to perform any such obligations; and (iii) it will execute and deliver to Lessor prior to the Expiry Date an guarantee agreement in Lessor's standard form. The obligations of each Guarantor under this section shall survive termination of this Offer and shall be unaffected by any matter or thing, including any waiver by Lessor of any conditions contained herein, including any extension of the Expiry Date or increase of the Maximum Advance by Lessor.

15. **Legal Documentation and Other Expenses:**

Without limiting the terms of the Lease Agreement and whether or not the transactions contemplated by this Offer or the Lease shall be consummated, Lessee shall pay any and all reasonable costs Lessor incurs (including legal fees and disbursements on a Full Guarantee Basis) in connection with the preparation, negotiation, execution and delivery of this Offer and all Related Documents and all other documents and writings contemplated hereby or thereby or delivered in connection herewith or therewith, whether delivered on, prior to or after the consummation of the transactions contemplated hereby or thereby.

16. **Non-Merger and Conflict:**

The terms of this Offer shall survive execution of the Related Documents; provided that upon satisfaction or waiver of all conditions in accordance with the foregoing, the lease of the Equipment shall be governed by the terms of the signed Lease between Lessor and Lessee, and in the event of any inconsistency between the terms of this Offer and the terms of such Lease, the terms of such Lease shall supersede the terms of this Offer.

17. **Applicable Law:**

For purposes of the section of the Master Equipment Lease titled "Miscellaneous" and determining which law governs this Offer, the "Province" is British Columbia.

This Offer to Lease may be accepted by Lessee by signing, dating and returning to Lessor by 5:00 p.m. on January 12, 2022 the enclosed copy of this Offer. Upon receipt, Lessor shall arrange preparation of the Related Documents. If Lessee has not accepted this Offer and paid such amounts by such time, this Offer shall terminate, Lessor shall have no further obligation to purchase or pay for any Equipment or enter into any lease thereof with Lessee and all of Lessor's other obligations hereunder or under the Lease with respect to the Equipment shall terminate.

Yours very truly,

HSBC BANK CANADA

John Schmidt

John Schmidt (Jan 17, 2022 15:12 MST)

John Schmit

Regional Head, Equipment Finance & Leasing

Mark Shandro

Mark Shandro (Jan 17, 2022 09:14 PST)

Mark Shandro

Director, Equipment Finance & Leasing

AGREED TO AND ACCEPTED THIS _____ DAY OF Jan 14, 2022, 2021.

THE LESSEE:

IPF HOLDINGS INC.

by its authorized signatory(ies):

Don Holmstrom

Per: Don Holmstrom (Jan 19, 2022 15:00 PST)

Name: Don Holmstrom

Title: EVP Corporate Development, Strategic Planning and Capital Planning

Kevin Leong

Per: Kevin Leong (Jan 17, 2022 09:09 PST)

Name: Kevin Leong

Title:

THE GUARANTOR(S):

GOOD NATURED PRODUCTS INC.

Don Holmstrom

Per: Don Holmstrom (Jan 14, 2022 15:00 PST)

Name: Don Holmstrom

Title: EVP Corporate Development, Strategic Planning and Capital Planning

Kevin Leong

Per: Kevin Leong (Jan 17, 2022 09:05 PST)

Name: Kevin Leong

Title: Chief Financial Officer

ADDITIONAL DEFINITIONS

"HSBC's Cost of Funds Rate" means the aggregate cost as determined by Lessor and accepted by Lessee of the requested funds on an annual fixed rate basis for a period of 1, 2, 3, 4 or 5 years, as selected by Lessee, but maturing not later than the expiry of the Term, in any event, including dealer commissions and such reserves as are applicable.

"Total Lease Cost" means the total of the acquisition cost of the Equipment.

IPF Holdings Inc. Offer to Lease package

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Final Audit Report

2022-01-17

Created:	2022-01-14
By:	Kexin Chen (kexin.x.chen@hsbc.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAPbmu1xx33fbOLIYOs1UyUdqovPeDisQn

"IPF Holdings Inc. Offer to Lease package" History

- Document created by Kexin Chen (kexin.x.chen@hsbc.ca)
2022-01-14 - 7:18:57 PM GMT
- Document emailed to Don Holmstrom (don@goodnatured.ca) for signature
2022-01-14 - 7:46:18 PM GMT
- Email viewed by Don Holmstrom (don@goodnatured.ca)
2022-01-14 - 7:47:44 PM GMT
- Don Holmstrom (don@goodnatured.ca) verified identity with phone authentication using the phone number +X XXX-XXX-0267
2022-01-14 - 10:59:20 PM GMT
- Document e-signed by Don Holmstrom (don@goodnatured.ca)
Signature Date: 2022-01-14 - 11:00:28 PM GMT - Time Source: server
- Document emailed to Kevin Leong (kevin@goodnatured.ca) for signature
2022-01-14 - 11:00:30 PM GMT
- Email viewed by Kevin Leong (kevin@goodnatured.ca)
2022-01-17 - 5:04:27 PM GMT- IP address: 74.125.209.75
- Kevin Leong (kevin@goodnatured.ca) verified identity with phone authentication using the phone number +X XXX-XXX-3751
2022-01-17 - 5:04:45 PM GMT
- Document e-signed by Kevin Leong (kevin@goodnatured.ca)
Signature Date: 2022-01-17 - 5:05:31 PM GMT - Time Source: server- IP address: 207.81.80.76
- Document emailed to Mark Shandro (mark_shandro@hsbc.ca) for signature
2022-01-17 - 5:05:33 PM GMT
- Email viewed by Mark Shandro (mark_shandro@hsbc.ca)
2022-01-17 - 5:14:06 PM GMT- IP address: 204.50.7.200

- Mark Shandro (mark_shandro@hsbc.ca) verified identity with phone authentication using the phone number +X XXX-XXX-1082

2022-01-17 - 5:14:30 PM GMT

89

- Document e-signed by Mark Shandro (mark_shandro@hsbc.ca)

Signature Date: 2022-01-17 - 5:14:44 PM GMT - Time Source: server- IP address: 204.50.7.200

- Document emailed to John Schmidt (john_schmidt@hsbc.ca) for signature

2022-01-17 - 5:14:46 PM GMT

- Email viewed by John Schmidt (john_schmidt@hsbc.ca)

2022-01-17 - 5:24:12 PM GMT- IP address: 204.50.7.200

- John Schmidt (john_schmidt@hsbc.ca) verified identity with phone authentication using the phone number +X XXX-XXX-0175

2022-01-17 - 10:13:18 PM GMT

- Document e-signed by John Schmidt (john_schmidt@hsbc.ca)

Signature Date: 2022-01-17 - 10:13:44 PM GMT - Time Source: server

- Agreement completed.

2022-01-17 - 10:13:44 PM GMT

This is Exhibit "H" referred to in
the Affidavit of A. Arenas sworn
this 10th day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia



Assignment and Assumption Agreement

THIS AGREEMENT is entered into as of the 28th day of August, 2023.

AMONG: **IPF HOLDINGS INC**, 15 Waydom Drive, AYR, Ontario N0B1E0
(the "**Assignor**")

AND: **GOOD NATURED PRODUCTS INDUSTRIAL CANADA LP**,
814-470 Granville Street, Vancouver, BC V6C1V4
(the "**Assignee**")

AND: **HSBC BANK CANADA**, 6th Floor 885 West Georgia Street, Vancouver, BC V6C3G1
(the "**Lessor**")

WHEREAS:

- A. Pursuant to the Master Equipment Lease dated January 14, 2022 between the Lessor and the Assignor and the Lease Schedule No. 001, copies of which are attached hereto as Appendix "A" (collectively, the "**Lease**"), the Lessor leased to the Assignor the Equipment described in the Lease. Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to them in the Lease.
- B. The Assignor and the Assignee have entered into an agreement pursuant to which the Assignor has agreed to assign and transfer to the Assignee all of its right, title and interest in and to the Lease and the Equipment,
- C. Pursuant to the Lease, the consent of the Lessor is required for the assignment and transfer of the Lease and the Equipment, which consent the Lessor has agreed to provide, subject to the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The Assignor hereby assigns and transfers absolutely to the Assignee as of the date indicated above (the "**Effective Date**"), on an "as is, where is" basis, all of its rights, title and interest in and to the Lease and the Equipment and all of its obligations, rights and benefits thereunder.
2. The Assignor represents and warrants to the Assignee that the Lease is a valid and subsisting lease and that the Rental Payments owing thereunder have been paid in full up to and including September 13, 2023.
3. The Assignee covenants and agrees with the Assignor that the Assignee will indemnify and save harmless the Assignor from and against any and all actions, suits, costs, losses, damages and expenses (including legal fees) arising after the Effective Date by reason of any failure by the Assignee to pay any Rental Payments or other monies due and owing under the Lease or any failure by the Assignee to otherwise fulfil, observe and perform any and all of the obligations of the Lessee under the Lease.
4. The Assignee hereby assumes and agrees to be responsible for all of the indebtedness, obligations and liabilities of the Lessee under the Lease arising after the Effective Date and without limiting any of the foregoing, the Assignee, as a principal debtor and not as a guarantor, hereby expressly agrees to execute and perform all of the obligations of the Lessee under the Lease to and in favour of the Lessor and agrees that it shall be bound thereby to the same extent, in all respects and with the same effect as if it were the original Lessee under the Lease in the place and stead of the Assignor. For greater certainty, the Assignee, as a principal debtor and not as a guarantor, hereby covenants and agrees to pay all of the Rental Payments and other monies payable under the Lease after the Effective Date at the time and in the manner provided in the Lease and to otherwise observe and perform all of the other obligations of the Lessee under the Lease.
5. The Assignor will, upon the request and at the cost of the Assignee, execute all such further documents and do such further acts and things as the Assignee may reasonably require to give full effect to this Agreement.
6. The Assignee shall from time to time and at all times hereafter, and without further consideration, do and perform all such further acts and things and execute and deliver all such further instruments, agreements, assurances, deeds, assignments, conveyances, notices, releases and other documents as may reasonably be required by the Lessor and the Assignor, or either of them, to more fully assure the carrying out of the intent and purpose of this Agreement.
7. In consideration of the payment by the Assignor to the Lessor of an administration fee in an amount of \$_____ plus applicable Taxes, the Lessor hereby consents to the assignment and transfer of the Lease and the Equipment to the Assignee as provided herein, subject to the following terms and conditions, and the Assignor and the Assignee hereby covenant and agree as follows:

- A. the Lease is a valid and subsisting lease and the Rental Payments owing thereunder have been paid in full up to and including the Effective Date;
 - B. the consent of the Lessor to the assignment and transfer to the Assignee of the Lease and the Equipment provided herein shall not in any way derogate from or prejudice the rights and remedies of the Lessor against the Assignor arising under the Lease or otherwise at law or in equity nor operate to release the Assignor from any of its obligations to:
 - (I) pay all Rental Payments and other monies owing from time to time under the Lease;
 - (II) keep, observe and perform all of the covenants, obligations, terms and conditions contained in the Lease and, notwithstanding the consent of the Lessor herein, the Assignor shall remain liable in respect thereof during the balance of the Term of the Lease and any extensions thereof.
- 8. This Agreement shall be governed by and construed in accordance with the laws of the Province.
 - 9. This Agreement shall ensure to the benefit of and be binding upon each of the parties hereto and their respective heirs, executors, administrators, successors and assigns.
 - 10. It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. *Les parties aux présentes ont expressément demandé que le présent contrat et tous les documents y afférant soient rédigés en anglais.*

Assignee: **GOOD NATURED PRODUCTS INDUSTRIAL CANADA LP**

Per: *Paul Antoniadis*
Paul Antoniadis (Aug 31, 2023 7:23 PM ET)

Name: Paul Antoniadis
 Title: CEO

Per: *Don Holmstrom*
Don Holmstrom (Sep 6, 2023 4:58 PM ET)

Name: Don Holmstrom
 Title: EVP

Assignor: **IPF HOLDINGS INC.**

Per: *Don Holmstrom*
Don Holmstrom (Dec 16, 2023 12:24 PM ET)

Name: Don Holmstrom
 Title: EVP

Per: _____

Name:
 Title:

Lessor:

HSBC BANK CANADA

Per: *Kevin Aslanyan*
Kevin Aslanyan (Sep 6, 2023 11:52 PM ET)

Name: Kevin Aslanyan
 Title: Director, Equipment Finance & Leasing

Per: *John Schmidt*
John Schmidt (Sep 6, 2023 11:19 AM ET)

Name: John Schmidt
 Title: AVP, Equipment Finance & Leasing

Appendix "A"(Copy of Master Equipment Lease and Lease Schedule)

HSBC Bank Canada
Master Equipment Lease

Leasing Division
3rd Floor, 2910 Virtual Way
Vancouver, British Columbia V5M 0B2

Lessor: HSBC Bank Canada
Lessee: IPF Holdings Inc.
Lessee
Address: 15 Waydom Drive
Ayr, ON N0B 1E0

1. **LEASE.** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the property described in any lease schedule executed by Lessor and Lessee from time to time and which refer to and incorporate by reference this Master Equipment Lease (each such lease schedule, together with all appendices, exhibits and other documents attached thereto, a "**Schedule**"). The property described in each Schedule, together with all additions, parts, attachments and accessories thereto from time to time, any substitutions, repairs, replacements and proceeds thereof from time to time and any related software described in such Schedule ("**Software**") are collectively referred to in this Agreement as the "**Equipment**". Any reference to "**this Agreement**", "**herein**", "**hereunder**" or similar expressions refers to this Master Equipment Lease and any amendments, supplements or increases thereto, renewals or restatements thereof or substitutions therefor, and all Schedules hereto. Certain other terms used herein are defined in section 28.
2. **SEPARATE LEASES.** Each Schedule constitutes a separate lease (a "**Lease**") from Lessor to Lessee of the Equipment described in such Schedule, in each case on the terms and conditions set out in this Agreement and such Schedule. In the event of any conflict between any provision in this Agreement and any provision in any Schedule, the provision of such Schedule shall prevail with respect to the Lease affected thereby. Except as Lessor may otherwise agree in writing, Lessor has no obligation to enter into any additional leases with, or extend any future lease financing to, Lessee under this Agreement.
3. **RENT.** As rent for use of the Equipment leased under each Schedule during the applicable Term, Lessee shall pay Lessor all rental payments, security deposits, advance rents, additional rent and interim or per diem rents (collectively, "**Rental Payments**") in the amounts and at the times specified in such Schedule. All Rental Payments and other amounts due under this Agreement shall be paid by Lessee together with all applicable taxes, including all sales, use, social service, transfer, goods and services, QST, HST and similar taxes together with any interest and/or penalties (collectively, "**Taxes**") in immediately available funds in the currency in which such payment is required to be made under this Agreement, as stipulated in the relevant Schedule, and shall be payable to Lessor at its address shown above or to such other place or in such other manner as Lessor may at any time or times designate in writing. Lessee shall pay Lessor interest on any amount payable under this Agreement (including Rental Payments) which is not paid when due from its due date to the date of payment at the rate of 21% per annum, calculated and compounded monthly. Lessee authorizes Lessor to collect all Rental Payments and other amounts due hereunder by automatic withdrawals and agrees to execute such forms relating thereto as Lessor may provide from time to time. Lessee also authorizes Lessor to debit any account of Lessee held with Lessor for all Rental Payments and other amounts owing by Lessee to Lessor under this Agreement.
4. **SECURITY DEPOSIT.** No later than the commencement date of Rental Payments specified in a Schedule, Lessee shall pay Lessor a refundable security deposit in the amount specified therefor, if any, in such Schedule (each, a "**Deposit**"). Lessee hereby grants Lessor a security interest in the Deposit as security for the payment and performance of all of Lessee's present and future indebtedness, liabilities and obligations under this Agreement and any other agreement now existing or hereafter entered into between Lessee and Lessor or any affiliate of Lessor (collectively, the "**Obligations**"). For the purposes of the Province of Québec, as security for the payment and performance of the Obligations, Lessee hereby hypothecates in favour of Lessor all of its rights, title and interest in and to the Deposit for the amount of \$xxxxxxxxxxxx with interest at the rate of 25% per annum. Lessee hereby further grants to Lessor control (as such term is understood under the Civil Code of Québec) over the Deposit and undertakes to sign any further document in order to further evidence such control. The Deposit will not accrue interest and Lessor may commingle the Deposit with its own funds. Lessor may, at any time or from time to time, deduct from any Deposit any amounts payable by Lessee to Lessor, including any applicable Taxes. Upon satisfaction of all Obligations, Lessor shall return each Deposit to Lessee less any sums applied in accordance with the foregoing or section 17(c). Lessee confirms and agrees that (i) value has been given by Lessor, (ii) it has rights in the Deposit and the power to transfer rights and grant a security interest in each after-acquired Deposit to Lessor, and (iii) Lessee and Lessor have not postponed the time for attachment of the security interests provided for herein and the security interests shall attach to existing Deposits upon the execution of this Agreement and shall attach to

after-acquired Deposits at the time Lessee acquires rights therein.

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5. **LEASE ABSOLUTE; NON-CANCELLABLE.** Neither this Agreement nor any Lease may be cancelled or terminated except as expressly provided herein. Lessee's obligation to make all Rental Payments and pay all Taxes and other amounts due or to become due hereunder is absolute and unconditional and is not subject to any delay, reduction, set-off, compensation, defence, withholding, deduction, claim, counterclaim or recoupment for any reason at all, including any failure, destruction, repossession or theft of the Equipment, loss of use of the Equipment (including if it does not operate as intended by Lessee, or at all), any representations by the manufacturer or the vendor of the Equipment, any past, present or future claims of Lessee against Lessor under this Agreement or otherwise, any fundamental breach of contract or for any other cause, whether similar or dissimilar to the foregoing, it being the intention of the parties hereto that all Rental Payments, Taxes and other amounts payable by Lessee under this Agreement shall continue to be payable in all events in the manner and at the times required by this Agreement. If the Equipment is unsatisfactory for any reason, Lessee shall make any claim solely against the manufacturer or the vendor thereof and shall, nevertheless, pay Lessor all Rental Payments and other amounts payable hereunder.
6. **TERM.** This Agreement will come into effect on the date it is signed by Lessee and Lessor and will continue in effect as long as any Lease remains in effect. Each Lease will come into effect, and the term of each Lease will commence, on the date set forth in the applicable Schedule (the "Term"), unless sooner terminated or renewed by agreement of Lessor and Lessee, the Term of each Lease will end at the end of the Term specified in the relevant Schedule; however, all obligations of Lessee under each Lease shall continue until they have been performed in full.
7. **TITLE.**
- (a) Lessor shall have and retain title to the Equipment from the time such Equipment is acquired by Lessor from the vendor or manufacturer of the Equipment or from Lessee. Lessee shall have no right, title or interest in any Equipment other than the right of possession and use in accordance with the terms hereof and any rights under a purchase option provided under section 19.
 - (b) Lessee shall affix to the Equipment, and not remove, conceal or alter, any labels, plates or other identification supplied by Lessor indicating Lessor's ownership thereof. Lessee acknowledges that the Equipment is and shall remain personal and movable property and shall take such steps as may be requested by Lessor to prevent any Person from acquiring any rights in any Equipment by reason of the Equipment being claimed or deemed to be real or immovable property or part thereof.
 - (c) Lessee shall obtain and deliver to Lessor such waivers, in registrable form (if necessary), as Lessor may request from the owners, landlords, hypothecary creditors and mortgagees of any real or immovable property upon which any Equipment may be located.
 - (d) In addition to, and without limiting the title retention provided for above or any other security obtained by Lessor, (i) Lessee hereby grants to Lessor a security interest in all Equipment and all proceeds thereof as security for the payment and performance of all Obligations; and (ii) Lessee hereby acknowledges and agrees that any and all guarantees, security agreements or similar agreements previously or hereafter executed by Lessee in favour of Lessor, whether in connection with this Agreement or otherwise, shall, in addition, constitute continuing security for the payment and performance of the Obligations.
8. **NO WARRANTIES.** Lessee hereby acknowledges and agrees that (i) it has selected all Equipment and the vendor and manufacturer thereof, (ii) it is solely responsible for the use of, and results obtained from, the Equipment, (iii) it leases all Equipment "as is", (iv) it has not relied on Lessor's skill or judgment in any way in selecting the Equipment, (v) it has requested Lessor to purchase the Equipment for the purposes of leasing such Equipment pursuant to a Lease, and (vi) Lessor has made no representation or warranty, and there are no conditions, with respect to this Agreement including any Lease or any Equipment, including its condition, safety, design, durability, capability, workmanship, quality, operation, compliance with law, suitability or fitness for the use intended by Lessee, patent or intellectual property infringement, latent or patent defects, its freedom from security interests, hypothecations, liens or other encumbrances (collectively, "Liens"), Lessor's good title thereto, or with respect to any other matter or thing whatsoever. All representations, warranties and conditions, whether express or implied, statutory or otherwise, are hereby excluded. Lessor shall not be liable to Lessee or any other Person for any liability, claim, loss, cost, damage or expense of any kind or nature caused directly or indirectly by the Equipment or any deficiency or defect thereof or the use, ownership or maintenance thereof or for any loss of business or other damages whatsoever and howsoever caused (including indirect, special, consequential, punitive or exemplary damages). Lessor hereby assigns to Lessee for the Term of each Lease only, all assignable rights under any warranty given to Lessor by the vendor or manufacturer of the related Equipment, and at Lessee's expense, agrees to co-operate reasonably with Lessee in the enforcement of any such warranty. Lessee acknowledges and agrees that neither the manufacturer or vendor, nor any salesperson, representative or other agent of the manufacturer or vendor, is an agent of Lessor or is authorized to waive or alter any term or condition of this Agreement and no representation or warranty as to the Equipment or any other matter by the manufacturer or vendor shall in any way affect Lessee's obligation to make all Rental Payments and perform its other Obligations as set forth in this Agreement.
9. **USE.** Lessee shall be solely responsible for and shall pay all costs, expenses, fines, assessments, charges and other expenses, and assume all risks and liability, for the Equipment and for the use, possession, control, operation, maintenance, storage and condition thereof, and for injuries or death resulting to a Person and damage resulting to property arising from or incident to such use, operation, possession, control, maintenance, storage and condition, whether such injuries, death or damage be to agents or employees of Lessee or their property, or to third parties or their property. All Equipment shall be used by Lessee for commercial, industrial or professional purposes only and

not for personal, family or household purposes. Lessee shall not, without Lessor's prior written consent, change the place of use of any Equipment from that specified in the applicable Schedule nor change the use of any Equipment to any use which could in any way result in a change of capital cost allowance class from that specified in the related Schedule. Lessee shall not affix or incorporate the Equipment to real or immovable property nor to any goods, chattels or movable property not otherwise leased hereunder without the prior written consent of Lessor. Lessee shall ensure that the Equipment is used only by competent and qualified operators and not for any illegal or improper purpose, and in the case of any Software, same is used in accordance with each applicable licence thereof.

10. REPAIR.

- (a) Lessee shall, at its own expense (i) keep the Equipment in its original condition and working order, normal wear and tear only excepted, (ii) use, operate, maintain, repair, overhaul and service the Equipment (including furnishing all fuel, oils, lubricants and other material necessary for the operation and maintenance of the Equipment) in accordance with the recommendations and specifications and maintenance and operating manuals of the manufacturer, and (iii) maintain all records, logs and other materials in compliance with all manufacturer and vendor recommendations, all requirements to maintain all applicable warranties and insurance in effect and all applicable laws, orders, rules, regulations and directives of any federal, provincial, local or foreign government agencies, departments, boards or authorities (collectively, "**Applicable Laws**"). At the request of Lessor, Lessee shall furnish all proof of required maintenance and repair of the Equipment. Lessee shall immediately give notice to Lessor of any theft, loss, damage or destruction to or of any Equipment or any Total Loss (as defined below) and, at Lessor's option, Lessee shall forthwith repair such Equipment or replace it with similar equipment of equivalent value; provided that if any Equipment shall be lost, stolen, substantially destroyed, condemned, expropriated, confiscated or seized (a "**Total Loss**"), Lessor may, at its option, treat such Total Loss as an Event of Default and require Lessee, instead of repairing or replacing same, to pay Lessor the amounts contemplated by section 17(d) with respect thereto plus all other Taxes, Rental Payments and other amounts then payable by Lessee under the applicable Lease together with a late charge on such amounts at a rate per annum equal to the annual rate imputed in the Rental Payments thereunder (as reasonably determined by Lessor) from the date of the Total Loss through to the date of payment of such amounts, plus all applicable Taxes thereon, whereupon Lessor shall transfer to Lessee all of Lessor's interest, if any, in and to such Equipment on an "as is, where is" basis. Lessor shall represent that the Equipment shall not be at the time of such transfer subject to any Lien granted by Lessor, but otherwise the transfer shall be without recourse, representation, warranty or condition of any kind whatsoever from Lessor (whether express, implied, statutory or otherwise).
- (b) All additions, parts, attachments, accessories and replacements to any Equipment, whether by way of substitution, repair, alteration, addition or improvement, shall immediately become the property of Lessor and part of the Equipment for all purposes hereof and Lessee shall execute such documents as Lessor may request to evidence Lessor's title thereto free from any Liens. Lessee may alter or modify Equipment only with the prior written consent of Lessor and, in the case of Software, subject to the terms of and in compliance with the related licence. Any such alteration or modification shall be removed and the Equipment restored to its original, unaltered condition at Lessee's expense (without damaging the Equipment's originally intended function or its value) prior to its return to Lessor when required to be so returned.

11. INSURANCE. For so long as Lessee leases any Equipment hereunder, Lessee shall obtain and maintain, at its own expense, a public or third party liability insurance in respect of the Equipment and an "all risk" property insurance (including extended coverage, earthquake and flood endorsements where required by Lessor) against loss or damage to such Equipment, including coverage for fire, theft, collision and such other risks of loss as are customarily covered by insurance on such type of Equipment and by prudent operators of businesses similar to that in which Lessee is engaged, in such amounts, in such form, with such deductibles and with such insurers, all as shall be satisfactory to Lessor; provided that (i) the amount of insurance at any time covering damage to or loss of Equipment shall not be less than the greater of the full replacement value of the Equipment and the aggregate instalments of Rental Payments for such Equipment then remaining unpaid; and (ii) each liability insurance policy shall provide coverage of not less than the amount specified in the applicable Schedule for such Equipment for each occurrence. Each liability insurance policy will name Lessee and Lessor as insureds, and each property policy will name Lessor as first loss payee thereof. Each policy (i) shall contain a standard (IBC 3000) mortgage endorsement clause, (ii) shall require the insurer to give Lessor at least 30 days prior written notice of any alteration in the terms of such policy or the cancellation thereof, and (iii) will provide that no act, omission or misrepresentation by Lessee or any other named insured will affect the rights thereunder of Lessor and its successors and assigns. Lessee shall furnish Lessor with a certificate of insurance or other evidence satisfactory to Lessor of such insurance coverage prior to the commencement of the Term of the applicable Lease and, on request, provided that Lessor shall be under no duty either to ascertain the existence of or to examine such insurance policy or to advise Lessee in the event such insurance coverage shall not comply with the requirements hereof. If Lessee fails to insure the Equipment as required hereunder, Lessor may, but shall not be required to, obtain such insurance itself and the cost of the insurance shall be paid by Lessee as additional rent as part of the next Rental Payment. Lessee consents to Lessor's release, upon Lessee's failure to obtain appropriate insurance coverage, of any and all information necessary to obtain required insurance. Lessee will at its expense make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lessor that Lessor desires to do so, which Lessor may do at Lessee's expense. Provided no Event of Default, or any event that with the giving of notice, the passage of time or otherwise would become an Event of Default (an "**Unmatured Event of Default**"), has occurred, proceeds of property insurance will be disbursed by Lessor to Lessee against satisfactory invoices for repair or replacement of the Equipment in compliance herewith; provided that if there shall be a Total Loss of Equipment, all such insurance proceeds may be applied by Lessor against any amounts owing to Lessor as a result of such Total Loss. Lessee hereby appoints Lessor, with full power of substitution and coupled with an interest, as Lessee's attorney-in-fact to make claim for,

receive payment of and execute and endorse all documents, cheques or drafts issued with respect to any claim under any insurance policy relating to the Equipment.

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12. **LESSEE'S COVENANTS.** Lessee will:

- (a) permit Lessor or its agents at all reasonable times to fully inspect any Equipment or any documents (including maintenance records) relating thereto and take copies thereof, to determine Lessee's compliance with this Agreement or the condition of the Equipment or for any other purpose;
- (b) keep the Equipment free and clear of all seizures, forfeitures, Liens, claims, privileges, debts or taxes of any nature whatsoever and will not, without the prior written consent of Lessor, sublet or otherwise relinquish possession (except for required or scheduled maintenance) of the Equipment or any part thereof;
- (c) pay when due, and indemnify and save Lessor harmless from, all taxes (including all Taxes), fees, assessments or other levies necessary to license the Equipment or otherwise imposed under Applicable Laws upon the Equipment or the delivery, purchase, lease, use, ownership, operation, possession, sale, storage or return thereof or any Rental Payments, whether assessed to Lessor or Lessee, and any fines, penalties or forfeitures relating to the Equipment. Lessee will immediately deliver proof of payment of such amounts to Lessor. Each item of Equipment in respect of which licensing or registration is required shall be licensed and registered in Canada in the name of Lessor, unless otherwise required by Applicable Law, in which case such registration will indicate that Lessor is the lessor of each such item. The licensing and registration of any item of Equipment and any renewal thereof shall be the sole responsibility of Lessee and shall be effected by Lessee on a timely basis in accordance with Applicable Laws;
- (d) indemnify and save Lessor harmless from and against all liabilities, claims, losses, costs, claims, demands, damages, awards, actions and causes of action and other expenses of any nature whatsoever (including legal fees and disbursements on a full indemnity and solicitor and his own client basis (a "Full Indemnity Basis")) (collectively, "Losses") arising, directly or indirectly, as a result of this Agreement, including any Lease hereunder or any breach hereof (or of any Software licence) by Lessee, or the inaccuracy of any representation or warranty made by Lessee under or in connection herewith or in any other way relating to the lease, use, operation, ownership, manufacture, design, durability, capability, workmanship, quality, compliance with law, suitability, selection, purchase, character, safety, condition, delivery, refusal by Lessee to accept delivery, possession, sale, storage or return of any Equipment, including damage or injury (including death) of Persons or property, and whether caused by Lessee's negligence or otherwise;
- (e) not include the cost of the Equipment in a capital cost allowance class and not claim or attempt to claim capital cost allowance in respect of the Equipment unless Lessor and Lessee agree to make a joint election under the *Income Tax Act* (Canada) or any provincial equivalent, if such an election is available and agreed upon between Lessor and Lessee;
- (f) whether or not the transactions contemplated by this Agreement shall be consummated, pay any and all reasonable legal fees and disbursements of Lessor on a Full Indemnity Basis in connection with this Agreement including, without limitation, the preparation, issue and registration of this Agreement, any Lease and any Related Documents and the enforcement and preservation of Lessor's rights and remedies thereunder and all reasonable fees and costs for appraisals, insurance consultation, credit reporting and responding to demands of any government agency or department thereof;
- (g) not change its name or change the location of its principal residence or domicile (if Lessee is a natural person), chief executive office, registered office or domicile or jurisdiction of incorporation, amalgamation or continuance (if Lessee is a corporation), without providing Lessor with at least 30 days' prior written notice thereof;
- (h) as soon as possible, and, in any event, within five days after Lessee learns of the following, notify Lessor in writing and in reasonable detail, of (i) any proceeding instituted or threatened to be instituted against Lessee in any court or before any commission or any regulatory body (federal, provincial, territorial, local or foreign), or the occurrence of any other event, circumstance or claim, that could reasonably be expected to have a material adverse effect on Lessee, Lessee's ability to perform its Obligations, any of the Equipment or the rights of Lessor under or in connection with this Agreement, (ii) the occurrence of any Event of Default or Unmatured Event of Default, together with a statement of the action which Lessee has taken or proposes to take with respect thereto, or (iii) any change in the location of any place of business or depot (including additional locations) of Lessee where Lessee keeps any of the Equipment;
- (i) not directly or indirectly use any amounts advanced or request advances hereunder for any illegal purpose or (a) to fund any activity or business with any person or in any country or territory that is the subject or target of Sanctions, or (b) in any manner that would result in a violation of Sanctions by any Person (including any lender, lessor, advisor, or otherwise);
- (j) not repay any amounts owing to Lessor using any funds derived directly or indirectly from any illegal or sanctionable activity, provided that this covenant shall be inapplicable only to the extent of any related violation of the *Foreign Extra-Territorial Measures Act* (Canada) or any similar applicable anti-boycott law or regulation;
- (k) deliver to Lessor annually, within 120 days of Lessee's, and each Guarantor's if any, fiscal year end, as the case may be, audited consolidated financial statements for each Guarantor, cash flow statement and budget for the following fiscal year for each guarantor, and such additional financial and other information as Lessor may reasonably require from time to time.

13. **CONDITION PRECEDENT.** It shall be a condition precedent to any extension of lease financing under this Agreement, the execution of each Schedule hereto and the continued availability of such lease financing that the

Lessor shall have received in form and content satisfactory to the Lessor the following documents and information:

- (a) this Agreement and all Related Documents (including a Certificate of the Secretary) duly executed by all relevant parties;
- (b) evidence of insurance required to be maintained under section 11;
- (c) confirmation that the Lessee is in compliance with all of the terms and conditions of this Agreement and all Related Documents;
- (d) all identification, business activity, business structure and other "know your customer" documents and information as required by the Lessor and any screening conducted in accordance with Sanctions and other applicable legal requirements; and
- (e) such other documents and information as the Lessor may reasonably request.

14. **LESSOR'S RIGHT TO MAKE PAYMENTS.** If Lessee fails to perform any of its obligations under this Agreement, Lessor may, but need not, perform such obligation or cause it to be performed, in each case such performance shall not be deemed a waiver or cure of any breach of this Agreement resulting from such failure. Lessee will reimburse Lessor immediately on demand for any amounts paid or expense or liability incurred by Lessor in so doing.
15. **RETURN OF EQUIPMENT.** Except for Equipment purchased by Lessee pursuant to the option to purchase in section 19, upon termination of the Term of a Lease, or upon demand by Lessor pursuant to section 17, Lessee shall, at its own expense and in a prudent manner, immediately dismantle, package, label and return the applicable Equipment, free of all Liens, to Lessor at such location as Lessor may designate and in the condition required to be maintained under section 10 and under any Return Standards Addendum or other document agreed to by Lessee setting out requirements for the condition of Equipment upon the return thereof. In addition, all returned Equipment shall meet all recertification requirements and be capable of being immediately assembled and operated by a third party purchaser or third party lessee without further repair, replacement, alteration or improvement. Prior to any such return of Equipment and unless Lessee has exercised an option hereunder to purchase same, Lessee shall cooperate in all reasonable respects with Lessor's remarketing of the Equipment and in particular, but without limitation, during the 30-day period prior to the expiry of the Term of the applicable Lease, Lessor and its prospective purchasers or lessees shall have right of access to the premises on which such Equipment is located to inspect such Equipment. If Lessee fails to return any Equipment when required, then, without affecting Lessor's rights and remedies under this Agreement, the terms and conditions of the relevant Lease shall continue to be applicable and Lessee shall continue to pay Lessor for each month or part thereof beyond the applicable Term the periodic Rental Payments in effect during the last month of such Term until such Equipment is received by Lessor. Payment of Rental Payments in such circumstances shall not entitle Lessee to keep such Equipment.
16. **EVENTS OF DEFAULT.** The occurrence of any one or more of the following events shall constitute an event of default hereunder (each, an "Event of Default"):
- (a) Lessee shall fail to make any payment (including all Rental Payments) required hereunder when due; or
 - (b) without Lessor's prior written consent, Lessee removes any Equipment (other than Equipment which is specified in the related Schedule as being "Mobile Goods") from its place of use stated on the related Schedule or moves any such Mobile Goods outside of Canada; or
 - (c) without Lessor's prior written consent, Lessee parts with possession of any Equipment or purports to (or does) sell, assign, transfer, sublet or otherwise suffer a Lien of any kind upon or against any interest in this Agreement or any Equipment; or
 - (d) Lessee fails to maintain in effect any insurance required hereunder; or
 - (e) the Equipment is used in a manner that may result in accelerated depreciation; or
 - (f) Lessee or any Guarantor shall fail to perform or observe any covenant, condition or other obligation under this Agreement, other than as referred to above in this section 16; or
 - (g) Lessee defaults under any other agreement to which Lessee and Lessor (or any affiliate of Lessor) are parties or any Guarantor defaults under any other agreement to which such Guarantor and Lessor (or any affiliate of Lessor) are parties; or
 - (h) any representation or warranty made by Lessee in this Agreement or in any document or certificate furnished to Lessor in connection with or pursuant to this Agreement shall prove to be incorrect at any time in any material respect; or
 - (i) Lessee or any Guarantor shall become insolvent or bankrupt or make an assignment for the benefit of its creditors or consent to the appointment of a trustee, receiver or similar official (a "Receiver"); or a Receiver shall be appointed for Lessee or any Guarantor or for a substantial part of any of its property without its consent and such appointment shall not be terminated within the lesser of 30 days and such period during which Lessee or such Guarantor is actively and in good faith seeking its termination; or bankruptcy, reorganization, arrangement, insolvency, winding-up or similar proceedings shall be instituted by or against Lessee or any Guarantor and if instituted against Lessee or any Guarantor, shall not be dismissed within the lesser of 30 days and such period during which Lessee or such Guarantor is actively and in good faith seeking its dismissal; or
 - (j) Lessee or any Guarantor shall dissolve, liquidate, wind up or cease its business, sell or otherwise dispose of all or a substantial part of its assets or make any material change in its capital structure or business; or
 - (k) Lessee or any Guarantor fails to pay when due any indebtedness for borrowed money or any other

indebtedness under conditional sales agreement, instalment sales agreement, leases or obligations evidenced by bonds, debentures, notes or other similar agreements or instruments or guarantees thereof; or

- (l) any final, non-appealable judgment shall be rendered against Lessee or any Guarantor which remains unsatisfied for 30 days following the rendering of such judgment; or
- (m) any Equipment or any material part thereof is seized, confiscated, sequestered or attached or if a distress is levied thereon; or
- (n) any Guarantor who is an individual dies or gives notice of the termination of his or her guarantee; or
- (o) control or beneficial ownership of Lessee or any Guarantor which is not an individual changes from that which existed at the date of execution of this Agreement or there is an amalgamation of Lessee or any Guarantor without Lessor's prior written consent or any special resolution is passed or other proceeding taken regarding the wind-up of Lessee or any such Guarantor; or
- (p) Lessee or any Guarantor ceases to carry on the business presently conducted by it or shall suffer the loss or suspension of any licences, permits or other operating authorities required for the operation of its business or any part of it; or
- (q) Lessor in good faith believes and has commercially reasonable grounds to believe itself insecure, or believes that the prospect of payment or performance by Lessee hereunder is about to be impaired or that the Equipment is or is about to be placed in jeopardy; or
- (r) Lessee or any Guarantor fails to provide Lessor promptly following a demand by Lessor to do so, any identification, business activity, business structure and other "know your customer" documents and information as required by Lessor and any screening conducted in accordance with Sanctions and other applicable legal requirements.

For greater certainty, any Event of Default with respect to any particular Lease shall be an Event of Default with respect to all Leases hereunder.

17. **REMEDIES ON DEFAULT.** Upon the occurrence of an Event of Default, Lessor may, at its option and in its sole discretion, exercise any one or more of the following remedies:
- (a) take possession of any or all Equipment and for that purpose enter any premises where Equipment is located, whether or not the Equipment is affixed to any such premises, and store, sell, lease or otherwise dispose of the Equipment upon such terms and conditions as Lessor may in its sole discretion determine. Lessee hereby waives any damages or claim to damages arising from any entering of premises or retaking of possession under the terms of this Agreement;
 - (b) demand that Lessee return any or all of the Equipment to Lessor in accordance with section 14;
 - (c) apply all or any Deposits against any Obligations, including the reimbursement of all costs and expenses of Lessor as a result of such Event of Default and all of its legal fees and disbursements on a Full Indemnity Basis;
 - (d) terminate any or all Leases and by written notice to Lessee require Lessee to forthwith pay to Lessor, on the date specified in such notice, as a genuine pre-estimate of liquidated damages for loss of a bargain and not as a penalty, all amounts then due under this Agreement, including all Rental Payments and all other amounts payable by Lessee under any and all Leases plus the estimated residual value of the Equipment subject to all outstanding Leases, which the parties agree shall be equal to the Purchase Option Price for such Equipment, as specified in each applicable Schedule, if any. Any payment under this section shall be increased by the amount of all applicable Taxes.

Lessor hereby agrees to remit to Lessee, following the sale, lease or other disposition of any Equipment by Lessor pursuant to this section, the proceeds of any such sale, lease or other disposition actually received by Lessor after deducting from such proceeds the amount of all outstanding Obligations, including the amounts specified in paragraph (d) above and all of its costs and expenses related thereto and all legal fees and disbursements incurred by Lessor on a Full Indemnity Basis.

No one or more of the remedies referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedies referred to herein or otherwise available to Lessor at law or in equity and, in particular, pursuant to the Personal Property Security Act of any Province or Territory in Canada or the Civil Code of Québec.

18. **WAIVERS.** To the extent permitted by Applicable Laws, Lessee unconditionally and irrevocably waives all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a lessor or a secured party or on the methods of, or the procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute. Without limiting the generality of the preceding sentence, Lessee agrees that *The Limitation of Civil Rights Act* (Saskatchewan) will have no application to Lessor's rights, powers or remedies under this Agreement or any other agreement renewing or extending or collateral hereto or thereto.
19. **PURCHASE OPTION.** Provided that (i) the applicable Schedule provides for a purchase option in favour of Lessee for the Equipment described in such Schedule and, (ii) unless waived by Lessor in writing, no Event of Default or Unmatured Event of Default shall have occurred either on the date Lessee gives notice in accordance with the following or on the date Lessee is required to pay the applicable Purchase Option Price (and in particular, but without limitation, that Lessee has made all Rental Payments required to be paid on or before such date), Lessee may, upon written notice to Lessor received at least 30 days before any Purchase Option Date specified in such Schedule (the "Purchase Date"), purchase all the Equipment covered by such Schedule on the Purchase Date at the applicable

Purchase Option Price specified in such Schedule. Any such notice shall be irrevocable and binding and if Lessee provides such a notice, then, on the applicable Purchase Date for the related Equipment, Lessee shall pay to Lessor the applicable Purchase Option Price specified in the applicable Schedule, together with all Taxes applicable to the transfer of the Equipment and any other amount payable and arising under the applicable Lease in immediately available funds, whereupon Lessor shall transfer to Lessee all of Lessor's interest, if any, in and to such Equipment on an "as is, where is" basis. Lessor shall represent that the Equipment shall not at the time of such transfer be subject to any Lien granted by Lessor, but otherwise the transfer shall be without recourse, representation, warranty or condition of any kind whatsoever from Lessor (whether express, implied, statutory or otherwise).

20. **CURRENCY INDEMNITY.** All amounts payable by Lessee under this Agreement, whether Rental Payments, Taxes or otherwise, shall be paid to Lessor in the currency (the "**Original Currency**") in which Lessee is required to pay such amount. If Lessee makes payment of any liability or obligation of Lessee to Lessor under this Agreement in a currency (the "**Other Currency**") other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the liability of Lessee hereunder in respect of such liability or obligation only to the extent of the amount of the Original Currency which Lessor purchases in Canada with the amount Lessor receives on the date of receipt in accordance with Lessor's normal practice. If the amount of the Original Currency which Lessor is able to purchase is less than the amount of such currency originally due to it in respect of such relevant liability or obligation, Lessee shall indemnify and save Lessor harmless from and against any loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other liabilities and obligations of Lessee contained herein, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by Lessor from time to time and shall continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.
21. **SURVIVAL.** All indemnities provided by Lessee to Lessor under this Agreement, including, without limitation, under sections 12(c), 12(d) and 20, shall be on an after tax basis and shall survive and continue in full force and effect notwithstanding any matter or thing, including termination of this Agreement, the end of the Term of any Lease, any other release or discharge from this Agreement of any Equipment, the sale or disposition of any Equipment or the release or discharge of Lessee to pay any Rental Payment.
22. **REPRESENTATIONS.** Lessee represents and warrants to Lessor on the date hereof, on the date of each Schedule and on a continuing basis that: (a) each of Lessee and each Guarantor (unless an individual) is duly formed and organized, validly existing and in good standing under the laws of the jurisdiction of its formation and is entitled to conduct its business in all jurisdictions in which it carries on business or has assets; (b) the execution, delivery and performance by Lessee and each Guarantor of this Agreement, each Lease and all Related Documents are within Lessee's (or, as applicable, each Guarantor's) powers, have been duly authorized by all necessary action, and do not contravene (i) Lessee's or any Guarantor's organizational documents, or (ii) any Applicable Laws or contractual restriction binding on or affecting Lessee or any Guarantor; (c) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Lessee or any Guarantor of this Agreement, each Lease and all Related Documents; (d) this Agreement, each Lease and all Related Documents constitute legal, valid and binding obligations of Lessee (and, as applicable, each Guarantor), enforceable against Lessee (and, as applicable, each Guarantor) in accordance with their respective terms; (e) Lessee's principal place of business, chief place of business, domicile, registered office and chief executive office is at the address specified on the first page of this Agreement, and its full legal name is specified on the signature page of this Agreement; (f) Lessee has no other existing place of business or depot where Lessee keeps any of the Equipment, except for the location specified on the first page of this Agreement and, if more than one, the Provinces and Territories of Canada specified on any Schedule where the additional place(s) of business or depot(s) may be located; (g) Lessee is duly registered as a vendor in all applicable Provinces and Territories of Canada for the payment and/or collection of Taxes; (h) there are no actions, suits or proceedings pending, or to the knowledge of Lessee, threatened, before any court, administrative agency, arbitrator or governmental body which may, if determined adversely to Lessee, materially compromise its ability to perform its obligations under this Agreement; (i) all financial statements that are delivered from time to time by Lessee to Lessor pursuant to this Agreement shall have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and shall fairly state in all material respects the financial condition of Lessee and its consolidated subsidiaries (subject to normal year-end adjustments) as at the date thereof, and all other financial and other information, budgets, timetables, certificates, plans, specifications and other material provided to Lessor in connection with any Lease are (or will be, as the case may be) true and accurate; (j) no Event of Default or Unmatured Event of Default has occurred and is continuing; (k) the Lessee has, or will have at the time of each Lease, all licenses, permits and consents as are required under any Applicable Laws in connection with its possession, use or operation of the Equipment; (l) neither the Lessee nor any of its subsidiaries, directors, officers, employees, agents or affiliates is an individual or entity (nor does Lessee nor any such other entity or Person operate, possess, own, charter, or use a vessel) that is or is owned or controlled by any one or more Persons that are: (i) the subject of any sanctions issued, administered or enforced by, or named on any list of specially designated or blocked Persons maintained by, the Office of Foreign Assets Control of the US Department of the Treasury, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, the Hong Kong Monetary Authority, or the Department of Global Affairs (Canada), Foreign Affairs, Trade and Development Canada, Canada Border Services Agency, or Justice Canada, including any enabling legislation or executive order related thereto, and any similar sanctions laws as may be enacted from time to time in the future by the United States, Canada, the European Union (and any of its member states), the United Kingdom or the United Nations Security Council, or any other legislative body of the United

Nations or other relevant governmental authority (collectively, "**Sanctions**"), or (ii) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions other than to the extent that such representation or warranty would result in a violation of an applicable legal requirement in which case Lessee shall immediately notify Lessor and provide particulars; and (m) it is and will remain at all times during the term of this Agreement a resident of Canada for the purposes of the *Income Tax Act* (Canada) and any provincial equivalent.

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23. **ORDER, DELIVERY AND INSTALLATION OF EQUIPMENT.** Lessee is solely responsible for arranging the order, delivery and installation of the Equipment entirely at its own risk and expense, and in particular, shall pay any and all delivery and installation charges except as otherwise agreed by Lessor. Lessor appoints Lessee as Lessor's agent for the sole and limited purpose of ordering and accepting delivery and installation of the Equipment. Lessor shall not be liable to Lessee for any delay in, or failure of, or refusal to accept, delivery of the Equipment. Lessee shall evidence its acceptance of the Equipment by completing, signing and delivering the relevant Schedule, an acknowledgment of acceptance in Lessor's standard form and upon delivery thereof to Lessor, it shall be conclusively deemed that the Equipment is as ordered, satisfactory to Lessee and in good condition and repair and suitable for the purposes of Lessee. The Lessee shall provide the vendor invoice(s) for the Equipment stating the Lessor as the purchaser on the invoice (or stating the name of the agent purchasing the equipment on behalf of the Lessor). Lessee will not acquire any title to the Equipment and shall only acquire the right to possession and use of the Equipment in accordance with the terms of this Agreement after the actual delivery of the Equipment to the Lessee in Canada at the premises of the Lessee in Canada or at another location in Canada agreed upon in writing by Lessor and Lessee. Notwithstanding the foregoing, the Equipment shall be at the risk of Lessee. If Lessor acquires the Equipment outside Canada, Lessee shall arrange for the importation of the Equipment at its sole expense. In the event that Lessee does not arrange for such importation, Lessee hereby authorizes Lessor to act as its agent, and Lessor agrees to so act, solely for the purpose of arranging for the importation of the Equipment, in which case Lessee shall provide all documentation relating to such importation to Lessor. Lessor shall be responsible for paying any amount payable as or on account of tax payable on the Equipment under Division III of Part IX of the *Excise Tax Act* and any customs duties in respect of the importation of the Equipment. In the event the importation of the Equipment is not carried out in the manner stated herein, Lessor and Lessee shall agree to separate terms governing the importation of the Equipment that shall override the terms herein, and Lessee shall provide notice to Lessor sufficient for the importation to take place in the manner described in the separate terms. The indemnity of Lessee provided for in section 12(c) shall extend to and include any loss relating to tax Lessor may pay but not recover under Part IX of the *Excise Tax Act* and any customs duties payable, arising as a result of the importation of the Equipment in accordance herewith.

If Lessor acquires the Equipment outside Canada, Lessee shall arrange for the importation of the Equipment. In the event that Lessee does not arrange for such importation, Lessor hereby authorizes Lessee to act as its agent, and Lessee agrees to so act, solely for the purpose of arranging for the importation of the Equipment. The Lessee shall provide all documentation relating to such importation to Lessor including, but not limited to, the vendor invoice(s) for the Equipment stating the Lessor as the purchaser on the invoice (or stating the name of the agent purchasing the equipment on behalf of the Lessor) and B3 Canada Customs Coding form or equivalent form. The Lessor shall not be responsible for paying to the Lessee any amount payable as or on account of tax payable on the Equipment under Division III of Part IX of the *Excise Tax Act* and any customs duties in respect of the importation of the Equipment unless the Lessee has otherwise met all the requirements of this section and requests reimbursement of such amount(s) no later than the end of the calendar year that is no more than two years after the end of the calendar year in which the purchase of the equipment from the vendor takes place. The Lessor and Lessee may agree in writing to the importation of the Equipment in a manner that is different than the manner stated herein, and if the Lessor and Lessee agree to separate terms governing the importation of the Equipment these separate terms shall override the terms herein.

The indemnity of Lessee provided for in section 12(c) shall extend to and include any loss relating to any customs duties payable, arising as a result of the importation of the Equipment in accordance herewith and any loss relating to any tax Lessor may pay but not recover under Part IX of the *Excise Tax Act*.

24. **CONSENT AND ACKNOWLEDGEMENT TO COLLECTION, USE AND DISCLOSURE OF INFORMATION.** Lessee and each Guarantor consent to Lessor obtaining from any credit reporting agency or from any other Person any information (including personal information) that the Lessor may require at any time. Lessee and each Guarantor also consent to the disclosure at any time by the Lessor of any information concerning Lessee and any Guarantor to any credit grantor, to any credit reporting agency or to the Lessor's subsidiaries and affiliates. If applicable, Lessee also authorizes the Lessor to release the information contemplated by any builder's lien or similar legislation to all Persons claiming a right to such information under such legislation. Lessee and each Guarantor may refuse or withdraw these consents; however, this may result in the Lessor canceling or withholding products or services for which these consents are necessary. Unless each Guarantor advises the Lessor otherwise, the Lessor may use each Guarantor's social insurance number to help ensure accurate credit enquiries.
25. **ENTIRE AGREEMENT.** This Agreement and all Related Documents constitute the entire agreement between the parties and supersede all proposals or prior agreements, oral or written, and all other communications between Lessor and Lessee with respect to the subject matter hereof.
26. **COPY OF AGREEMENT.** Lessee hereby acknowledges having received an executed copy of this Agreement and waives all rights to receive from Lessor a copy of any financing statement, financing statement (transition), financing change statement, verification statement or application for registration filed at any time in respect of each Lease.
27. **FURTHER ASSURANCES.** Lessee will execute, acknowledge, register, record, publish or file, as the case may be,

all such further documents and do all such further acts as may be reasonably requested by Lessor or necessary or proper to carry out more effectively the purposes of this Agreement or any Lease, to protect Lessor's rights herein or therein and to perfect, protect, preserve and render opposable to third parties in all applicable jurisdictions, Lessor's rights and interest in all Equipment and Deposits.

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28. **DEFINED TERMS AND INTERPRETATION.** When used in this Agreement, "**Business Day**" means any day other than a Saturday, Sunday or other day on which banks are required or permitted to close in Vancouver, British Columbia, or in Toronto, Ontario; "**including**", "**includes**" and "**include**" respectively mean "including without limitation", "includes without limitation" and "include without limitation"; "**Electronic Communication**" means any agreement, instruction, document, information, disclosure, notice or other form of communication that is sent or stored by means of any electronic or other digital transmission; "**Electronic Signature**" means a signature that consists of one or more letters, characters, numbers or other symbols in digital incorporated in, attached to or associated with an Electronic Communication, and includes a secure electronic signature as may be prescribed by Applicable Law or otherwise required by Lessor; "**Guarantor**" means any Person which provides any guaranty or indemnity of any kind to Lessor to secure the obligations of Lessee to Lessor; "**Person**" includes any individual, trust, corporation, partnership, sole proprietorship, limited partnership, joint venture, unincorporated organization, association, institution, entity, party or government (including any division, agency or department thereof) and the successors, heirs and assigns of each; "**proceeds**" has the meaning set out in the Personal Property Security Act of the relevant Province; "**Province**" has the meaning set out in the Schedules hereto (or, if more than one Province is set out in the Schedules hereto, means the last such one so set out); and "**Related Documents**" means all purchase orders, delivery and/or installation receipts, guarantees, other security documents and other documents required by Lessor as a condition to or otherwise in connection with any Lease, including all Schedules hereto. Unless the context otherwise requires, all references herein to any statute or any provision thereof will include such statute or provision as it may be amended, restated, re-enacted or replaced from time to time. If the context so requires, words importing number shall be deemed to include a greater or lesser number, words importing gender shall be deemed to include the other gender or the body corporate and words importing the body corporate shall be deemed to include either gender. The captions in this Agreement are for convenience only and shall not define or limit any of the terms hereof.

29. **ELECTRONIC INSTRUCTIONS.**

- (a) Lessee, understanding and acknowledging the risks thereof, hereby requests Lessor to act from time to time on written instructions transmitted by electronic means producing a facsimile (a "**Facsimile**") of a document (the "**Instructions**") purporting to bear the signature(s) (the "**Signatures**") of an authorized signatory for Lessee.

Lessor need not at any time, but is authorized to, act upon the Instructions without verifying the Signatures or enquiring as to the validity of the Instructions and may consider the Instructions of like force and effect as written orders made in accordance with the signing authorities held by Lessor from time to time in connection herewith (the "**Authorities**").

- (b) If Lessor seeks to verify the Signatures or the validity of the Instructions by telephone or otherwise and is unable to do so to its satisfaction, it may delay acting or refuse to act upon the Instructions. Nothing in this section and no verifications of any Instructions or Signatures at any time made by Lessor shall obligate Lessor to verify the validity of the Instructions or the Signatures in any particular case.
- (c) Lessee shall indemnify and save Lessor harmless from all Losses that Lessor may suffer or incur or that may be brought against Lessor in any way relating to or arising out of Lessor acting upon, delaying in acting upon or refusing to act upon any Instructions, including improper, unauthorized or fraudulent Instructions given by any Person, including any employee, agent or representative of Lessee.
- (d) Lessor may immediately debit any account of Lessee with the amount of any payment, transfer or transaction made pursuant to an Instruction, Lessor's fees and charges relative thereto and any other amounts owing to Lessor and may otherwise act in accordance with any Instruction.
- (e) This Agreement shall supplement the Authorities held by Lessor from time to time and the Authorities shall otherwise remain in full force and effect.

30. **QUÉBEC.** Where this Agreement is governed by the laws of Québec, this Agreement shall be construed as a contract of leasing governed by articles 1842 to 1850 of the Civil Code of Québec, and, for greater certainty, when used in this Agreement:

- (a) the word "lease" shall be read as "contract of leasing" or "leasing", as the context requires;
- (b) the words "joint and several" and "jointly and severally" shall mean "solidary" and "solidarity"; and
- (c) "agent" shall mean a "mandatary"

31. **COUNTERPARTS AND ELECTRONIC COMMUNICATION**

This Agreement and all Related Documents may be signed by handwritten signature or electronically by using technology acceptable to Lessor. To evidence its execution of this Agreement, any Lease or any Related Document, Lessee or Guarantor, as applicable, must deliver and return to Lessor an executed copy of such documents with the original handwritten signature of the duly authorized signatories of each party (or Electronic Signatures of such signatories if so permitted by Lessor) by physical delivery, or if so permitted by Lessor, by Facsimile, email or other electronic delivery or transmission and such transmission shall constitute delivery of an executed copy of this Agreement, any Lease or any Related Documents. If Lessee or Guarantor uses an Electronic Signature to indicate its consent, it shall ensure that its Electronic Signature is attached to

or associated with this Agreement (or any Lease or Related Document). This Agreement, each Lease and each Related Document may be executed in one or more counterparts and signed as outlined above, each of which when so executed and taken together shall constitute one and the same agreement. Delivery of a hand-written or electronically-signed counterpart and electronic delivery (including by email transmission or transmission over an electronic signature platform acceptable to Lessor) are each as valid, enforceable binding and effective.

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32. NOTICES

Any notice, request or other communication which Lessor or Lessee may be required or may desire to give for purposes of this Agreement shall be in writing and may be sent either by Electronic Communication, by hand delivery or by first class registered mail postage prepaid to the addressee at its address indicated on the first page of this Agreement. Any such notice, request or other communication shall be deemed to have been effectively given, made and received: (i) when transmitted with receipt confirmed in the case of an Electronic Communication, if such transmission was made on or before 5:00 p.m. (Pacific Standard Time) on a Business Day, failing which it shall be deemed to have been effectively given, made and received on the following Business Day, (ii) when received if sent by hand delivery on or before 5:00 p.m. (Pacific Standard Time) on a Business Day, failing which it shall be deemed to have been effectively given, made and received on the following Business Day, or (iii) five (5) days after deposit in the mail if so mailed, but any notice, request or other communication to be given or made during a strike, lock-out or other labour disturbance at the post office or during an actual or threatened interruption in the mail service shall be hand delivered or sent by electronic transmission and not mailed. Any party hereto may change the address to which all notices, requests and other communications are to be sent to it by giving written notice of such change to the other party in conformity with this section, but no such change shall be effective until notice thereof has been received by the other party.

33. FINANCIAL CRIMES AND SANCTIONS LAWS ACKNOWLEDGEMENT AND INDEMNIFICATION

Lessee acknowledges and agrees that:

- (a) Lessor, HSBC Holdings plc, its affiliates and subsidiaries (collectively, "**HSBC Group**") and service providers of HSBC Group are required to act in accordance with the laws and regulations of various jurisdictions, including those which relate to Sanctions and the prevention of money-laundering, terrorist financing, bribery, corruption and tax evasion;
- (b) Lessor may take, and may instruct other members of the HSBC Group to take, to the extent Lessor or such member is legally permitted to do so under the laws of its jurisdiction, any action (a "**Compliance Action**") that Lessor or any such other member, in its sole discretion, considers appropriate to act in accordance with Sanctions or domestic and foreign laws and regulations. Such Compliance Action may include, but is not limited to, the interception and investigation of any payment, communication or instruction or other information the making of further enquiries as to whether a Person or entity is subject to any Sanctions, and the refusal to issue, pay, renew, extend or transfer any documentary credit or letter of guarantee, or to process any transaction or instruction that, in the discretion of Lessor, may not conform to Sanctions. Lessor will use reasonable commercial efforts to notify Lessee of the existence of such circumstances as soon as is reasonably practical, to the extent permitted by law;
- (c) Neither Lessor nor any member of HSBC Group will be liable for any loss, cost, damage, claim, action, suit or liabilities, suffered or incurred by Lessee, any Guarantor or other Person, or for any delay or any failure of Lessor to perform its obligations under this Agreement arising out of or relating to any Compliance Action taken by or on behalf of Lessor, its service providers, or any HSBC Group member in its sole discretion;
- (d) Lessor has the right, without any prior notice to Lessee, to reject, refuse to pay, any demand, or not process any transaction or instruction that does not conform with any Sanctions, or limitations; and
- (e) Lessee will indemnify Lessor for all losses, costs, damages, claims, actions, suits, demands and liabilities suffered or incurred by or brought against Lessor arising out of or relating to any Compliance Action, unless such losses, costs, damages, claims, actions, suits, demands and liabilities are determined by a final, non-appealable decision of a court of competent jurisdiction to have been caused solely and directly by the gross negligence, wilful misconduct or intentional fault of Lessor.

34. MISCELLANEOUS

- a. This Agreement and all Related Documents shall, unless otherwise expressly stated therein, be governed by the laws of the Province. If any provision of this Agreement or any Related Document shall be held to be invalid or unenforceable in any jurisdiction, the validity and enforceability of the remaining provisions hereof or thereof shall not in any way be affected or impaired. Without prejudice to the ability of Lessor to enforce this Agreement and all Related Documents in any other proper jurisdiction, Lessee irrevocably submits to the jurisdiction of any court of competent jurisdiction in the Province for any action or proceeding arising out of or relating to this Agreement, any Lease, all Related Documents or the transactions contemplated hereby or thereby and Lessee irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such court.
- b. For the purposes of the *Interest Act* (Canada), if, in this Agreement, in any Lease or in any Related Document, a rate of interest is calculated on the basis of a period which is less than a full calendar year, the yearly rate of interest to which the said rate is equivalent is the said rate multiplied by the actual number of days in the calendar year for which such calculation is made and divided by the number of days in such period.
- c. Time is of the essence hereof and of each Related Document.
- d. Any waiver by Lessor of any Unmatured Event of Default or Event of Default and any compromise or extension of payment granted by Lessor must be in writing signed by Lessor and no such waiver shall constitute a waiver of any

other default, Unmatured Event of Default or Event of Default by Lessee or shall be a waiver of any other right of Lessor.

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- e. This Agreement may be amended but only in writing signed by the parties hereto except as otherwise herein provided.
- f. This Agreement is not binding on Lessor until it has been signed by an authorized officer of Lessor.
- g. This Agreement and all Related Documents shall be binding upon and enure to the benefit of the parties hereto or thereto and their heirs, executors, administrators, successors and permitted assigns. Lessee may not assign this Agreement or any Related Documents or any interest herein or any of its rights hereunder or thereunder without the prior written consent of Lessor. Lessor may sell, assign or otherwise dispose of its interest in, or grant a Lien in, this Agreement or any Related Documents and/or the Equipment individually or together, in whole or in part. If Lessee is given written notice of any such sale, assignment, other disposition or grant of a Lien, it shall immediately make all applicable Rental Payments and other amounts hereunder or thereunder directly to the applicable transferee. Each such transferee shall have all of the rights of Lessor under each Lease, or part thereof, assigned to it, but, without limiting section 5, Lessee shall not assert against any such transferee any set-off, compensation, defence, claim, deduction or counterclaim that Lessee may have against Lessor or any other Person. Lessee consents to Lessor disclosing to any actual or potential transferee any information regarding Lessee in the possession of Lessor.
- h. Where there shall be more than one Lessee, their obligations hereunder shall be joint and several, or solidary.
- i. If the parties hereto executed a Master Equipment Lease prior to the date hereof (the "**Original Master Equipment Lease**"), the Original Master Equipment Lease shall, as of the date hereof, be amended and restated (but without novation of existing leasing facilities, indebtedness, obligations and security) to read in its entirety as set forth herein. All Schedules entered into prior to the date hereof shall continue in full force and effect and shall henceforth be governed by the terms and conditions of this Agreement.

35. **Language** Lessor and Lessee confirm that they have expressly required that this Agreement and all Related Documents be drafted in English. Le Locateur et le Locataire confirment qu'ils ont expressément exigé que la présente convention et tous les documents y afférents soient rédigés en anglais.

Executed as of the _____ day of Jan 14, 2022, 2022.

Lessee IPF Holdings Inc.

C/S Lessor HSBC Bank Canada

By Don Holmstrom
Don Holmstrom 14 Jan 2022 11:07 AM
Authorized Signatory Title: Chief Property Development (Energy & Mining)

By M. M.
M. M. 14 Jan 2022 10:44 PM
Authorized Signatory Title: Director, Energy & Equipment Finance

By Kevin Leong
Kevin Leong 17 Jan 2022 09:03 AM
Authorized Signatory Title: _____

By John Schmidt
John Schmidt 17 Jan 2022 09:11 AM
Authorized Signatory Title: Regional Credit Equipment Finance



HSBC Bank Canada
Leasing Division
Fixed Rate Lease Schedule

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Lease Schedule Number: 35446001 to Master Equipment Lease between HSBC Bank Canada ("Lessor") and

IPF Holdings Inc. ("Lessee") dated 2022 (the "Master Equipment Lease")

The Master Equipment Lease is incorporated into this Schedule by reference, this Schedule constitutes a separate lease (a "Lease") from Lessor to Lessee of the Equipment described in this Schedule, in each case on the terms, and conditions set out in the Master Equipment Lease and in this Schedule. Capitalized terms used in this Schedule and not otherwise defined herein have the meanings set out in the Master Equipment Lease.

1. Equipment

Quantity One (1)	Make and Description PTI Model G5000 Extrusion System (Details also refer to PTI proposal No. 17990 R2 dated March 3, 2021 and IPF PO No. 10770)	Model Number G5000	Serial Number	Acquisition Cost \$ 1,650,000.00
Total				\$ 1,650,000.00

2. Term

(a) Term (from Commencement Date of Rental Payments)	(b) Commencement Date of Rental Payments	(c) Termination Date of Term
72 Months	January 14, 2022	January 13, 2028

3. Currency:

☐ Canadian dollars ☒ U.S. dollars

Unless otherwise expressly stated, all references to dollar amounts in this Schedule are to amounts in such indicated currency.

4. Rental

(a) Rental Payments: ☒ in advance ☐ in arrears will be made ☒ monthly ☐ quarterly ☐ annually

(b) Rental Payments shall start with a payment due on the Commencement Date of Rental Payments shown above and payments thereafter on the same date in each month, quarter or year, as applicable, during the Term (each, a "Rental Payment Date").

	Initial Term (72 Months)	Secondary Term (Months)
(c) Rental Payments are as follows:	\$ 25,480.77	0.00
Provincial sales taxes, if any: (based on the current provincial sales tax rate, subject to change)	\$ 0.00	0.00
Goods and services tax or harmonized sales tax #R891586281 (based on the current applicable tax rate, subject to change)	\$ 3,312.50	0.00
Total Rental Payment:	\$ 28,793.27	0.00
(d) Number of Rental Payments (excluding Interim Rental Payment)	72	

(e) Interim Rental Payments for the period from the date, inclusive, of the execution of this Schedule by Lessee to the Commencement Date of Rental Payments, exclusive, shall be paid in advance by Lessee to Lessor in an amount equal to the number of days in the said period multiplied by the per diem rental, plus applicable Taxes.
The per diem rental is \$ 849.36 per day. For greater certainty, it is the intention of Lessee and Lessor that they shall be bound by the terms and conditions of this Lease throughout the said interim period. Any references to Rental Payments in this Lease shall include such Interim Rental Payments.

5. Purchase Option:

(a) Purchase Option Date: January 14, 2028
(b) Purchase Option Price (plus applicable Taxes) \$ 100.00

6. Place of use (or if Mobile Goods, specify such) 15 Waydon Drive, AYR, Ontario
NOB 1ED
7. Required Amount of Liability Insurance - Cdn \$ 2,000,000.00
8. Security Deposit \$ 0.00
9. Province (law governing this Lease) ON

10. Capital Cost Allowance Class (for Lessor purposes only)

(a) Class Number 53

(b) Capital Cost Allowance Rate 50

☒ Declining Balance

☐ Straight Line

11. Date of Delivery of Equipment January 14, 2022

Lessee acknowledges that the Equipment (including all accessories, where applicable) has been inspected by Lessee, is in good condition, has been installed, is operating satisfactorily and in all respects is as represented and acceptable to Lessee and that Lessor is directed and authorized to pay the supplier of the Equipment the purchase price owing for it. Lessee acknowledges that such Equipment is located at the place of use indicated above.

In witness whereof the parties have executed this Schedule on the respective dates set forth below and this Schedule shall be deemed to have been executed on the later of such dates

Lessee: IPF Holdings Inc. C/S

Lessor: HSBC Bank Canada

By: *Mark Johnson*
Mark Johnson (Jan 11, 2022) (11:15 PST)
Authorized Signatory
By: *John Schmidt*
John Schmidt (Jan 11, 2022 09:41 AM ET)
Authorized Signatory
Director, Equipment Finance
Title
AVP, Equipment Finance
Title
Date _____

By: *Don Holmstrom*
Don Holmstrom (Jan 11, 2022 11:11 AM ET)
Authorized Signatory
Title
By: _____
Authorized Signatory
Title
Date _____

This is Exhibit "I" referred to in
the Affidavit of A. Arenas sworn
this 10^t day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia



PROCESSING TECHNOLOGIES INTL, LLC

2655 White Oak Circle • Aurora, IL 60502
(630) 585-5800 • Fax: (630) 585-5855

Invoice No 0000028401

110

Customer 000549

Bill to :

HSBC BANK CANADA
LEASING DIVISION
600-885 W. GEORGIA STREET
VANCOUVER BC V6C 3G1
Canada~~Sold to :~~ Delivery to:IFP Holdings Inc/
INTEGRATED PACKAGING FILMS INC
15 WAYDON DRIVE
AYR ONT N0B 1E0
Canada

Phone (888) 574-9994

Customer PO Number	Invoice Date	Terms	FOB	Ship Via	Salesperson
10770	01/07/2022	DUE UPON RECEIPT		BEST WAY	PTI
Item	Part / Rev / Description / Details	Quantity	Unit Price	Discount	Extended Price
000010	FINAL INVOICE Rev NS U/M EA PTI MODEL G5000 EXTRUSION SYSTEM - PROJECT 017990	1.00	1,727,133.00000	0.00	1,727,133.00
Total deposits paid for equipment USD 1,208,993.10 The Item(s) being sold to HSBC Bank Canada, as mentioned in this invoice, is/are free and Clear of any charges/lien.			Total Item Price		1,727,133.00
			Shipping		0.00
			Sales Tax		0.00
			Total Inv Price		US\$ 1,727,133.00

CUSTOMER COPY

This is Exhibit "J" referred to in
the Affidavit of A. Arenas sworn
this 10^t day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia



PERSONAL PROPERTY SECURITY REGISTRATION
SYSTEM (ONTARIO) ENQUIRY RESULTS

Prepared for :	Dentons Canada LLP - Lorie Neilson
Reference :	A Arenas
Docket :	506954-790
Search ID :	981532
Date Processed :	7/10/2024 12:05:03 PM
Report Type :	PPSA Electronic Response
Search Conducted on :	GOOD NATURED PRODUCTS (CAD) INC.
Search Type :	Business Debtor

DISCLAIMER :

This report has been generated using data provided by the Personal Property Registration Branch, Ministry of Government Services, Government of Ontario. No liability is undertaken regarding its correctness, completeness, or the interpretation and use that are made of it.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

113

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

RESPONSE CONTAINS: APPROXIMATELY 10 FAMILIES and 27 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 10 ENQUIRY PAGE : 1 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 781622775 EXPIRY DATE : 31MAR 2032 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20220331 1403 1590 5398 REG TYP: P PPSA REG PERIOD: 10
 02 IND DOB : IND NAME:
 03 BUS NAME: GOOD NATURED PRODUCTS (CAD) INC.
 OCN :
 04 ADDRESS : 814-470 GRANVILLE STREET
 CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 1V5
 05 IND DOB : IND NAME:
 06 BUS NAME: GOOD NATURED PRODUCTS (CAD) INC.
 OCN :
 07 ADDRESS : 5 ABACUS ROAD
 CITY : BRAMPTON PROV: ON POSTAL CODE: L6T 5B7

08 SECURED PARTY/LIEN CLAIMANT :
 EXPORT DEVELOPMENT CANADA
 09 ADDRESS : 150 SLATER STREET
 CITY : OTTAWA PROV: ON POSTAL CODE: K1A 1K3
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X X
 YEAR MAKE MODEL V.I.N.

11
 12
 GENERAL COLLATERAL DESCRIPTION

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 16 AGENT: EXPORT DEVELOPMENT CANADA
 17 ADDRESS : 150 SLATER STREET
 CITY : OTTAWA PROV: ON POSTAL CODE: K1A 1K3

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 10 ENQUIRY PAGE : 2 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 785240478 EXPIRY DATE : 26JUL 2029 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20220726 1432 9234 3924 REG TYP: P PFSA REG PERIOD: 7
 02 IND DOB : IND NAME:
 03 BUS NAME: GOOD NATURED PRODUCTS (CAD) INC.
 OCN :
 04 ADDRESS : 814 - 470 GRANVILLE STREET
 CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 1V5
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 WELLS FARGO CAPITAL FINANCE CORPORATION CANADA
 09 ADDRESS : 10 S. WACKER DRIVE, 22ND FLOOR
 CITY : CHICAGO PROV: IL POSTAL CODE: 60606
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X X
 YEAR MAKE MODEL V.I.N.
 11
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 13 GENERAL COLLATERAL DESCRIPTION
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 15
 16 AGENT: STIKEMAN ELLIOTT LLP
 17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET
 CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 10 ENQUIRY PAGE : 3 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240478

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 2 MV SCHED: 20230110 1721 9234 6379

21 REFERENCE FILE NUMBER : 785240478

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: GOOD NATURED PRODUCTS (CAD) INC.

25 OTHER CHANGE:

26 REASON: AMENDMENT TO REFLECT THE AMALGAMATION OF GOOD NATURED PRODUCTS (CAD)

27 /DESCR: INC., SHEPHERD THERMOFORMING & PACKAGING INC., INTEGRATED PACKAGING

28 : FILMS GP INC., IPF HOLDINGS INC. AND MECHAR AMCO LTD. TO CONTINUE AS

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE: GOOD NATURED PRODUCTS (CAD) INC.

OCN:

04/07 ADDRESS: 814 - 470 GRANVILLE STREET

CITY: VANCOUVER PROV: BC POSTAL CODE: V6C 1V5

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

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DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME : STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET

CITY : TORONTO

PROV : ON

POSTAL CODE : M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 10 ENQUIRY PAGE : 4 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240478

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 002 OF 2 MV SCHED: 20230110 1721 9234 6379

21 REFERENCE FILE NUMBER : 785240478

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: GOOD NATURED PRODUCTS (CAD) INC.

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

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DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

118

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 10 ENQUIRY PAGE : 5 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 785240496 EXPIRY DATE : 26JUL 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20220726 1433 9234 3926 REG TYP: P PPSA REG PERIOD: 7
02 IND DOB : IND NAME:
03 BUS NAME: MECHAR AMCO LTD.
OCN :
04 ADDRESS : 15 WAYDOM DRIVE
CITY : AYR PROV: ON POSTAL CODE: N0B 1E4
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
WELLS FARGO CAPITAL FINANCE CORPORATION CANADA
09 ADDRESS : 10 S. WACKER DRIVE, 22ND FLOOR
CITY : CHICAGO PROV: IL POSTAL CODE: 60606
CONS. MV DATE OF OR NO FIXED
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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YEAR MAKE MODEL V.I.N.

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13 GENERAL COLLATERAL DESCRIPTION
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16 AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET
CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

119

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 10 ENQUIRY PAGE : 6 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240496

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 2 MV SCHED: 20230110 1723 9234 6382

21 REFERENCE FILE NUMBER : 785240496

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: MECHAR AMCO LTD.

25 OTHER CHANGE:

26 REASON: AMENDMENT TO REFLECT DEBTOR NAME CHANGE FROM MECHAR AMCO LTD. TO

27 /DESCR: GOOD NATURED PRODUCTS (CAD) INC. AS A RESULT OF AN AMALGAMATION

28 : AMONG MECHAR AMCO LTD., GOOD NATURED PRODUCTS (CAD) INC., SHEPHERD

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE: GOOD NATURED PRODUCTS (CAD) INC.

OCN:

04/07 ADDRESS: 814 - 470 GRANVILLE STREET

CITY: VANCOUVER PROV: BC POSTAL CODE: V6C 1V5

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

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DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME : STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET

CITY : TORONTO

PROV : ON

POSTAL CODE : M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

120

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 3 OF 10 ENQUIRY PAGE : 7 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240496

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 002 OF 2 MV SCHED: 20230110 1723 9234 6382

21 REFERENCE FILE NUMBER : 785240496

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: THERMOFORMING & PACKAGING INC., INTEGRATED PACKAGING FILMS GP INC.

27 /DESCR: AND IPF HOLDINGS INC. TO CONTINUE AS GOOD NATURED PRODUCTS (CAD)

28 : INC.

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

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GOODS INVTRY EQUIP ACCTS OTHER

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MAT DATE

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16 NAME :

17 ADDRESS :

CITY :

PROV :

POSTAL CODE :

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

121

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 10 ENQUIRY PAGE : 8 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 785240523 EXPIRY DATE : 26JUL 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20220726 1433 9234 3927 REG TYP: P PPSA REG PERIOD: 7
02 IND DOB : IND NAME:
03 BUS NAME: INTEGRATED PACKAGING FILMS GP INC.
OCN :
04 ADDRESS : 15 WAYDOM DRIVE
CITY : AYR PROV: ON POSTAL CODE: N0B 1E0
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
WELLS FARGO CAPITAL FINANCE CORPORATION CANADA
09 ADDRESS : 10 S. WACKER DRIVE, 22ND FLOOR
CITY : CHICAGO PROV: IL POSTAL CODE: 60606
CONS. MV DATE OF OR NO FIXED
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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YEAR MAKE MODEL V.I.N.

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13 GENERAL COLLATERAL DESCRIPTION
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16 AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET
CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

122

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

ZC FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 4 OF 10 ENQUIRY PAGE : 9 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240523

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 2 MV SCHED: 20230110 1722 9234 6380

21 REFERENCE FILE NUMBER : 785240523

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: INTEGRATED PACKAGING FILMS GP INC.

25 OTHER CHANGE:

26 REASON: AMENDMENT TO REFLECT DEBTOR NAME CHANGE FROM INTEGRATED PACKAGING

27 /DESCR: FILMS GP INC. TO GOOD NATURED PRODUCTS (CAD) INC. AS A RESULT OF AN

28 : AMALGAMATION AMONG INTEGRATED PACKAGING FILMS GP INC., GOOD NATURED

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: GOOD NATURED PRODUCTS (CAD) INC.

OCN:

04/07 ADDRESS: 814 - 470 GRANVILLE STREET

CITY: VANCOUVER PROV: BC POSTAL CODE: V6C 1V5

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME : STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET

CITY : TORONTO

PROV : ON

POSTAL CODE : M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 4 OF 10 ENQUIRY PAGE : 10 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240523

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 002 OF 2 MV SCHED: 20230110 1722 9234 6380

21 REFERENCE FILE NUMBER : 785240523

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: PRODUCTS (CAD) INC., SHEPHERD THERMOFORMING & PACKAGING INC., IPE

27 /DESCR: HOLDINGS INC. AND MECHAR AMCO LTD. TO CONTINUE AS GOOD NATURED

28 : PRODUCTS (CAD) INC.

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :

17 ADDRESS :

CITY :

PROV :

POSTAL CODE :

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 10 ENQUIRY PAGE : 11 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 785240541 EXPIRY DATE : 26JUL 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20220726 1433 9234 3928 REG TYP: P PPSA REG PERIOD: 7
02 IND DOB : IND NAME:
03 BUS NAME: SHEPHERD THERMOFORMING & PACKAGING INC.
OCN :
04 ADDRESS : 5 ABACUS ROAD
CITY : BRAMPTON PROV: ON POSTAL CODE: L6T 5B7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
WELLS FARGO CAPITAL FINANCE CORPORATION CANADA
09 ADDRESS : 10 S. WACKER DRIVE, 22ND FLOOR
CITY : CHICAGO PROV: IL POSTAL CODE: 60606
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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13 GENERAL COLLATERAL DESCRIPTION

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16 AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET
CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

125

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 5 OF 10 ENQUIRY PAGE : 12 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240541

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 2 MV SCHED: 20230110 1723 9234 6383

21 REFERENCE FILE NUMBER : 785240541

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: SHEPHERD THERMOFORMING & PACKAGING INC.

25 OTHER CHANGE:

26 REASON: AMENDMENT TO REFLECT DEBTOR NAME CHANGE FROM SHEPHERD THERMOFORMING

27 /DESCR: & PACKAGING INC. TO GOOD NATURED PRODUCTS (CAD) INC. AS A RESULT OF

28 : AN AMALGAMATION AMONG SHEPHERD THERMOFORMING & PACKAGING INC, GOOD

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE: GOOD NATURED PRODUCTS (CAD) INC.

OCN:

04/07 ADDRESS: 814 - 470 GRANVILLE STREET

CITY: VANCOUVER PROV: BC POSTAL CODE: V6C 1V5

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME : STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET

CITY : TORONTO

PROV : ON

POSTAL CODE : M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

126

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 5 OF 10 ENQUIRY PAGE : 13 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240541

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 002 OF 2 MV SCHED: 20230110 1723 9234 6393

21 REFERENCE FILE NUMBER : 785240541

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: NATURED PRODUCTS (CAD) INC., INTEGRATED PACKAGING FILMS GP INC., IPE

27 /DESCR: HOLDINGS INC. AND MECHAR AMCO LTD. TO CONTINUE AS GOOD NATURED

28 : PRODUCTS (CAD) INC.

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME :

17 ADDRESS :

CITY :

PROV :

POSTAL CODE :

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

127

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 6 OF 10 ENQUIRY PAGE : 14 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 785240559 EXPIRY DATE : 26JUL 2029 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20220726 1434 9234 3929 REG TYP: P PPSA REG PERIOD: 7
02 IND DOB : IND NAME:
03 BUS NAME: IPF HOLDINGS INC.
OCN :
04 ADDRESS : 15 WAYDOM DRIVE
CITY : AYR PROV: ON POSTAL CODE: N0B 1E0
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
WELLS FARGO CAPITAL FINANCE CORPORATION CANADA
09 ADDRESS : 10 S. WACKER DRIVE, 22ND FLOOR
CITY : CHICAGO PROV: IL POSTAL CODE: 60606
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

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16 AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET
CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 6 OF 10 ENQUIRY PAGE : 15 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240559

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 2 MV SCHED: 20230110 1722 9234 6381

21 REFERENCE FILE NUMBER : 785240559

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: IPF HOLDINGS INC.

25 OTHER CHANGE:

26 REASON: AMENDMENT TO REFLECT DEBTOR NAME CHANGE FROM IPF HOLDINGS INC. TO

27 /DESCR: GOOD NATURED PRODUCTS (CAD) INC. AS A RESULT OF AN AMALGAMATION

28 : AMONG IPF HOLDINGS INC., GOOD NATURED PRODUCTS (CAD) INC., SHEPHERD

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: GOOD NATURED PRODUCTS (CAD) INC.

OCN:

04/07 ADDRESS: 814 - 470 GRANVILLE STREET

CITY: VANCOUVER PROV: BC POSTAL CODE: V6C 1V5

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME : STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET

CITY : TORONTO

PROV : ON

POSTAL CODE : M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 6 OF 10 ENQUIRY PAGE : 16 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 785240559

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 002 OF 2 MV SCHED: 20230110 1722 9234 6381

21 REFERENCE FILE NUMBER : 785240559

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: THERMOFORMING & PACKAGING INC., INTEGRATED PACKAGING FILMS GP INC.

27 /DESCR: AND MECHAR AMCO LTD. TO CONTINUE AS GOOD NATURED PRODUCTS (CAD) INC.

28 :

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME :

17 ADDRESS :

CITY :

PROV :

POSTAL CODE :

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 7 OF 10 ENQUIRY PAGE : 17 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 787164048 EXPIRY DATE : 29SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220929 1622 1590 2404 REG TYP: P PPSA REG PERIOD: 8
02 IND DOB : IND NAME:
03 BUS NAME: INTEGRATED PACKAGING FILMS GP LTD.
OCN :
04 ADDRESS : 814 - 470 GRANVILLE STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 1W5
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
HSBC BANK CANADA
09 ADDRESS : 885 WEST GEORGIA ST.
CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 3G1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.

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12
GENERAL COLLATERAL DESCRIPTION
13 WITH RESPECT TO AN ASSIGNMENT AND POSTPONEMENT AGREEMENT GIVEN
14 PURSUANT TO A FACILITY LETTER AGREEMENT WITH HSBC BANK CANADA DATED
15 SEPTEMBER 20, 2022, IN EACH CASE, AS SUCH AGREEMENT MAY BE AMENDED,
16 AGENT: WEIRFOULDS LLP (T. ROTMAN)
17 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4100
CITY : TORONTO PROV: ON POSTAL CODE: M5K 1B7

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

131

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

IC FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 7 OF 10 ENQUIRY PAGE : 18 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 787164048 EXPIRY DATE : 29SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220929 1622 1590 2404 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 SUPPLEMENTED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME.

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16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 7 OF 10 ENQUIRY PAGE : 19 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 787164048

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 1 MV SCHED: 20230120 1526 1590 7847

21 REFERENCE FILE NUMBER : 787164048

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: INTEGRATED PACKAGING FILMS GP LTD.

25 OTHER CHANGE:

26 REASON: CHANGE NAME OF DEBTOR TO "GOOD NATURED PRODUCTS (CAD) INC." AS A

27 /DESCR: RESULT OF AMALGAMATION.

28 :

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE: GOOD NATURED PRODUCTS (CAD) INC.

OCN:

04/07 ADDRESS: 199 BAY ST., COMMERCE COURT WEST, 5300

CITY: TORONTO PROV: ON POSTAL CODE: M5L 1B9

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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15

16 NAME : WEIRFOULDS LLP (D. THOMSON)

17 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4100

CITY : TORONTO

PROV : ON

POSTAL CODE : M5K 1B7

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

133

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 8 OF 10 ENQUIRY PAGE : 20 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 787164057 EXPIRY DATE : 29SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220929 1623 1590 2405 REG TYP: P PPSA REG PERIOD: 8
02 IND DOB : IND NAME:
03 BUS NAME: IPF HOLDINGS INC.
OCN :
04 ADDRESS : 814 - 470 GRANVILLE STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 1V5
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
HSBC BANK CANADA
09 ADDRESS : 885 WEST GEORGIA ST.
CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 3G1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 WITH RESPECT TO AN ASSIGNMENT AND POSTPONEMENT AGREEMENT GIVEN
14 PURSUANT TO A FACILITY LETTER AGREEMENT WITH HSBC BANK CANADA DATED
15 SEPTEMBER 20, 2022, IN EACH CASE, AS SUCH AGREEMENT MAY BE AMENDED,
16 AGENT: WEIRFOULDS LLP (T. ROTMAN)
17 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4100
CITY : TORONTO PROV: ON POSTAL CODE: M5K 1B7

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 8 OF 10 ENQUIRY PAGE : 21 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 787164057 EXPIRY DATE : 29SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220929 1623 1590 2405 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
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12

GENERAL COLLATERAL DESCRIPTION

13 SUPPLEMENTED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME.

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16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

135

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 8 OF 10 ENQUIRY PAGE : 22 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 787164057

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 1 MV SCHED: 20230120 1527 1590 7849

21 REFERENCE FILE NUMBER : 787164057

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: IPF HOLDINGS INC.

25 OTHER CHANGE:

26 REASON: CHANGE NAME OF DEBTOR TO "GOOD NATURED PRODUCTS (CAD) INC." AS A

27 /DESCR: RESULT OF AMALGAMATION.

28 :

02/05 IND/TRANSEERE:

03/06 BUS NAME/TRFEE: GOOD NATURED PRODUCTS (CAD) INC.

OCN:

04/07 ADDRESS: 199 BAY ST., COMMERCE COURT WEST, 5300,

CITY: TORONTO PROV: ON POSTAL CODE: M5L 1B9

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

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16 NAME : WEIRFOULDS LLP (D. THOMSON)

17 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4100

CITY : TORONTO

PROV : ON

POSTAL CODE : M5K 1E7

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

136

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 9 OF 10 ENQUIRY PAGE : 23 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 787164093 EXPIRY DATE : 30SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220929 1624 1590 2406 REG TYP: P PPSA REG PERIOD: 8
02 IND DOB : IND NAME:
03 BUS NAME: SHEPHERD THERMOFORMING & PACKAGING INC.
OCN :
04 ADDRESS : 814 - 470 GRANVILLE STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 1V5
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
HSBC BANK CANADA
09 ADDRESS : 885 WEST GEORGIA ST.
CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 3G1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 WITH RESPECT TO AN ASSIGNMENT AND POSTPONEMENT AGREEMENT GIVEN
14 PURSUANT TO A FACILITY LETTER AGREEMENT WITH HSBC BANK CANADA DATED
15 SEPTEMBER 20, 2022, IN EACH CASE, AS SUCH AGREEMENT MAY BE AMENDED,
16 AGENT: WEIRFOULDS LLP (T. ROTMAN)
17 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4100
CITY : TORONTO PROV: ON POSTAL CODE: M5K 1B7

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

137

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 9 OF 10 ENQUIRY PAGE : 24 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 787164093 EXPIRY DATE : 29SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220929 1624 1590 2406 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
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12

GENERAL COLLATERAL DESCRIPTION

13 SUPPLEMENTED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME.

14

15

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

138

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 9 OF 10 ENQUIRY PAGE : 25 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

FILE NUMBER 787164093

PAGE TOT

REGISTRATION NUM

REG TYPE

01 CAUTION : 001 OF 1 MV SCHED: 20230120 1527 1590 7850

21 REFERENCE FILE NUMBER : 787164093

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: SHEPHERD THERMOFORMING & PACKAGING INC.

25 OTHER CHANGE:

26 REASON: CHANGE NAME OF DEBTOR TO "GOOD NATURED PRODUCTS (CAD) INC." AS A

27 /DESCR: RESULT OF AMALGAMATION.

28 :

02/05 IND/TRANSFeree:

03/06 BUS NAME/TRFEE: GOOD NATURED PRODUCTS (CAD) INC.

OCN:

04/07 ADDRESS: 199 BAY ST., COMMERCE COURT WEST, 5300

CITY: TORONTO PROV: ON POSTAL CODE: M5L 1B9

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

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15

16 NAME : WEIRFOULDS LLP (D. THOMSON)

17 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4100

CITY : TORONTO

PROV : ON

POSTAL CODE : M5K 1B7

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 10 ENQUIRY PAGE : 26 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 787164615 EXPIRY DATE : 29SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220929 1628 1590 2409 REG TYP: P FPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: GOOD NATURED PRODUCTS (CAD) INC.
OCN :
04 ADDRESS : 814 - 470 GRANVILLE STREET
CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 1V5
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
HSBC BANK CANADA
09 ADDRESS : 885 WEST GEORGIA ST.
CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 3G1
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 WITH RESPECT TO AN ASSIGNMENT AND POSTPONEMENT AGREEMENT GIVEN
14 PURSUANT TO A FACILITY LETTER AGREEMENT WITH HSBC BANK CANADA DATED
15 SEPTEMBER 20, 2022, IN EACH CASE, AS SUCH AGREEMENT MAY BE AMENDED,
16 AGENT: WEIRFOULDS LLP (T. ROTMAN)
17 ADDRESS : 66 WELLINGTON STREET WEST, SUITE 4100
CITY : TORONTO PROV: ON POSTAL CODE: M5K 1B7

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

140

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: GOOD NATURED PRODUCTS (CAD) INC.

FILE CURRENCY: July 9, 2024

IC FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 10 ENQUIRY PAGE : 27 OF 27

SEARCH : BD : GOOD NATURED PRODUCTS (CAD) INC.

00 FILE NUMBER : 787164615 EXPIRY DATE : 29SEP 2030 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20220929 1628 1590 2409 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION

13 SUPPLEMENTED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME.

14

15

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

Dentons Canada LLP

PERSONAL PROPERTY SECURITY ACT (ONTARIO)
SEARCH SUMMARY WITH RESPECT TO:
IPF HOLDINGS INC.

eSummary Requested By: Lorie Neilson
PPSA Enquiry ID: 981591
File Currency: July 9, 2024

DISCLAIMER:

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	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
1.	787164057 <i>PPSA</i>	11	20220929 1623 1590 2405 Reg. 8 year(s) Expires 09/29/2030	IPF HOLDINGS INC.	HSBC BANK CANADA				X	X	

General Collateral Description:

WITH RESPECT TO AN ASSIGNMENT AND POSTPONEMENT AGREEMENT GIVEN PURSUANT TO A FACILITY LETTER AGREEMENT WITH HSBC BANK CANADA DATED SEPTEMBER 20, 2022, IN EACH CASE, AS SUCH AGREEMENT MAY BE AMENDED, SUPPLEMENTED, RESTATED OR OTHERWISE MODIFIED FROM TIME TO TIME.

13	20230120 1527 1590 7849	IPF HOLDINGS INC.	
A AMNDMNT	GOOD NATURED PRODUCTS (CAD) INC.		

Reason for Amendment:

CHANGE NAME OF DEBTOR TO "GOOD NATURED PRODUCTS (CAD) INC." AS A RESULT OF AMALGAMATION.

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
2.	785240559 <i>PPSA</i>	8	20220726 1434 9234 3929 Reg. 7 year(s) Expires 07/26/2029	IPF HOLDINGS INC.	WELLS FARGO CAPITAL FINANCE CORPORATION CANADA		X	X	X	X	X

9	20230110 1722 9234 6381	IPF HOLDINGS INC.	
A AMNDMNT	GOOD NATURED PRODUCTS (CAD) INC.		

Reason for Amendment:

AMENDMENT TO REFLECT DEBTOR NAME CHANGE FROM IPF HOLDINGS INC. TO GOOD NATURED PRODUCTS (CAD) INC. AS A RESULT OF AN AMALGAMATION AMONG IPF HOLDINGS INC., GOOD NATURED PRODUCTS (CAD) INC., SHEPHERD THERMOFORMING & PACKAGING INC., INTEGRATED PACKAGING FILMS GP INC. AND MECHAR AMCO LTD. TO CONTINUE AS GOOD NATURED PRODUCTS (CAD) INC.

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
3.	781623279 <i>PPSA</i>	7	20220331 1412 1590 5406 Reg. 10 year(s) Expires 03/31/2032	IPF HOLDINGS INC.	EXPORT DEVELOPMENT CANADA		X	X	X	X	X

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
4.	779659695 <i>PPSA</i>	1	20220113 1934 1531 3437 Reg. 7 year(s) Expires 01/13/2029	IPF HOLDINGS INC.	HSBC BANK CANADA, LEASING DIVISION			X		X	

General Collateral Description:

ONE (1) PTI MODEL G5000 EXTRUSION SYSTEM TOGETHER WITH ALL PARTS, ACCESSORIES AND COLLATERAL NOW OR HEREAFTER ATTACHED TO OR FORMING A PART THEREOF AND ALL PROCEEDS THEREFROM INCLUDING ALL TYPES AND KINDS OF PERSONAL PROPERTY INCLUDING, WITHOUT LIMITATION, TRADE-INS, ACCOUNTS, BUILDING MATERIALS, CHATTEL PAPER, CONTRACTS, CONTRACT RIGHTS, DOCUMENTS OF TITLE, RENTAL PAYMENTS, INSURANCE PAYMENTS, FIXTURES, INSTRUMENTS, MONEY, INVENTORY, LEASES, SECURITIES, COLLATERAL AND ANY OTHER GOODS OR INTANGIBLES RECEIVED AS A RESULT OF THE SAID GOODS, CHATTELS AND MOVABLE PROPERTY BEING SOLD, DEALT WITH OR OTHERWISE DISPOSED OF.

5			20230911 1443 1530 3494	IPF HOLDINGS INC.							
			A AMNDMNT	GOOD NATURED PRODUCTS INDUSTRIAL CANADA LP							

Reason for Amendment:

TO ADD DEBTOR GOOD NATURED PRODUCTS INDUSTRIAL CANADA LP 814-470 GRANVILLE STREET, VANCOUVER, BC V6C1V4

This is Exhibit " K " referred to in
the Affidavit of A. Arenas sworn
this 10th day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia



HSBC Bank Canada

Security Over Cash, Credit Balances and Collateral Instruments

(All Provinces Except Quebec)

To: HSBC Bank Canada

885 West Georgia Street, Vancouver, BC V6C 3G1

Branch Address

March 21st, 2022

Date

Charge

1. For valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the undersigned), the undersigned hereby assigns, transfers, and pledges in favour of **HSBC Bank Canada** (the "**Bank**") and grants to the Bank a security interest in and releases to the Bank the entire right, title, claim and interest of the undersigned in and to:

Delete (b) and (c) for security over specific deposit instrument DH and have the undersigned initial

Delete (a) and (c) for security over monies in deposit accounts and have the undersigned initial

Delete (a) and (b) for security over credit balances and have the undersigned initial

(a) ~~the principal sum, interest, and all other monies owing and payable or hereafter owing and payable to the undersigned pursuant to the terms of the instrument or instruments (the "Instrument"), if any, described in the Schedule "A" to this Agreement, and the entire right, title and interest of the undersigned in and to the Instrument, all renewals thereof, substitutions therefor, and accretions and additions thereto, and all proceeds thereof;~~

(b) all monies in account number(s) 270-634584-324 at the branch of the Bank set out above, including all amounts now or hereafter owing by the Bank to the undersigned with respect to the deposits constituted thereby (including interest if any, paid or payable by the Bank with respect to such deposits), all renewals thereof, substitutions therefor, and accretions and additions thereto, and all proceeds thereof and any and all instruments, receipts, certificates and other documents evidencing any of the foregoing, and including monies which the Bank has withdrawn or withdraws from any other account of the undersigned and has deposited or deposits in any of the first mentioned account(s), the Bank being hereby authorized to make such withdrawals and deposits from time to time; and;

(c) ~~all monies which are now or which may from time to time in the future stand to the credit of the undersigned in any accounts at the branch of the Bank set out above;~~

(all of which are hereinafter collectively referred to as the "Collateral"), as continuing security for the payment and performance of all Obligations (as defined below). In addition, the undersigned hereby expressly grants to the Bank the right to set-off all amounts now or hereafter owing by the Bank to the undersigned in respect of any and all Collateral against any and all such Obligations (and to combine accounts with respect thereto). The undersigned confirms and agrees that: value has been given by the Bank; the undersigned has rights in all existing Collateral and the power to transfer rights and grant a security interest in the Collateral to the Bank; and that the undersigned and the Bank have not postponed the time for attachment of the security interests provided for herein and the security interests shall attach to existing Collateral upon the execution of this Agreement and shall attach to after-acquired Collateral at the time the undersigned acquires rights therein.

Obligations Secured

2. The assignment, transfer, pledge, security interest and release granted above shall be general and continuing security for payment, performance and satisfaction of each and every obligation, indebtedness and liability of the undersigned to the Bank (including interest thereon), present or future, direct or indirect, absolute or contingent, joint or several, matured or unmatured, whether as principal, surety, guarantor or indemnifier, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof (including interest thereon) including all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the undersigned be bound alone or with another or others and whether as principal, guarantor or surety (all of which obligations, indebtedness and liabilities are herein collectively called the "**Obligations**").

Representations and Warranties

3. The undersigned represents and warrants that:
- (a) this Agreement has been duly authorized, executed and delivered by the undersigned to the Bank.
 - (b) the Collateral is legally and beneficially owned by the undersigned free and clear of all security interests, mortgages, liens, claims, charges and other encumbrances, save for the security constituted by this Agreement and any other security in favour of the Bank.

- (c) the undersigned has the power, capacity and authority to incur the Obligations, to create and grant the security interest, assignment, transfer and pledge granted above and to execute and deliver and perform its obligations under this Agreement;
- (d) this Agreement constitutes a legal, valid and binding obligation of the undersigned, enforceable against the undersigned in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
- (e) the chief executive office or principal place of business of the undersigned, and the jurisdiction in which the undersigned is located for purposes of the *Personal Property Security Act* (Ontario) and under which the undersigned is incorporated, continued, amalgamated or otherwise organized is the Province or Territory identified in Schedule "B" of this Agreement;

Dealing with Instruments and Renewals

- 4. The undersigned irrevocably authorizes and directs the Bank to receive the principal, interest and other monies represented by the Instrument, if any, described in the Schedule of Instruments, and, in the Bank's sole and absolute discretion, to retain or to reinvest all or part of such monies in one or more instruments of the same or similar nature on such terms as are in effect at such maturity and to receive another instrument which shall then stand in the place of and be deemed to be the Instrument; **provided** that unless otherwise instructed by the undersigned, the Bank shall not be bound to reinvest the monies as provided above and shall not be responsible for any loss occasioned by its failure or neglect to do so. The Bank shall not be responsible for any loss whatsoever occasioned by any retention or reinvestment of the monies or acceptance of a replacement instrument as aforesaid.
- 5. It is understood and agreed that the security constituted by this Agreement extends to any renewals and replacements of the Collateral and all interest earned thereon and to all proceeds of any type or kind whatsoever, derived directly or indirectly from any dealing with the Collateral or proceeds arising from them.

Default

- 6. Unless otherwise agreed in writing by the Bank, the occurrence of any of the following events shall be a default under this Agreement:
 - (a) the Obligations or any part thereof are not repaid and satisfied when the same become due;
 - (b) the undersigned breaches any term, condition, proviso, agreement or covenant with the Bank, or any representation or warranty given by the undersigned to the Bank in this Agreement, or otherwise, is untrue;
 - (c) if the undersigned becomes insolvent or commits or threatens to commit any act of bankruptcy or if the undersigned makes an assignment or proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy or if a bankruptcy petition is filed or presented against the undersigned or if the undersigned otherwise becomes subject to proceedings under the *Bankruptcy and Insolvency Act (Canada)*, *Companies' Creditors Arrangement Act (Canada)*, the *Winding Up and Restructuring Act*, or any other bankruptcy, insolvency or analogous law in any jurisdiction for relief as a debtor or if the undersigned seeks relief or consents to the filing of a petition against it under any law which involves any compromise of any creditor's rights against the undersigned; or
 - (d) there is instituted by or against the undersigned any formal or informal proceeding, or if an order is made or a resolution passed, for the winding-up, liquidation or dissolution of the undersigned or a settlement of claims against, or winding up of the affairs of, the undersigned; or
 - (e) if the undersigned is a natural person, the undersigned dies or is declared incompetent to manage his or her affairs; or
 - (f) if the undersigned ceases or threatens to cease to carry on business or makes a bulk sale of its assets, or if a receiver, receiver-manager or a receiver and manager or a trustee for the undersigned or any of its property or assets is appointed (whether privately or by court order); or
 - (g) any execution, sequestration, extent or other process of any court becomes enforceable against the undersigned or a distress or analogous process is levied upon the Collateral or any part thereof; or
 - (h) if a petition is presented or filed for the winding-up of the undersigned, whether pursuant to the *Winding-up and Restructuring Act (Canada)* or otherwise; or
 - (i) without the prior written consent of the Bank, the undersigned creates or permits to exist any encumbrance against any of the Collateral other than an encumbrance in favour of the Bank; or
 - (j) the undersigned enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or
 - (k) the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral are or are about to be placed in jeopardy; or
 - (l) if the undersigned permits any sum which has been admitted as due by the undersigned or is not disputed to be due by it and which forms or is capable of being made a charge on any of the Collateral in priority to the security interest in favour of the Bank to remain unpaid after proceedings have been taken to enforce such charge; or

- (m) if the undersigned defaults in the observance or performance of any provision relating to the indebtedness or liability of the undersigned to any creditor or other person, other than the Bank, and thereby enables such creditor or other person to demand payment of such indebtedness; or
- (n) if any licence, permit or approval required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the undersigned of its business shall be withdrawn or cancelled.

Enforcement

- 7. Upon default under this Agreement, the security constituted by this Agreement will immediately become enforceable, and the Bank may take any action permitted by law or in equity as it may deem expedient, to enforce and realize on the security constituted by this Agreement, including without limiting the generality of the foregoing, the Bank may, subject to applicable law, immediately without notice, demand for payment, or other formality, enforce and realize upon the security constituted by this Agreement as fully and effectually as if the Bank were the absolute owner of the Collateral and the Bank may retain or apply all or any portion of the Collateral against payment of the Obligations or any part of it in such amount and in any manner that the Bank, in its absolute discretion sees fit, and the Bank may apply the Collateral against the Obligations without having to seize or otherwise realize upon the Collateral and the Bank shall at all times, and from time to time, have the right to change any appropriation of any moneys received by the Bank and to reapply the same on any other part or parts of the Obligations as the Bank may see fit, notwithstanding any previous application by whomsoever made,

Combination and Set-Off

- 8. Upon default under this Agreement, the Bank may forthwith, without notice, without demand for payment, and without any other formality, all of which are hereby waived by the undersigned to the fullest extent permitted by applicable law, take, appropriate, set off, combine accounts and apply the Collateral, or any part thereof, to pay the Obligations or any part thereof. The undersigned expressly acknowledges and agrees that the Bank may set off, combine accounts and apply the Collateral contemporaneously with any demand made by the Bank for payment of any of the Obligations and the undersigned hereby waives, to the fullest extent permitted by applicable law, any obligation on the Bank to allow the undersigned reasonable notice prior to the exercise by the Bank of such set-off, combination of accounts or application.

Restriction on Withdrawal

- 9. Notwithstanding any other agreement to the contrary, the undersigned shall not withdraw, assign, transfer or demand payment of any of the Collateral or any part thereof, or otherwise deal with the Collateral and shall not pledge, assign, encumber, grant a security interest in or otherwise dispose of any of the undersigned's rights in the Collateral, (other than to the Bank) while the Obligations or any part thereof remain outstanding, and the Bank shall not be required to surrender or deliver up the Collateral by reason of any partial payment on account of the Obligations and may retain the Collateral or the proceeds derived from them until the entire Obligations have been finally and indefeasibly satisfied in full.

Continuing Security

- 10. This Agreement shall:
 - (a) be in addition to and not in substitution for any other security held by the Bank,
 - (b) not operate as a merger or a novation of any debt outstanding to the Bank, nor suspend the fulfillment of or affect the rights, remedies and powers of the Bank or any obligations of the undersigned or any other person to the Bank,
 - (c) not be deemed to be redeemed or cancelled pro tanto or otherwise, due to any partial payment made by the undersigned on account of the Obligations or any ceasing by the undersigned to be indebted to the Bank, and this Agreement shall remain valid security for any subsequent Obligations.

Non-Exclusive Remedies, etc.

- 11. The remedies and rights given to the Bank in this Agreement are not intended to be exclusive. Each and every remedy and right shall be cumulative and shall be in addition to every other right or remedy given by this Agreement or now or hereafter existing at law, in equity, by statute or otherwise. In particular, without limiting the generality of the foregoing, this Agreement does not affect the rights of the Bank to any lien, claim or interest arising by operation of law. The exercise or commencement of exercise by the Bank of any one or more of such remedies or rights shall not preclude the simultaneous or later exercise by the Bank of any or all of such remedies or rights.
- 12. The Bank shall not be obliged to exercise any remedies which it may have against the undersigned or any other parties or against any other security it may hold before realizing on or otherwise dealing with the Collateral in whatever manner the Bank considers appropriate.
- 13. The Bank shall not be responsible for any failure to exercise or enforce, or for any delay in the exercise or enforcement of, any powers, rights or discretions of the Bank, or directions to the Bank, and the Bank shall be accountable only for such monies as it shall actually receive.

Dealings

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14. The Bank may do all or any of the following:

- (a) grant time, renewals, extensions, indulgences, releases and discharges to;
- (b) take securities from;
- (c) abstain from taking additional security from;
- (d) abstain from perfecting securities of;
- (e) accept compositions from;
- (f) obtain judgment against; and
- (g) otherwise deal with

all persons and securities as the Bank may see fit without prejudice to the Bank's rights under this Agreement, including without limitation, the Bank's right to hold, deal with and realize on the Collateral in whatever way the Bank considers appropriate.

Indemnity

15. The undersigned hereby releases, saves harmless, and indemnifies the Bank from and against any and all claims, demands, costs, expenses, actions and causes of action arising pursuant to or in respect of this Agreement and arising pursuant to or in respect of the holding, application, appropriation, set-off, combination of accounts, use of, or dealings with the Collateral, or any part thereof by the Bank and any breach of trust or fiduciary duty or breach of guarantee resulting therefrom.

Miscellaneous

16. If the undersigned receives any of the Collateral, the undersigned shall receive the same in trust as depositary for and on behalf of the Bank, and shall deal with the Collateral as the Bank may direct.
17. The records of the Bank shall constitute prima facie evidence of the amount of the Collateral and of the amount of the Obligations at any time and of the undersigned being in default or of any demand having been made.
18. The Bank or any manager, acting manager or account manager of the Bank is hereby appointed as the irrevocable attorney of the undersigned with authority to do such acts, execute all documents necessary to give effect to this Agreement (on behalf of and in the name of the undersigned) and to the realization and enforcement of this Agreement by the Bank.
19. The undersigned shall pay all costs, charges and expenses including solicitors' costs, charges and expenses which may be incurred by the Bank in connection with this Agreement and its enforcement.
20. The undersigned:
- (a) acknowledges receiving an executed copy of this Agreement; and
 - (b) waives to the fullest extent permitted by applicable law, all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this Agreement.
21. If this Agreement is executed by more than one party, the liability of each of the undersigned shall be joint and several with one another.
22. In this Agreement, any word importing the singular number shall include the plural, and, without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and every one of the undersigned. The headings in this Agreement are inserted for convenience only and shall not affect the construction hereof.
23. Any notice, demand, statement or other communication permitted or required or otherwise to be given hereunder shall be in writing and may be effectively given by delivering it to the address(es) hereinafter set forth or by sending the same by facsimile to such address(es). Any notice, demand or other communication so given prior to 5:00 p.m. (Toronto time) on a Business Day by personal delivery or by fax shall be deemed to have been given, received and made on such Business Day and if so given after 5:00 p.m. (Toronto time) on a Business Day or a day which is not a Business Day, such notice, demand, statement or other communication shall be deemed to have been given, received and made on the next following Business Day. The addresses of the parties for the purposes hereof shall be:
- (a) in the case of the Bank, addressed as follows:

HSBC Bank Canada
885 West Georgia St., Vancouver, BC

Attention: Derek Li
Fax Number: 604-641-3028

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

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Good Natured Products Inc.
814-470 Granville St, Vancouver, BC

Attention Don Holmstrom
Fax Number: don@goodnatured.ca

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

24. This Agreement shall be binding upon the undersigned and the heirs, executors, administrators, successors and assigns of the undersigned, and shall enure to the benefit of the Bank and its successors and assigns.
25. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction where the branch of the Bank indicated above is located, and the undersigned irrevocably submits to the non-exclusive jurisdiction of the courts of such jurisdiction, but this Agreement may be enforced in the courts of any competent jurisdiction.
26. The parties hereto acknowledge that they have expressly required that this Agreement and all deeds, documents or notices relating to this Agreement be drafted in the English language. Les parties aux présentes reconnaissent qu'elles ont exigé expressément que la présent convention et tous autres contrats, documents ou avis qui y sont afférents soient rédigés en langue anglaise.
27. The Bank may in writing (and not otherwise) waive any default by the undersigned in the observance or performance of any provision of this Agreement; provided that no waiver by the Bank shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.
28. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the undersigned to the Bank.
29. If one or more of the provisions contained in this Agreement are determined to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this Agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.
30. Where any provision or remedy contained or referred to in this Agreement is prohibited, modified or altered by the laws of any Province or Territory of Canada which governs that aspect of this Agreement and the provision or remedies may be waived or excluded by the undersigned in whole or in part, the undersigned hereby waives and excludes such provision to the fullest extent permissible by applicable law.
31. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the determination, consent or approval of the Bank or the Bank's discretion, or as the Bank sees fit (or similar judgement by the Bank) or is to be acceptable to the Bank, such determination, consent, approval, discretion, judgement or determination of acceptability will be in the sole discretion of the Bank, which means the Bank shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this Agreement refers to any action taken or to be taken by the undersigned, or which the undersigned is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" shall mean **"including, without limitation"** and the use of the term **"includes"** shall mean **"includes, without limitation"**. When used in this Agreement, **"Business Day"** means a day (other than a Saturday, Sunday or statutory holiday in the Province of Ontario) on which the Bank is open to carry on business in the City of Toronto, Ontario and when used in this Agreement, **"Person"** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership or other entity.
32. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. For the purpose of legal proceedings this Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this Agreement and the undersigned hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the Courts of any other Province, country or jurisdiction.
33. This Agreement shall be binding upon the undersigned and the heirs, executors, legatees, trustees, administrators, successors and assigns (including any successor by reason of amalgamation or any other change by the undersigned) of the undersigned, and shall enure to the benefit of the Bank and its successors and assigns. The undersigned shall not assign any of its rights or obligations hereunder without the prior written consent of the Bank. The Bank may assign, transfer and deliver to any transferee of any of the Obligations all or any portion of its right, title and interest in and to and all benefits arising under or in respect of this Agreement, the Collateral and any documents or instruments held by the Bank in respect thereof provided that no such assignment, transfer or delivery shall release the undersigned from the Obligations and thereafter the Bank shall be fully discharged from all responsibility with respect

to the Obligations, Collateral, documents and instruments (or its right, title, interest therein and benefit thereof) so assigned, transferred and/or delivered. Such transferee shall be vested with all powers and rights of the Bank under the said Obligations, Collateral, documents or instruments but the Bank shall retain all right, title, interest and benefit with respect to any of the Obligations, Collateral, documents or instruments not so assigned, transferred or delivered.

34. Time shall be of the essence of this Agreement.
35. At the request of the Bank, the undersigned shall, at its sole expense, execute all such additional transfers, assignments and documents as may reasonably be required, with all necessary powers as may be expedient for better vesting the Collateral in the Bank or such person or persons as the Bank may appoint.
36. The parties hereto acknowledge that they have expressly required that this Agreement and all deeds, documents or notices relating to this Agreement be drafted in the English language. Les parties aux présentes reconnaissent qu'elles ont exigé expressément que la présente convention et tous autres contrats, documents ou avis qui y sont afférents soient rédigés en langue anglaise.
37. The headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
38. Upon full, final and indefeasible payment and fulfillment by the undersigned, its successors or permitted assigns, of all Obligations and provided that the Bank is then under no obligation (conditional or otherwise) to make any further loans, advances or extend any other type of credit to the undersigned or to any other Person, the payment of which is secured, directly or indirectly, by this Agreement, the Bank shall, upon request in writing by the undersigned, delivered to the Bank at the Bank's address as set out in Section 23 hereof and at the undersigned's expense, discharge this Agreement.
39. The undersigned agrees that the Bank may from time to time provide information concerning this Agreement (including a copy hereof), the Collateral and the Obligations to any Person the Bank in good faith believes is entitled thereto pursuant to applicable law.
40. This Agreement and any amendment, supplement, restatement or termination may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which, taken together, shall constitute one and the same agreement. Any party hereto may deliver an executed copy of this Agreement by facsimile to the other parties hereto provided that in such event that party shall promptly deliver to the other parties hereto an originally executed copy of this Agreement.

IN WITNESS WHEREOF the undersigned has executed this Agreement as of the day and year first above written.

Where the Undersigned is an Individual:

By: _____
Full Name

Full Address

Birth Date

In the presence of _____
Witness

Full Name of Witness

Address of Witness

Where the Undersigned is a Corporation:

Good Natured Products Inc.

Name of Corporation

814-470 Granville St, Vancouver, BC

Address of Corporation

Don Holmstrom

Don Holmstrom (Mar 24, 2022 13:27 PDT)

By: Don Holmstrom

EVP

Name: Kevin Leong

Title:

Kevin Leong (Mar 24, 2022 13:42 PDT)

By: Kevin Leong

VP, Finance

Name:

Title:

C/S

Where the Undersigned is not a corporation but a partnership, use the following variations.

General Partnership

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

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

The signature block is to be set out as follows:

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

Per: _____

Name:

Title:

Per: _____

Name:

Title:

Limited Partnership

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

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

The signature block is to be set out as follows:

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

Per: _____

Name:

Title:

Per: _____
Name: _____
Title: _____

Trust

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

_____**[Name of Trust]**_____, by its authorized trustees

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Schedule "A"

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Instrument(s)

Date

Cert. No.

Principal Amount

NOTE: list all Provinces and/or Territories of: (i) the undersigned's incorporation, amalgamation or other organization and formation, and (ii) the undersigned's chief executive office, principal place of business or registered office (if different from the chief-executive office) and the place of business of the undersigned.

British Columbia

This is **Exhibit** "L" referred to in
the Affidavit of A. Arenas sworn
this 10^t day of July, 2024,



A Commissioner for taking Affidavits
within British Columbia

HSBC Commercial Mastercard® Agreement

This HSBC Commercial Mastercard® Agreement is made this 30 day of August, 2021, by and between HSBC Bank Canada ("HSBC") and Good Nutured Products Inc., the Primary Client, an entity formed and existing under the laws of BC.

1. DEFINITIONS.

Account - Mastercard Worldwide Inc. ("Mastercard") Commercial Credit Card account established by Client with HSBC under the Program, subject to the terms of this Agreement, and the operating regulations of Mastercard.

Affiliate - a parent, subsidiary or other legal entity under common control with a party. "Common Control" means 50% or more common ownership.

Affiliate Participant - any of the Affiliates of Client which are approved by HSBC, and which sign the Affiliate Participation Agreement, pursuant to which such Affiliate agrees to all the terms and conditions hereof. Upon signing the Affiliate Participation Agreement, such Affiliate Participant shall have the rights and obligations of the "Client" under this Agreement.

Agreement - this HSBC Commercial Mastercard® Agreement, together with the Program Terms and Fee Schedule, and any amendments and addenda hereto.

Billing Currency - the currency in which transactions are reported on the billing statements (CAD or USD).

CAD - Canadian dollar.

Card(s) or Credit Card(s) - the HSBC Commercial Mastercard credit cards issued by HSBC to Client for use by Cardholders under the Program. Client may request any of the following types of cards:

- (i) Corporate Card - permits Cardholder to make Purchases and obtain Loans (if authorized by Client) and provides additional data, where available, regarding Purchases in certain travel and entertainment-related Merchant Category Codes. Billed in CAD.
- (ii) Purchasing Card - permits Cardholder to make Purchases and provides additional data, where available, regarding Purchases in certain general (non-travel and entertainment-related) Merchant Category Codes. Billed in CAD.
- (iii) USD Card - permits Cardholder to make Purchases and obtain Loans (if authorized by Client) and provides additional data, where available, regarding Purchases in certain travel and entertainment-related Merchant Category Codes. Billed in USD.

Cardholder - a director, officer, member, owner, or employee of Client who is duly authorized to use a Card, or any other person who is designated by the Client to be a Cardholder under the Program.

Cardholder Account - the portion of the Account associated with a specific Card which shall reflect all transactions charged by the Cardholder.

Cardholder Agreement the agreement provided to a Cardholder with the Card and pursuant to which a Card is issued by HSBC to a Cardholder and which agreement will include, without limitation, the terms and conditions for obtaining credit through the use of a Card and other matters relating to the Card and Cardholder Account.

Cardholder Credit Limit the maximum aggregate credit amount that a Cardholder is authorized by HSBC and Client to borrow on the Cardholder Account.

Client - the Primary Client and the Affiliate Participants of the Primary Client..

Effective Date - the date that appears in the opening paragraph of this Agreement. In the event no date is specified, the Effective Date shall be the latest date that appears in the signature blocks below.

Event of Default - the happening of an event described in Section 19 of this Agreement.

Loan - an advance of money from HSBC obtained by: (i) using a Card to obtain a cash advance at a financial institution; (ii) using a Card to obtain cash at an automated teller machine; or (iii) any other available electronic or telephonic method.

Loan Credit Limit - the maximum credit amount, which is a percentage of the Cardholder Credit Limit, which Client has authorized HSBC to make available to a Cardholder for the purposes of obtaining Loans on a Cardholder Account.

Merchant Category Code - a number assigned by Mastercard to any entity authorized to accept Cards in order to identify the principal trade, profession or line of business of such party.

Personal Information means information about an identifiable individual.

Portal(s) - the web-based user interfaces made available to Client from time to time for management of the Program (each, a "Portal").

Primary Client - the entity that has established an Account with HSBC.

Program - the Mastercard commercial credit card program whereby HSBC Bank Canada:

- (i) issues Mastercard commercial credit cards to Cardholders;
- (ii) processes Card requests;
- (iii) works with Client to establish Cardholder Credit Limits for each Cardholder;
- (iv) generates periodic billing statements to each Client and/or Cardholder;
- (v) processes payments for Client and Cardholders;
- (vi) manages collections;
- (vii) responds to Client and Cardholder inquiries and complaints; and
- (viii) establishes an Account and Cardholder Accounts.

Program Administrator(s) - the representative(s) designated by Client as the primary contact(s) with HSBC for administration of the Program, including without limitation,

- (i) establishing authorization levels such as, for example, assigning Cardholder Credit Limits, increasing or decreasing Loan Credit Limits or Purchase Credit Limits and access levels on the Portal provided by HSBC for such purposes;
- (ii) communicating credit requests;

- (iii) receiving and distributing Cards to Cardholders;
- (iv) approving and terminating Cardholder Accounts; and

Program Credit Limit - the maximum aggregate credit amount which HSBC has authorized the Client to borrow on the Account.

Program Terms and Fee Schedule - the program terms and fee schedule for the Program that is described in Section 9 of this Agreement.

Purchase - a purchase or lease of goods or services from a merchant that participates in the Mastercard commercial credit card program.

Purchase Control Strategy - a Client requested restriction on the use of an individual Cardholder Account.

Purchase Credit Limit - the maximum credit amount, which is a percentage of the Cardholder Credit Limit, which Client has authorized HSBC to make available to a Cardholder for the purposes of making Purchases on a Cardholder Account.

USD - American dollar.

Volume Rebate has the meaning set out in Schedule "C" to this Agreement.

2. **HSBC SERVICES.** HSBC shall establish and operate the Program and service the Account thereunder.

3. **AFFILIATE PARTICIPANT PROVISIONS.**

- (a) Primary Client may designate one or more Affiliates to be considered by HSBC to participate in the Program as Affiliate Participants. Any Affiliates of Primary Client which are approved by HSBC must sign an Affiliate Participation Agreement with HSBC in the form provided by HSBC.
- (b) Primary Client shall be responsible and liable to HSBC for each Affiliate Participant's compliance with, and fulfillment of, the terms and conditions of this Agreement. Primary Client represents and warrants to, and covenants with, HSBC that it has the power and authority to accept such responsibility and liability and further that Primary Client has the authority to act for itself and to bind any Affiliate Participant with respect to any and all matters relating to this Agreement, including, without limitation, obtaining or requesting credit, satisfying payment obligations, acceptance of notices (which will be effective against any Affiliate Participant even if such notices or other communications are sent only to Primary Client), issuing instructions and agreeing to waivers, or modifications or amendments to this Agreement. Primary Client expressly agrees that HSBC may look to Primary Client for payment of any amounts owed by an Affiliate Participant under the terms of this Agreement, whether or not HSBC shall have first proceeded against any such Affiliate Participant. HSBC shall have no direct liability or obligation to any Affiliate Participant and Primary Client shall be the only entity entitled to make a claim against HSBC on behalf of itself or an Affiliate Participant under or in connection with this Agreement.
- (c) Primary Client agrees to indemnify and hold HSBC harmless from and against any and all claims, losses, damages, expenses and costs of any nature whatsoever (including but not limited to reasonable legal fees and court costs and those costs incurred in the enforcement of this Agreement) arising from or relating to:
 - (i) the unenforceability, invalidity or illegality of the Agreement as against any Affiliate Participant,
 - (ii) any Affiliate Participant's participation in the Program or its failure to comply with the terms of this Agreement, and

- (iii) any and all claims or actions by an Affiliate Participant against HSBC; provided, however that Primary Client shall not be obligated to indemnify HSBC for claims, losses or damages attributable to HSBC's gross negligence or willful misconduct.

Primary Client expressly agrees that any such liability or indemnity obligation shall be joint and several (and in Quebec, solidary) with the liability or obligation owed by the Affiliate Participant. This Section 3 shall survive termination of this Agreement.

4. CARD DESIGN AND ISSUANCE.

- (a) Client may, from time to time, request HSBC to issue a Card for use by a prospective Cardholder. Such request will contain the name, address, date of birth and telephone number of the prospective Cardholder, the relationship of the prospective Cardholder to the Client, any security data requested by HSBC, any restrictions on use of the Card by the prospective Cardholder including, but not limited to, the proposed Cardholder Credit Limit, whether Cardholders will be restricted from making certain Purchases or subject to Loan Credit Limits and/or Purchase Credit Limits. Upon receipt of such request, HSBC may, at its option, issue to the prospective Cardholder a Card having the characteristics specified by Client, or may refuse to issue the Card.
- (b) Each Card issued by HSBC to Client for a Cardholder will feature the Cardholder name and the name of the Client and a card number unique to the Cardholder and will be subject to the terms and conditions of the Cardholder Agreement provided to the Cardholder with the Card, as such Cardholder Agreement may be amended from time to time. The Card shall be mailed or delivered to a Program Administrator for delivery to the Cardholder or, if Client elects, directly to the Cardholder.
- (c) Client shall be solely liable to HSBC on all Cards and by its execution of this Agreement, Client agrees to be liable for all obligations arising under or in connection with all Cards issued to all Cardholders under this Agreement and each applicable Cardholder Agreement as if Client had executed each Cardholder Agreement.
- (d) Promptly following any changes to Cardholder or Cardholder Account status, the Program Administrator(s) shall update the applicable Portal fields, or notify HSBC by e-mail or telephone if the Portal is not available.

5. CREDIT LINE LIMITS AND PURCHASE CONTROL STRATEGIES.

- (a) HSBC shall establish the Program Credit Limit under this Agreement. Initially, the Client shall advise HSBC in writing of the names, Cardholder Credit Limits (including any Purchase Credit Limits or Loan Credit Limits) and Purchase Control Strategies for its authorized Cardholders. The individual Cardholder Credit Limits (including any Purchase Control Limits or Loan Credit Limits) and Purchase Control Strategies may be amended from time to time, by Client and/or its Program Administrator(s) for individual Cardholders via the applicable Portal. In addition, HSBC has the right to monitor all Cardholder Accounts, adjust Program Credit Limits and Cardholder Credit Limits (including any Purchase Credit Limits or Loan Credit Limits) and Purchase Control Strategies, at any time, at its discretion.
- (b) Client agrees that it will not knowingly permit Cardholders to make a Purchase or obtain a Loan that would exceed the Cardholder Credit Limit or the Program Credit Limit. HSBC may, at its sole discretion, permit the aggregate indebtedness incurred to exceed the Program Credit Limit or any Cardholder Credit Limit. The Client shall be liable to HSBC for any such excess amount and shall pay such excess amount, together with interest accrued thereon, to HSBC on demand.

- 6. **BUSINESS PURPOSE CARDS.** Client represents and warrants to HSBC that the Cards issued to Cardholders under this Program shall be used solely for business purposes. Client agrees that it will provide in its own guidelines relative to the Program and/or its own "Travel and Entertainment" policies, instructions to individual Cardholders to make Purchases and obtain Loans (if applicable) only for business or commercial purposes

related to Client's business and only within each Cardholder's respective Cardholder Credit Limit and within the Program Credit Limit.

7. **GHOST and/or DEPARTMENT CARDS.** Client may request HSBC to issue Cards for use by individuals authorized by Client ("**Department Cards**") or to issue account(s) without an actual physical card ("**Ghost Cards**"). HSBC agrees to issue Department Cards and Ghost Cards to Client on the condition that Client agrees that Client shall be liable for all transactions made on Department Cards and Ghost Cards, pursuant to Section 17 of this Agreement and Client shall comply with any additional requirements of HSBC with respect to such Department Cards and Ghost Cards. For purposes of this Agreement, any such Department Card(s) and/or Ghost Card(s) shall be deemed to constitute "Card(s) or Credit Card(s)" as defined in Section 1.
8. **ACCOUNT ACCESS.** Credit may be obtained under the Account through the use of a Card or, if applicable, by obtaining Loans. HSBC may refuse to authorize any transaction referred to it if:
 - (i) it would cause any of the credit limits hereunder to be exceeded; or
 - (ii) HSBC believes that it is an unauthorized use; or
 - (iii) the Client is in default; or
 - (iv) the transaction violates a Purchase Control Strategy.

HSBC shall not be liable for failure to refuse to authorize a transaction in any of the above circumstances.
9. **PROGRAM TERMS AND FEE SCHEDULE.** Client agrees to pay, as applicable and when charged, the applicable fees disclosed in the Program Terms and Fee Schedule attached as Schedule "B" to this Agreement or any amendments thereto, in the Billing Currency of the Account, plus applicable goods and services tax and other sales taxes, if any. HSBC reserves the right to amend the Program fees set out on the Program Terms and Fee Schedule from time to time upon ninety (90) days prior written notice to Client.
10. **PROGRAM REPORTS.** HSBC shall provide Cardholder and Account information as may be requested by Client. However, HSBC shall not be obligated to provide any custom report requested by Client which is not customarily produced by HSBC.
11. **COMMERCIAL CARD PORTAL(S) ACCESS.**
 - (a) HSBC will make a Portal available to Client, which gives the Client self-service management features for the Program. This Portal permits a Program Administrator, without limitation, to:
 - (i) open, close or suspend Cardholder Accounts,
 - (ii) apply or remove any Purchase Control Strategy,
 - (iii) act as the Client's authorized representative in administering the Program,
 - (iv) change Cardholder Credit Limits, including Loan Credit Limits or Purchase Credit Limits.
 - (b) If Client has been approved by HSBC to use Virtual Cards, Client will have access to a Portal that allows Client to generate one-time, temporarily available Virtual Card numbers. This Portal permits a Program Administrator, without limitation, to:
 - (i) enroll usernames and reset passwords for each of the Client's authorized Virtual Card users,
 - (ii) act as the Client's authorized representative in administering Virtual Cards,
 - (iii) access reports available through the Virtual Card Portal,
 - (c) The Client agrees to use the Portals only for managing the Program and/or creating and paying via a Virtual Card, as applicable. The Client accepts and agrees to be bound by the terms and conditions provided in this Agreement and in the links at the bottom of the home page of each Portal used by the Client, and

acknowledges that each user of the Portal(s) will be required to accept and comply with such terms and conditions.

- (d) Client assumes sole responsibility and liability for all requests, changes, and modifications made to any Cardholder Accounts that are initiated through the Portal(s) and will indemnify and hold HSBC harmless from any claims relating to such access. The Client understands that the information available through the Portal(s) is updated periodically and therefore, at any point in time, may not reflect the information on HSBC's records at such time.
- (e) In order to utilize the Portal(s),
 - (i) Client must designate all Program Administrators by submitting duly executed Program Administrator Designation Forms ("PADFs") to HSBC in the form of Schedule "A" (attached). Client's submission of PADFs shall constitute a representation by the Client that the individuals named therein have been granted general authority from the Client's Board of Directors or other governing body (or have been designated by an officer who has been duly authorized by the Client's Board of Directors or other governing body) to administer the Program. Each PADF shall be effective upon receipt of such form by HSBC. HSBC may request certified Board Resolution or other evidence establishing Program Administrator's authority. Client agrees to notify HSBC of any change needed with respect to any Program Administrator by emailing HSBC noting the changes to be made, and agrees to notify HSBC in a timely manner of any change to the individual(s) designated as Program Administrators.
 - (ii) Upon receipt of written notice from Client, HSBC will remove a Program Administrator's access within two (2) business days. A new Program Administrator may only be designated as set forth above.
- (f) The Portal(s) are made available only for the internal use of the Client, and may not be otherwise copied, displayed, distributed, downloaded, disassembled, reverse engineered, modified, published, transmitted, incorporated in other products or services, or otherwise used for public or private or commercial purposes, without express written permission from HSBC.
- (g) HSBC will enroll usernames (each, a "**User ID**") and issue passwords to the Program Administrator for the Portal(s). The Program Administrator shall, in turn, establish similar login credentials for each of the Client's authorized users for accessing and using the Portal(s). The Client shall, and shall ensure that each of its authorized users:
 - (i) use each User ID only for the purposes of accessing and using the Portal(s) and not use the User ID for any other purpose, save and except for the administration of the Program by the Program Administrator and the purposes set out in Section 11(a) and/or (b) above, as applicable;
 - (ii) not send or disclose its User ID(s) to any other person or entity or store it in a manner that would reasonably allow another person or entity to obtain access to such User ID;
 - (iii) comply with all directions issued by the Portal(s) operator and/or HSBC pertaining to use of any User ID and access to and use of the Portal(s);
 - (iv) not keep any User ID in any form, whether encoded or unencoded, in a location where it is capable of being copied or used by any person or disclose a User ID to any other person;
 - (v) keep any computer on which any User ID is stored physically secure and take all necessary precautions (including without limitation, when downloading and running third party programs off the internet) to protect any computer from viruses or programs which might make any User ID on the computer accessible to third parties; and
 - (vi) immediately notify HSBC if the Client, Program Administrator, or any authorized user becomes aware:
 - (A) that any User ID has been compromised or has become known to an unauthorized third party; or
 - (B) of any unauthorized use of any User ID.

- (h) The Client shall, and shall ensure that its Program Administrators and authorized users abide by all applicable data protection and privacy laws, regulations and codes of practice in its access to and use of each of the Portal(s), as applicable.
- (i) HSBC and/or the Portal(s) provider has the right to immediately suspend or revoke the Client's, its Program Administrators', or authorized users' access to and use of the Portal(s), or any of them, with or without notice and with or without cause.
- (j) Upon the termination of any agreement between HSBC and a Portal(s) provider that enables HSBC's clients to make use of the Portal(s), or any of them, HSBC shall give prior notice of such termination to the Client where reasonably practicable and if permitted by law.
- (k) The Client shall indemnify HSBC against all claims, liabilities, costs, expenses, loss and damage suffered or incurred by HSBC as a result of or in connection with the Client, its Program Administrators, or authorized users failing to comply with these terms and conditions or their use of or access to the Portal(s). The Client is responsible, at its own expense, for obtaining, installing, maintaining, and operating all internet access services, any computer hardware or software necessary for accessing and utilizing the Portal(s), and for providing appropriate security with respect thereto. HSBC will not be liable for any errors, failures, interruptions, or security breaches in Client's internet services, any data that is lost or destroyed in connection with the use of the Portal(s), or the Client's inability to use the Portal(s) due to a mechanical failure of hard drives, personal computers, servers or other systems or hardware of Client or any third party.
- (l) HSBC reserves the right to impose fees and charges with regard to the Client's access to and use of the Portal(s) as may be notified to the Client from time to time.

12. PROMISE TO PAY.

- (a) Client promises to pay HSBC, in CAD or USD funds, as applicable, the amount of the entire Account balance (including without limitation, all applicable interest and fees) specified on the billing statement by the payment due date indicated on the billing statement. Client shall be liable for all transactions made on the Account and agrees to pay HSBC according to the terms of this Agreement and the billing statements for all Purchases made and Loans obtained by Client, Cardholder, or any other person authorized by Client to use the Account or given access to the Account by Client. HSBC has the right to apply payments to the Account in such order as HSBC may determine in its sole discretion.
- (b) The Client agrees that HSBC may consolidate and set-off any of the Client's obligations owed to HSBC hereunder against the Client's funds or accounts held with HSBC or any of its Affiliates or subsidiaries, irrespective of currency.
- (c) The parties agree that only the language selected below shall apply:
 - ☐ This section does not apply.
 - ☐ The Client confirms and acknowledges that the security granted to HSBC with respect to the Client's indebtedness and obligations to HSBC continues in full force and effect and secures all obligations of the Client owing under this Agreement.
 - ☒ As security for the due payment and performance of the obligations of the Client under this Agreement, the Client grants HSBC a security interest in and to all deposits now or subsequently maintained by the Client with HSBC or any of its Affiliates or subsidiaries and agrees to sign any other documentation reasonably requested by HSBC or any of its Affiliates or subsidiaries. The grant of this security interest shall survive termination of the Agreement and does not limit HSBC's right to exercise any right of setoff or consolidation. Client confirms that Client and HSBC have not agreed to postpone the time for attachment of HSBC's security interest.
 - ☐ As security for the due payment and performance of the obligations of the Client under this Agreement the Client grants HSBC a hypothec for the sum set out in the Program Terms and

Fee Schedule with interest thereon at the rate of twenty-five percent (25%) per annum from the date hereof, on and to all deposits, credit balances and moneys now or subsequently maintained by the Client with HSBC or any of its Affiliates or subsidiaries, and agrees to sign any other documentation reasonably requested by HSBC or any of its Affiliates or subsidiaries. The grant of this hypothec is in addition to any other grant of hypothec and security interest, shall survive termination of the Agreement and does not limit HSBC's right to exercise any right of setoff or consolidation.

13. PURCHASE VOLUME REBATE. The parties hereby agree that a Volume Rebate shall be paid to the Client by HSBC upon the terms and conditions set out in Schedule "C" hereto.

14. CONFIDENTIALITY.

- (a) The parties acknowledge and agree that all information with respect to the business, operations, customers and accounts of each party and their respective Affiliates and subsidiaries and all information and materials related to each party's proprietary computer and communications systems disclosed to the other constitute trade secrets and confidential information ("**Confidential Information**") and are and shall remain the exclusive property of the disclosing party. This Agreement and the existence of this Agreement shall be considered Confidential Information.
- (b) HSBC will not use Confidential Information to solicit by itself or through other entities the Cardholders for any similar financial services regarding credit cards during the term of this Agreement, except as part of a general marketing campaign, not specifically targeted to Cardholders.
- (c) Each party agrees to maintain appropriate administrative, technical, and physical safeguards for all customer records and Confidential Information. These safeguards will:
 - (i) ensure the confidentiality of customer records and Confidential Information;
 - (ii) protect against any anticipated threats or hazards to the security or integrity of such records;
 - (iii) protect against unauthorized access to or use of such records or information that would result in substantial harm or inconvenience to any customer; and
 - (iv) ensure the proper disposal of all Confidential Information as required by applicable law.
- (d) In the event of disclosure of, loss of, inability to account for, or unauthorized access to the other party's Confidential Information or Personal Information by either party or its subcontractors, such party shall promptly notify the other and take appropriate action to prevent further disclosure or loss or unauthorized access. Each party shall cooperate with the other and shall pay all related expenses to provide any notices and information regarding such unauthorized access to appropriate law enforcement agencies, government regulatory authorities, and affected customers or customer prospects, which the aggrieved party reasonably deems necessary or as otherwise required under applicable law.
- (e) Each party represents and warrants that it has developed, implemented and will maintain effective policies and procedures designed to detect, prevent and mitigate identity theft and fraud.

15. REPRESENTATIONS AND WARRANTIES. The Client represents and warrants to HSBC, as of the date of this Agreement and of each borrowing, that:

- (a) the Client is an entity which is
 - (i) duly organized, existing and in good standing under the laws of the jurisdiction in which it was formed,
 - (ii) duly qualified, in good standing, and authorized to do business in every jurisdiction in which failure to be so qualified might have a material adverse effect on its business or assets, and

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(iii) has the power and authority to own each of its assets and to use them as contemplated now or in the future;

- (b) the execution, issuance, delivery to HSBC and performance by the Client under this Agreement are in furtherance of the Client's purposes and within its power and authority, do not violate any statute, regulation or other law or any judgment, order or award of any court, agency or other governmental authority, or of any arbitrator or violate the Client's certificate of incorporation or other constituting instrument, constitute a default under any agreement binding on the Client, or result in a lien or encumbrance on any assets of the Client (except for any security and hypothec granted to HSBC hereunder), and have been duly authorized by all necessary corporate or membership action;
- (c) the Client conducts its business in compliance with all applicable laws and has obtained all necessary approvals to enter into this Agreement;
- (d) there is no pending or threatened claim, audit, investigation, action or other legal proceeding or judgment, order or award of any court, agency or other governmental authority or arbitrator which involves the Client or its assets which we are aware of, which might have a material adverse effect upon the Client or threaten the validity of this Agreement or any related document or transaction; and
- (e) the Client will immediately notify HSBC of any such action, of any change in the Client's address, and of the occurrence of any Event of Default, of any breach of the above representations and warranties, material change in the Client's ownership or management, and of any material adverse change in the Client's ability to pay amounts to become due under this Agreement

16. INDEMNIFICATION. Except for any gross negligence or intentional misconduct proven on the part of HSBC, Client agrees to indemnify, hold harmless and reimburse HSBC and its employees, officers and directors, from all direct or indirect losses, costs, fees, damages, expenses, claims, suits, demands and liabilities whatsoever including without limitation, reasonable legal fees, judgements, penalties, payments or other expenses and payments in settlement or other disposition of, or in connection with, any claims, disputes, controversies or litigation suffered or incurred by or brought against HSBC arising out of or relating to this Agreement, the Account or any Cardholder Accounts including but not limited to: (a) a breach of this Agreement by the Client; (b) any improper or illegal use of the Account or any Cardholder Accounts by any of its Cardholders or Program Administrators, whether brought or asserted by HSBC or a third party in any type of proceeding or litigation accruing by way of judicial, governmental, or regulatory actions of any kind; (c) any negligence, act, omission or fraud of Client relating to this Agreement by any of its Cardholders or Program Administrators. This indemnification shall survive the termination of this Agreement.

17. LIABILITY.

- (a) HSBC shall not be liable for any failure or refusal by a merchant, financial institution or electronic banking facility to honor a Card or Cardholder Account, or for any claim against a Cardholder or merchant arising out of a transaction made with a Card or Cardholder Account. Any dispute arising in connection with any Card transaction shall be resolved by Client directly with such Cardholder or merchant except that, in some circumstances, HSBC may be able to provide assistance in resolving disputed transactions.
- (b) The Client shall be liable to HSBC for all uses of the Account, Cards and Cardholder Accounts until the Client, the Program Administrator or the Cardholder notifies HSBC that the Account, Card or Cardholder Accounts should be cancelled. The Client will make reasonable efforts to recover any Card from any person no longer employed or designated by the Client to use the Card, and prevent its use and cooperate in any proceedings or legal actions against such person. For Ghost and Department Cards, Client agrees it will be liable for any use of a Department Card or Ghost Card by any officer, director, partner, employee of Client, or by anyone else who has been authorized by Client or given access to the Account by the Client until the Client notifies HSBC that the Department or Ghost Card should be cancelled.

- (c) In the event of any suspected errors regarding a transaction, Client shall give notice to HSBC of all known details, including the Account, Card or Cardholder Account involved, applicable reference numbers and a description of the suspected error. Such notice must be received by HSBC within sixty (60) days of the date of the statement on which the suspected error first appeared. HSBC will investigate the suspected error and notify Client whether the charge will be removed from the statement.

18. FORCE MAJEURE. HSBC shall not be liable to Client by reason of any failure in performance of the Agreement in accordance with its terms, if such failure arises out of causes beyond the control and without the fault or gross negligence of HSBC. Such causes may include, but are not limited to, major changes in laws, regulations, and/or interpretations thereof, including decisions in lawsuits with no further right of appeal, acts of God, acts of civil or military authority, fires, strikes, major computer or electrical failure(s), terrorism or war. In addition, the Client acknowledges and agrees that the functioning of some Program services is dependent upon equipment, software, communication lines and Program services performed by the Client or third parties, and that HSBC shall have no responsibility or liability for the performance thereof.

19. EVENTS OF DEFAULT. At HSBC's option, any Account balance may become immediately due and payable upon the happening of any of the following events (each an "**Event of Default**"), provided that HSBC shall provide Client with five (5) business days prior written notice of the exercise of such option upon the happening of the Event of Default:

- (a) the failure to pay when due any amount payable by Client under this Agreement;
- (b) the failure of the Client to perform any obligation under this Agreement or under any other agreement with HSBC or any of its Affiliates;
- (c) the dissolution, termination of existence, insolvency (however evidenced), business failure, bankruptcy or appointment of a receiver of any part of the property of the Client, the failure of the Client to pay its debts as they become due, an assignment for the benefit of creditors or commission of an act of bankruptcy by the Client, the commencement of any proceeding under any bankruptcy or insolvency law by or against the Client, or the service or filing of any warrant, attachment, levy, tax lien or assessment or similar process against the Client;
- (d) the making of any representation or warranty under this Agreement, in any other agreement of the Client with HSBC or any of its Affiliates or in any report, certificate or financial statement furnished to HSBC or any of its Affiliates by the Client which is false or misleading in any material respect as of the date of the making of such representation or warranty or omits any material fact or substantial contingent or unliquidated liability of or claim against the Client;
- (e) any litigation, proceeding or dispute affecting the Client which if adversely adjudged, mediated or arbitrated could reasonably be expected to have a material adverse effect on (i) the business, operations, assets or condition, financial or otherwise, of the Client; (ii) the ability of the Client to perform any obligation under this Agreement or under any other agreement with HSBC or any of its Affiliates; or (iii) the rights and remedies of HSBC under this Agreement; or
- (f) the occurrence of any adverse change in Client's financial condition which HSBC deems to be material, and/or which causes HSBC to deem itself insecure or the prospect of payment of such Account balance impaired.

20. TERM. The initial term of this Agreement shall be one (1) year from the Effective Date and shall be automatically renewed each year thereafter, subject to the terms of Section 21.

21. REMEDIES; TERMINATION.

- (a) At HSBC's option, upon the happening of any Event of Default and upon HSBC providing Client with prior written notice in accordance with Section 19 above, all amounts outstanding under this Agreement shall

become due and payable, and HSBC may terminate the Account and this Agreement and revoke all Cards issued to the Client/Cardholders under the Program.

- (b) In addition, HSBC may terminate the Account and this Agreement, and revoke all Cards issued to the Client and all individual Cardholders, in its sole discretion, (i) at any time, for any reason, by providing ninety (90) days prior written notice of termination to Client; or (ii) at any time, with or without notice, for the purpose of complying with applicable laws, regulations, rules and internal policies (including compliance obligations relating to the detection, investigation and prevention of financial crime or criminal activity).
- (c) The Client may terminate this Agreement at the end of the initial term or at any time during any renewal term upon prior written notice to HSBC at least ninety (90) days prior to such termination.
- (d) Termination of this Agreement shall not affect any obligation of the Client, including without limitation, the Client's obligation to pay the outstanding balance of the Account in full.
- (e) Upon termination, the Client shall collect and destroy all Cards issued by HSBC to the Client and all individual Cardholders. Except in cases of Client default (in which event, at HSBC's option, termination is immediate), the Client and HSBC shall mutually agree upon the date for last use of the Cards. Client shall be liable for all use of the Cards through such date, including charges for transactions made prior to such date but posted after such date. If the parties cannot agree on such end date, then HSBC may determine the date in its sole discretion. In addition, each party agrees to discontinue using and/or destroy, all written and printed materials bearing the other's trademarks, service marks, trade names, or logos.
- (f) Client agrees to pay any collection costs incurred by HSBC, including reasonable lawyer's fees and applicable court costs.
- (g) HSBC shall not be responsible for failing to extend credit under this Agreement if: (i) any Event of Default has happened; (ii) extending the credit would cause the Program Credit Limit or Cardholder Credit Limit to be exceeded; (iii) the Card sought to be used to obtain the credit has expired or been revoked; or (iv) this Agreement has been terminated. If, however, HSBC, in its sole discretion, extends the credit, the credit shall be subject to the terms and conditions of this Agreement.

22. OWNERSHIP OF MATERIALS. All data files, specifications and reports utilized or developed by HSBC in connection with the services rendered hereunder are, and will remain, the sole property of HSBC or Mastercard, as the case may be. All data files, specifications and reports developed by Client in connection with its performance hereunder are, and will remain, the sole property of Client.

23. DAMAGE EXCLUSION. HSBC SHALL HAVE NO LIABILITY TO CLIENT OR ANY OTHER PERSON FOR ANY CONSEQUENTIAL, SPECIAL, OR OTHER DAMAGES INCLUDING, WITHOUT LIMITATION, AGGRAVATED DAMAGES, PUNITIVE AND EXEMPLARY DAMAGES, DAMAGES FOR LOST PROFITS, OR LOSS OR INJURY AS A RESULT OF ANY WRONGFUL DISHONOUR, RESULTING FROM ANY INJURY OR LOSS CAUSED BY ANY ERROR, ACT, DELAY OR OMISSION BY HSBC, EVEN IF HSBC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH INJURY OR LOSS.

24. INTEREST RATE AND CALCULATION.

- (a) In the event the balance on the Account or any Cardholder Account is not paid in full by the payment due date indicated on the billing statement, interest will be charged on the unpaid amount at an annual interest rate disclosed in the Program Terms and Fee Schedule or any amendments thereto. Interest accrues daily and is calculated by applying the daily periodic rate to the unpaid balance each day. Interest is calculated on the basis of a year of 365 days. Interest is charged to the Account and Cardholder Accounts monthly and will appear on the billing statement.
- (b) Notwithstanding any provision herein to the contrary, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code* (Canada)) payable under this Agreement exceed the maximum effective

annual rate of interest on the "credit advanced" (as defined in that section 347) permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section 347) is determined to be contrary to the provisions of that section 347, such payment, collection or demand will be deemed to have been made by mutual mistake of the Client and HSBC and the amount of such payment or collection will be refunded to the Client. For purposes of this Agreement, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of this Agreement on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Agent will be *prima facie* evidence, for the purposes of such determination.

- (c) Interest on Purchases begins to accrue from the date transactions are made but will not be charged if payment in full is received by HSBC by the payment due date indicated on the billing statement. Interest on Loans begins to accrue from the date such Loan is advanced and is always charged irrespective of payment in full being received by HSBC by the payment due date indicated on the billing statement. Interest on Loans stops accruing once a payment is received which covers the full amount of the Loan transaction(s).

25. ASSIGNMENT. HSBC may assign this Agreement to any Affiliate upon giving written notice to Client. Client may not assign this Agreement without the prior written consent of HSBC. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the successors and assigns of the parties hereto.

26. INTELLECTUAL PROPERTY. Neither party shall display or show the trademarks, service marks, logos or company names of the other party in promotion, advertising, press releases, or otherwise, without first having obtained such other party's written consent. Client and HSBC acknowledge that neither will acquire any right, title or interest in or to the other party's trademarks, service marks and company names, or any registrations thereof, by virtue of this Agreement. Said trademarks, service marks and company names, and registrations thereof, shall remain the exclusive property of the respective parties or their Affiliates, and, upon termination of this Agreement, the parties hereto will discontinue all reference to or display of the other party's trademarks, service marks and company names which shall remain the exclusive property of the respective parties or their Affiliates. Notwithstanding the foregoing, neither party shall have liability under this Section 26, for Cards that remain in existence after termination of this Agreement, after best efforts to collect and destroy Cards.

27. ENTIRE AGREEMENT; AMENDMENTS.

- (a) This Agreement, along with any Riders, Schedules or Addenda, contains the entire understanding and agreement of the parties on the subject matter hereof. No party shall be bound by or be liable for any alleged representation, promise, inducement, statement or intention not set forth herein.
- (b) This Agreement may not be amended orally or by any course of conduct. HSBC may amend this Agreement at any time by mailing or delivering (including by electronic means) written notice of amendment to the Client. The notice shall specify the effective date of the amendment, which date shall be at least thirty (30) days after the date the notice is mailed or delivered by HSBC to the Client if the change results in an increase in the interest rate.
- (c) The Client understands that benefits enjoyed by the Client as a result of HSBC's Mastercard membership may be terminated or amended at any time at the sole option of Mastercard, without notice to either HSBC or the Client.

28. FOREIGN EXCHANGE. Purchases and Loans made with a Card in a currency other than the Billing Currency will be converted to the Billing Currency amount at an exchange rate in effect on the date the conversion takes place. The exchange rate used for currency conversions is determined by Mastercard. In addition, for each

foreign currency transaction, Client will be subject to the Currency Conversion Fee set out in the Program Terms and Fee Schedule. The billing statement will reflect the transaction in the Billing Currency.

29. **CAPTIONS.** The captions of sections of this Agreement shall have no effect upon construction or interpretation of any part hereof and are not intended to define, limit or expand the scope or intent of any provision of this Agreement.
30. **FOREIGN ACCOUNT TAX COMPLIANCE.** Client acknowledges and agrees that, in order to comply with United States, Canadian and other tax laws, HSBC or any of its Affiliates may (i) collect and disclose information about Client and the Account (including transactional information) to any applicable tax authorities; (ii) request certain documentation and additional information from Client with respect to the Account; (iii) withhold applicable tax from payments which may be made to Client; and (iv) close the Account if requested documentation or information is not timely provided.
31. **APPLICABLE LAW.** This Agreement shall be governed and interpreted by the laws of Ontario and the federal laws of Canada applicable therein without regard to the conflict of laws provisions thereof, with the exception of Section 12(c) of this Agreement, in the event it pertains to the granting of a hypothec, in which case such Section shall be governed by the laws of the province of Quebec and the laws of Canada applicable therein, without regard to the conflict of laws provisions thereof.
32. **SEVERABILITY; COUNTERPARTS.** Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions of this Agreement or affecting the validity, enforceability or legality of any such provision in any other jurisdiction. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and either of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement may be signed electronically, using electronic signatures or similar means, if acceptable to the other parties.
33. **NO WAIVER.** No duty or obligation of the Client hereunder shall be deemed waived and no breach excused unless such waiver or consent is in writing and signed by an authorized representative of HSBC. Failure or delay on the part of HSBC to exercise any right, power, privilege, or remedy hereunder shall not operate as a waiver for any different or subsequent breach.
34. **PAYMENTS.** All payments to be made by the Client under this Agreement shall be made without deduction for any taxes, levies, duties, fees, withholdings, restrictions or conditions of any nature whatsoever. If at any time any applicable law requires the Client to make any such deduction or withholding from any such payment, the sum due from the Client with respect to such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, HSBC receives a net sum equal to the sum which it would have received had no deduction or withholding been required.
35. **SERVICE PROVIDERS TO HSBC.** Client acknowledges that HSBC may use a third party service provider, agent or Affiliate to assist with the Program and the processing of transactions, including service providers that are located outside Canada. Client acknowledges that Personal Information, including Personal Information of Cardholders, may be processed outside Canada and accordingly, subject to the local requirements applicable to such jurisdictions. Client agrees that in the event that HSBC, its Affiliates and/or any such service provider cannot or will not process (or authorize) any transaction referred to it by HSBC in connection with the Program (including transactions that take place in countries that are subject to economic sanctions), by reason that HSBC, its Affiliates and/or any such service provider may suffer legal and/or reputational risks, or that such service provider may, by doing so, violate any law, regulation, rule or internal policy applicable to it if it completes such transaction, then notwithstanding any other provision of this Agreement, such transaction will not be completed and HSBC will have no liability in respect of any such incomplete transaction or for taking any other action contemplated by applicable law.

- 36. EXCHANGE OF INFORMATION.** Personal Information about an individual Cardholder required under Section 4(a) above, use of the Card and Account, Cardholder employment status and location, and any other related Cardholder information (including detailed information about the particulars of charges incurred by use of a Card and an itemized account of the components of a Cardholder's credit card transactions) will be collected and used for purposes of operating and administering the Program and such information may be exchanged between, amongst others, HSBC, any of its Affiliates, any applicable authorities, third party service providers or agents and Client. Such information may also be collected, used or disclosed for the purpose of complying with applicable laws, regulations, rules and internal policies (including compliance obligations relating to the detection, investigation and prevention of financial crime or criminal activity), for the purpose of conducting internal operations as well as for general marketing or promotion purposes. Client hereby agrees that it has obtained or will obtain the express consent of each person, including any and all Cardholders, to the collection, use and disclosure of Personal Information as contemplated in this Agreement and further agrees to obtain from each proposed Cardholder the information required by HSBC in connection with the Client Enrollment Workbook. Client also agrees to collect, on HSBC's behalf, from each actual or proposed Cardholder, such information and documents that HSBC may request from time to time, and to provide such information and documents to HSBC at such time and in such format as HSBC may request. Client acknowledges that, along with the Card, a Cardholder Agreement, a Program guide, insurance certificate and other inserts designed to facilitate Card activation and use by the Cardholder will be sent to Cardholders by HSBC or provided to the Program Administrator for delivery to the Cardholder following Card issuance.
- 37. SURVIVAL.** All clauses which expressly or by their nature should survive the termination of this Agreement will survive such termination, including without limitation, terms regarding amounts payable by Client hereunder, grant of security and hypothec, treatment of Confidential Information and Personal Information, intellectual property, indemnification and limitation of liability.

38. NOTICES

Any notice which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if sent by e-mail, mailed by prepaid registered mail, nationally recognized overnight courier or served personally upon the party for whom it is intended, addressed as follows, or as otherwise advised by the parties from time to time:

If to HSBC:

Attn: Product Manager
HSBC Corporate Cards – GLCM
12th Floor, 70 York Street
Toronto, ON M5J 1S9

Email: commercial.cards@hsbc.ca

If to Good Natured Products Inc.

Attn: Don Holmstrom / Kevin Leon

kevin@goodnatured.ca

Email: don@goodnatured.ca

The date of receipt of any notice, if sent by overnight courier or served personally, shall be deemed to be the date of delivery thereof; if mailed, the third business day after mailing; and if sent by e-mail, the business day after mailing.

39. **PURCHASE VOLUME REBATE PAYMENT INSTRUCTIONS.** For the purposes of the Volume Rebate described in Schedule "C" hereto, the Client hereby directs HSBC to process payments of any such amounts due to the Client in accordance with the following payment instructions¹

Transit No. 10270

Name on Account: Good Natured Products Inc.

Account Number: 634584-001

The Client may change the above rebate payment instructions by providing HSBC with written notice of such change, in a commercially reasonable time prior to any pending rebate payment(s). Changes in payment instructions must be made in accordance with HSBC's payment instruction policies and HSBC reserves the right, without limitation, to reject modifications of payment instructions.

40. **FRENCH LANGUAGE.** This Agreement and all related documents have been drafted in the English language at the express request of the parties. *Le présent document ainsi que tous documents s'y rattachant ont été rédigés en langue anglaise à la demande expresse des parties.*

IN WITNESS WHEREOF the parties have executed this agreement as follows:

Good Natured Products Inc.

Primary Client Legal Name

By:

Don Holmstrom

(Don Holmstrom is a duly authorized signatory)

Signature

DON HOLMSTOM

Print Name

Title

Date

¹ Please enter the Financial Institution and Account Name exactly as it appears on the account.

Kevin Leong
Kevin Leong (Sep 1, 2021 12:27:07)

Signature

KEVIN LEON

Print Name

Title

Date

HSBC BANK CANADA

Bank Authorization and Client Signature Verification:

Elizabeth Tan

Signature:

By: ELIZABETH TAN

Relationship Manager Name

Title: Relationship Manager

Date: _____

Loan Officer # _____ n/a RSP _____ n/a



Schedule "A"

Program Administrator Designation Form (PADF)

CLIENT (COMPANY) NAME: Good Natured Products Inc.

Program Administrator Name (please print) DON HOLMSTOM

Telephone Number 604-374-0267

Email Address don@goodnatured.ca

User Password: A User Password will be provided for initial log on. The Program Administrator will be required to change the initial password to one of his/her own choosing at first log-on.

The above-named Program Administrator is designated for the Portal(s) checked below:

☒ HSBC CardSight

By submitting this form to HSBC Bank Canada (HSBC), the Client is requesting the above named Program Administrator be given access to the Portal(s) checked above and be designated as a primary contact with HSBC for the administration of the Client's commercial Mastercard® program with HSBC.

The above named Program Administrator agrees to use the Portal(s) only for the purpose of management of the Client's HSBC commercial Mastercard® program.

This PADF will remain in effect until the Client provides written notice to HSBC of a change in the authorized Program Administrator. Upon receipt of the written notice HSBC will remove the Program Administrator's access as set out in the HSBC Commercial Mastercard® Agreement. A new PADF must be signed by Client and any new Program Administrator.

Don Holmstrom

Don Holmstrom (Aug 31, 2021 12:06 PM)

Client Authorized Signature

Date

Kevin Leong

Kevin Leong (Sep 1, 2021 12:27 PM)

Client Authorized Signature

Date

Don Holmstrom

Don Holmstrom (Aug 31, 2021 12:06 PM)

Program Administrator Signature

Date

Bank Authorization and Client Signature Verification

By:

ELIZABETH TAN

Relationship Manager Name

Signature

HSBC Commercial Mastercard® Agreement
Good Natured Products Inc.

Program Terms and Fee Schedule

1. Program Cre

2. Hypothec Amount: If applicable, for the purposes of section 12(c), the hypothec amount is: N/A

Fees are stated an

[illegible]

Fee Type	
Annual card fees	\$45.00
Foreign Currency Conversion Fee	2.5%
Finance Charge/Annual Percentage Rate (if the full balance is not paid by Payment Due Date on the billing statement)	18% (1.5% per month)
Rush Delivery (for each Card)	\$25.00
Cash Advance Fee (ATM/Cash Access)	\$4.00 per cash advance
Paper Statement Reprint (for each copy of a billing statement for any billing period other than the current statement period)	\$5.00
Returned Payment Fee (for each cheque or other payment instrument returned unpaid, dishonoured or not processed for any reason by a financial institution)	\$20.00

Schedule "C"

Purchase Volume Rebate Terms and Conditions

1. DEFINITIONS. Except as otherwise expressly provided herein, capitalized terms shall have the same meanings as in the Agreement. In addition, the following definitions apply to this Schedule:

Annual Period means, (a) initially, the period beginning on the first day of the month following the Effective Date, and ending on the day before the date that is thirteen (13) months thereafter (the "Rebate Anniversary Date") and (b) thereafter, each one (1) year period commencing on the **Rebate Anniversary Date** or the anniversary thereof and ending on the day before the one year anniversary of such date.

Large Ticket Item is determined by Mastercard® and updated from time to time. As of the date of this Agreement, a Large Ticket Item is any Purchase greater than CAD10,000 within Canada or USD 2725 outside Canada, in a qualified merchant category, which contains enhanced data.

Net Purchase Volume means, for any Annual Period, (a) the sum of all Purchases set forth on the monthly billing statements issued for all Cardholder Accounts under this Agreement during such Annual Period minus (b) the sum of all (i) fraudulent charges, (ii) chargebacks, (iii) merchant credits, and (iv) amounts charged off by HSBC as uncollectible, in each case occurring (or determined) during such Annual Period. Cash advances are not "Purchases" and such amounts are therefore not included in the Net Purchase Volume calculation.

Payment Date means a date determined by HSBC, which date shall occur not earlier than 60 days following an Annual Period and not later than 90 days following an Annual Period.

Volume Rebate as defined in Section 2.

2. VOLUME REBATE.

- (a) For each Annual Period HSBC will pay to Client on each related Payment Date a rebate (a "**Volume Rebate**") in an amount equal to (A) the Net Purchase Volume for such Annual Period multiplied by (B) the rebate percentage applicable to such Net Purchase Volume as specified in Appendix "A" hereto. For greater certainty, the applicable rebate percentage shall be calculated using only the highest qualifying rebate percentage set out in Appendix "A".
- (b) Notwithstanding Section 2(a) hereof, as noted in Appendix "A", a lower rebate percentage will apply to Large Ticket Items. For purposes of allocating Net Purchase Volume between Large Ticket Items and non-Large Ticket Items, HSBC will apply the deductions in clause (b) of the definition of "Net Purchase Volume" to first reduce non-Large Ticket Items.

3. REBATE ELIGIBILITY AND PAYMENT.

- (a) No Volume Rebate shall be paid for any Annual Period if (i) the Net Purchase Volume for such Annual Period does not equal or exceed the minimum purchase volume stated on Appendix "A" or (ii) an Event of Default under the Agreement has occurred and is continuing on the related Payment Date.
- (b) HSBC may, at its option, make Volume Rebate payments by (i) a cheque issued to Client, (ii) by a credit to a deposit account maintained by Client at HSBC or (iii) by wire transfer to a deposit account maintained by Client at HSBC.
- (c) If this Schedule terminates prior to the end of an Annual Period, for any reason, no Volume Rebate will be paid by HSBC to Client for such Annual Period, unless otherwise agreed by HSBC and the Customer.

4. **TERM.** This Schedule shall terminate automatically upon the earliest to occur of
- (a) the scheduled expiration date of the Agreement (as may be extended from time to time in accordance with the terms thereof),
 - (b) the termination of the Agreement by either party thereto for any reason, or
 - (c) the termination of credit line access under the Agreement for any reason.

Notwithstanding the foregoing, Appendix "A" to this Schedule may expire on the third anniversary of the Agreement, and on each subsequent anniversary of the Agreement, in the sole discretion of HSBC, in which event, it may be renegotiated by the parties. If the parties cannot agree on a new Appendix "A", then this Schedule may continue in force, at the sole discretion of HSBC.

5. **REBATE ADJUSTMENT.** HSBC may, upon written notice to Client, increase or reduce the rebate percentage or otherwise revise the methodology used to determine the Volume Rebate (including, without limitation, what constitutes a Purchase for purposes thereof) to reflect (a) any increase in the cost to HSBC of extending credit to Client under the Agreement, whether as a result of a change in law, market conditions or otherwise (as determined by HSBC in its sole discretion) or (b) any reduction in the interchange fee paid by Mastercard® to HSBC.
6. **MISCELLANEOUS.** Except as otherwise expressly set forth herein, nothing in this Schedule shall be deemed to constitute an amendment or modification of any provision of the Agreement.

Appendix "A"

Annual Net Purchase Volume CAD\$	Rebate
Large Ticket Item (Subject to meeting the lowest dollar threshold tier of purchase volume shown below)	40 bps (0.40%)
\$500,000.00 to \$1,000,000.00	50 bps (0.50%)
\$1,000,000.01 to \$3,000,000.00	60 bps (0.60%)
\$3,000,000.01 to \$5,000,000.00	75 bps (0.75%)
\$5,000,000.01 and above	100 bps (1.00%)

For the purpose of calculating the Volume Rebate, the Client's total Net Purchase Volume for the Annual Period will be aggregated. If any part of the Client's Net Purchase Volume for an Annual Period is in any currency other than CAD, such amounts will be converted to the Canadian dollar equivalent, calculated as of the last date of such Annual Period using HSBC's spot rate of exchange in effect at such time.

The Volume Rebate will be paid in CAD.

This is Exhibit "M" referred to in
the Affidavit of A. Arenas sworn
this 10th day of July, 2024.

A handwritten signature in black ink, appearing to read "C. J. Edwards", written over a horizontal line.

A Commissioner for taking Affidavits
within British Columbia

THIRD AMENDED AND RESTATED INTERCREDITOR AGREEMENT

THIS AGREEMENT is made as of February 22, 2024,

BETWEEN:

THE TORONTO-DOMINION BANK

- and -

**WELLS FARGO CAPITAL FINANCE CORPORATION
CANADA**

- and -

HSBC BANK CANADA

- and -

EXPORT DEVELOPMENT CANADA

- and -

GOOD NATURED PRODUCTS INC.

- and -

GOOD NATURED REAL ESTATE HOLDINGS (ONTARIO) INC.

- and -

1306187 B.C. LTD.

- and -

CERTAIN SUBSIDIARIES OF THE BORROWER PARTY HERETO

- and -

**THOSE ADDITIONAL ENTITIES THAT HEREAFTER BECOME
PARTIES HERETO BY EXECUTING THE FORM OF JOINDER
ATTACHED HERETO AS SCHEDULE 2.**

WHEREAS pursuant to the Revolving Loan Agreement, the Revolving Loan Lender has agreed to make loans to the Borrower on the terms and subject to the conditions set forth therein:

AND WHEREAS pursuant to the Revolving Loan Security, the Borrower has granted security to the Revolving Loan Lender to secure its obligations under the Revolving Loan Agreement;

AND WHEREAS pursuant to the EDC Loan Agreement, EDC has agreed to make loans to the Borrower on the terms and subject to the conditions set forth therein;

AND WHEREAS pursuant to the EDC Loan Security, the Borrower has granted security to EDC to secure its obligations under the EDC Loan Agreement;

AND WHEREAS certain of the parties hereto entered into an intercreditor agreement dated August 25, 2022 (the **Original Agreement**) to inter alia, set out the relative priorities of their respective security interests and the rights and obligations related thereto;

AND WHEREAS pursuant to a HSBC Loan Agreement, the HSBC Loan Lender has agreed to make loans to 130 on the terms and subject to the conditions set forth therein;

AND WHEREAS pursuant to the HSBC Loan Security, 130 has granted security to the HSBC Loan Lender to secure its obligations under the HSBC Loan Agreement;

AND WHEREAS certain of the parties hereto entered into a first amended and restated intercreditor agreement dated September 22, 2022 (the **First Amended and Restated Agreement**) to inter alia, set out the relative priorities of their respective security interests and the rights and obligations related thereto;

AND WHEREAS certain of the parties hereto entered into a second amended and restated intercreditor agreement dated February 28, 2023 (the **Second Amended and Restated Agreement**) to inter alia, set out the relative priorities of their respective security interests and the rights and obligations related thereto;

AND WHEREAS certain of the parties hereto entered into a joinder to the Second Amended and Restated Agreement dated March 8, 2023 (the **Joinder to the Second Amended and Restated Agreement**) to inter alia, add Good Natured Products Direct LLC and Good Natured Products Packaging US LLC as Credit Parties to the Agreement;

AND WHEREAS pursuant to the TD Loan Agreement, TD has agreed to make loans to gnREH on the terms and subject to the conditions set forth therein;

AND WHEREAS pursuant to the TD Loan Security, gnREH has granted security to TD to secure its obligations under the TD Loan Agreement;

AND WHEREAS the parties hereto are entering into this Agreement to inter alia, amend and restate the Second Amended and Restated Agreement, add TD as a party hereto and set out the relative priorities of the Revolving Loan Security, the HSBC Security, the EDC Loan Security and the TD Loan Security and the rights and obligations related thereto;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, capitalized terms not defined herein have the meanings given in the Revolving Loan Agreement and, unless something in the subject matter or context is inconsistent therewith:

"130" means 1306187 B.C. Ltd.

"Access Period" means the period beginning on the first day of an Enforcement Period commenced by the TD Loan Lender with respect to the TD Loan Priority Collateral or by the Revolving Loan Lender with respect to Revolving Loan Priority Collateral or by the HSBC Loan Lender with respect to HSBC Loan Priority Collateral and ending on the earlier of: (i) the 120th day after the Revolving Loan Lender has delivered an Enforcement Notice with respect thereto plus such number of days, if any, after delivery of such notice that the Revolving Loan Lender is stayed or otherwise prohibited by law or court order from exercising remedies with respect to the applicable Revolving Loan Priority Collateral and all other property and assets of the Credit Parties if such stay, prohibition or court order results from an application by TD, (ii) the 120th day after the TD Loan Lender has delivered an Enforcement Notice with respect to the TD Loan Priority Collateral plus such number of days, if any, after delivery of such notice that the Revolving Loan Lender is stayed or otherwise prohibited by law or court order from exercising remedies with respect to the applicable Revolving Loan Priority Collateral and all other property and assets of the Credit Parties if such stay, prohibition or court order results from an application by TD, or (iii) the 120th day after the HSBC Loan Lender has delivered an Enforcement Notice with respect to the HSBC Loan Priority Collateral plus such number of days, if any, after delivery of such notice that the Revolving Loan Lender is stayed or otherwise prohibited by law or court order from exercising remedies with respect to the applicable Revolving Loan Priority Collateral and all other property and assets of the Credit Parties if such stay, prohibition or court order results from an application by HSBC, or (iv) the date on which all the Revolving Loan Priority Collateral is sold to a third party, collected or liquidated.

"Accounts" means each and every "account," as such term is defined in the PPSA and all "claims" for purpose of the Civil Code of Quebec, now owned or hereafter acquired by any Credit Party, including (a) all accounts receivable, other receivables, book debts, claims and other forms of obligations (other than obligations evidenced by chattel paper, securities or Instruments) now owned or hereafter received or acquired by or belonging or owing to a Credit Party, whether arising out of goods sold or services rendered by it or from any other transaction (including any such obligations which may be characterized as an account or contract right under the PPSA), (b) all of each Credit Party's rights in, to and under all purchase orders or receipts now owned or hereafter acquired by it for goods or services, (c) all of each Credit Party's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (d) all rights to payment due or to become due to any Credit Party for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or

to be rendered by such Credit Party or in connection with any other transaction (whether or not yet earned by performance on the part of such Credit Party), and (e) all collateral security and guarantees of any kind, now or hereafter in existence, given by any account debtor or other Person with respect to any of the foregoing.

"Agreement" means this intercreditor agreement, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time.

"Applicable Law" means

- (i) any applicable domestic or foreign law including any statute, regulation, subordinate legislation or treaty, and
- (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority whether or not having the force of law.

"Borrower" means Good Natured Products Inc., a British Columbia corporation, and its successors and permitted assigns.

"Brampton Real Estate" means the Real Estate listed in Schedule 1 under the heading Brampton Real Estate.

"Business Day" means a day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.

"Capital Lease" means a capital lease, or a lease that should be treated as a capital lease, under GAAP.

"Chattel Paper" means any "chattel paper," as such term is defined in the PPSA, now owned or hereafter acquired by any Credit Party, wherever located.

"Collateral" means, collectively, the Revolving Loan Priority Collateral, the TD Loan Priority Collateral and the HSBC Loan Priority Collateral.

"Credit Parties" means the Borrower, gnREH, the Guarantors and all corporations, partnerships, limited partnerships, trusts, limited liability companies or other entities that at any time (including at any time after the date hereof) have either (a) guaranteed and/or granted security for the obligations of the Borrower under the Revolving Loan Agreement, (b) guaranteed and/or granted security for the obligations of gnREH under the TD Loan Agreement, (c) guaranteed and/or granted security for the obligations of 130 under the HSBC Loan Agreement, or (d) guaranteed and/or granted security for the obligations of the Borrower under the EDC Loan Agreement, and includes any member or members of the Borrower as a debtor in possession under any Insolvency Law and any Trustee, Receiver, custodian, liquidator or any other Person with similar powers under any Insolvency Law, for any Credit Party. For greater certainty, Credit Parties shall include each party hereto (other than the Creditors) and those additional entities that hereafter become parties hereto by executing the form of Joinder attached hereto as Schedule 2.

"Creditors" means, collectively, the Revolving Loan Lender, the TD Loan Lender, the HSBC Loan Lender and EDC, and **"Creditor"** means any one of them.

"Creditor Documents" means, collectively, the Revolving Loan Documents, the TD Loan Documents, the HSBC Loan Documents and the EDC Loan Documents, and **"Creditor Document"** means any one of them.

"Creditor Obligations" means, collectively, the Revolving Loan Obligations, the TD Loan Obligations, the HSBC Loan Obligations and the EDC Loan Obligations, and **"Creditor Obligations"** means any one of them.

"Creditor Security" means, collectively, the Revolving Loan Security, the TD Loan Security, the HSBC Loan Security and the EDC Loan Security, and **"Creditor Security"** means any one of them.

"Deposit Accounts" shall mean any demand, time, savings, passbook, deposit, operating or similar account maintained with a bank or other financial institution.

"Disposition" means any sale, lease, exchange, transfer or other disposition and **"Dispose"** has a corresponding meaning.

"EDC" means Export Development Canada or any successor to or affiliate of EDC appointed pursuant to the EDC Loan Agreement, and any other agent, trustee or other representative acting for and on behalf of EDC.

"EDC Loan Agreement" means collectively, (i) the credit facility agreement dated February 22, 2022 among the Borrower, Good Natured Products (CAD) Inc., IPF Holdings Inc., Shepherd Thermoforming & Packaging Inc. and EDC as such agreement may be amended, supplemented, restated or replaced from time to time, and (ii) any other loan or credit agreement entered into between EDC and any Credit Party from time to time.

"EDC Loan Documents" means the EDC Loan Agreement, and all documents, instruments, and agreements executed from time to time in connection with the EDC Loan Agreement, including the documents and agreements giving effect to the EDC Loan Security.

"EDC Loan Obligations" means all existing and future obligations and liabilities of certain of the Credit Parties, whether for or on account of principal, premium, if any, reimbursement obligations, guarantee obligations, interest (including interest accruing during the pendency of any Proceeding, regardless of whether allowed or allowable in such Proceeding), fees, expenses, indemnities or other amounts payable to EDC, under and in connection with the EDC Loan Agreement or any other EDC Loan Document, including all renewals, extensions, refinancings and refundings thereof from time to time.

"EDC Loan Security" means all Encumbrances granted to EDC over all or any part of the Property of any Credit Party to secure all or any portion of the EDC Loan Obligations, and all present and future agreements, documents and instruments giving effect to or reflecting such Encumbrances.

"Encumbrance" means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person's Property, or any consignment or Capital Lease of Property by such Person as consignee or lessee or any other security agreement, trust or arrangement having the effect of securing the payment of any debt, liability or obligation.

"Enforcement Action" means any action, step or proceeding to

- (i) take from or for the account of any Credit Party, by set-off or in any other manner, the whole or any part of any moneys that may now or hereafter be owing by any Credit Party with respect to any of the Creditor Obligations or any part thereof;
- (ii) foreclose on any Encumbrance on any TD Loan Priority Collateral, any Revolving Loan Priority Collateral or any HSBC Loan Priority Collateral;
- (iii) take possession of, or sell or otherwise realize upon or Dispose of any TD Loan Priority Collateral, any Revolving Loan Priority Collateral or any HSBC Loan Priority Collateral, or exercise any other rights or remedies with respect to any TD Loan Priority Collateral, any Revolving Loan Priority Collateral or any HSBC Loan Priority Collateral;
- (iv) appoint, petition or otherwise make an application for the appointment of a Trustee, Receiver, monitor, liquidator, custodian, sequestrator, conservator or any other similar official for any Credit Party or for or in respect of a substantial part of the property or assets of any Credit Party;
- (v) file or join in the filing of, petition or otherwise make an application for, any Proceeding with respect to any Credit Party;
- (vi) sue for payment of, or initiate or participate with others in any suit, action or proceeding against any Credit Party to (a) enforce payment of or to collect the whole or any part of any Creditor Obligations or (b) commence judicial enforcement of any of the rights and remedies under any Creditor Document with respect to the applicable Creditor Obligations or under Applicable Law with respect to such applicable Creditor Obligations;
- (vii) accelerate the maturity date of or the time for payment of any Creditor Obligations or any part thereof; or
- (viii) take any action under the provisions of any Insolvency Law or any other Applicable Law, including the PPSA and the Civil Code of Quebec;

provided, however, that, for the avoidance of doubt, none of the following shall be deemed to constitute an Enforcement Action: (i) the filing by any Creditor of a proof of claim in any Proceeding, (ii) attending and, subject to Section 2.15(1) hereof, voting at any Proceeding, (iii) the exercise of rights by the Revolving Loan Lender on the Deposit Accounts or the Futures Accounts of the Credit Parties, including,

without limitation, the notification of account debtors, depository institutions, Futures Intermediaries or any other Person to deliver proceeds of Collateral to the Revolving Loan Lender, (iv) the reduction of advance rates or sub-limits by the Revolving Loan Lender, or (v) the imposition of reserves (as contemplated by the Revolving Loan Documents) by the Revolving Loan Lender.

"Enforcement Notice" means a written notice delivered at a time when an "Event of Default" (as defined in the TD Loan Agreement, the Revolving Loan Agreement or the HSBC Loan Agreement, as applicable) or any event equivalent thereto has occurred and is continuing, by any of the Revolving Loan Lender, the TD Loan Lender or the HSBC Loan Lender to the other Creditors announcing that such notice constitutes an "Enforcement Notice", that an Enforcement Period has commenced and specifying the relevant Event of Default or equivalent event.

"Enforcement Period" means the period of time commencing upon the receipt by the other Creditors of an Enforcement Notice from the TD Loan Lender, the Revolving Loan Lender or the HSBC Loan Lender, as applicable, and continuing until either (i) in the case of an Enforcement Period commenced by the TD Loan Lender, the payment in full of the TD Loan Obligations and the termination of the TD Loan Documents, or (ii) in the case of an Enforcement Period commenced by the Revolving Loan Lender, the payment in full of the Revolving Loan Obligations and the termination of the Revolving Loan Documents, or (iii) in the case of an Enforcement Period commenced by the HSBC Loan Lender, the payment in full of the HSBC Loan Obligations and the termination of the HSBC Loan Documents or (iv) the Revolving Loan Lender, the TD Loan Lender and the HSBC Loan Lender agree in writing to terminate the applicable Enforcement Period.

"Equipment" means all "equipment," as such term is defined in the PPSA, now owned or hereafter acquired by any Credit Party, wherever located and, in any event, including all such Credit Party's machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real property, all whether now owned or hereafter acquired, and wherever situated, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and Proceeds thereof and condemnation awards and insurance Proceeds with respect thereto.

"Fixtures" means all fixtures (including trade fixtures), facilities and equipment, howsoever affixed or attached to real property or buildings or other structures on real property, now owned or hereafter acquired by any Credit Party.

"Futures Accounts" means a "futures account", as defined in the PPSA, and a "commodities account", as defined in the Uniform Commercial Code (as in effect from time to time in the State of Illinois).

"Futures Intermediary" means a "futures intermediary", as defined in the PPSA, and a "commodities intermediary", as defined in the Uniform Commercial Code (as in effect from time to time in the State of Illinois).

"GAAP" means, at any time, in respect of any Person, accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accounts (or any successor publication) at the relevant time applied.

"gnREH" means good natured Real Estate Holdings (Ontario) Inc., an Ontario corporation, and its successors and permitted assigns.

"Governmental Authority" means any nation or government, any state, any province or territory or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantors" means any Person that guarantees the obligations of the Borrower or gnREH under any Creditor Document, and **"Guarantor"** means any one of them.

"HSBC" means HSBC Bank Canada.

"HSBC Loan Agreement" means collectively, (i) the credit facility letter agreement dated September 20, 2022 among 130, the Borrower, good natured Products (CAD) Inc., Integrated Packaging Films Limited Partnership, by its general partner, Integrated Packaging Films GP Inc., IPF Holdings Inc. and HSBC as such agreement may be amended, supplemented, restated or replaced from time to time, and (ii) any other loan or credit agreement entered into between HSBC and any Credit Party from time to time.

"HSBC Loan Documents" means the HSBC Loan Agreement, and all documents, instruments, and agreements executed from time to time in connection with the HSBC Loan Agreement, including the documents and agreements giving effect to the HSBC Loan Security.

"HSBC Loan Lender" means HSBC or any successor to or affiliate of the HSBC Loan Lender appointed pursuant to the HSBC Loan Agreement, and any other agent, trustee or other representative acting for and on behalf of the HSBC Loan Lender.

"HSBC Loan Obligations" means all existing and future obligations and liabilities of certain of the Credit Parties, whether for or on account of principal, premium, if any, reimbursement obligations, guarantee obligations, interest (including interest accruing during the pendency of any Proceeding, regardless of whether allowed or allowable in such Proceeding), fees, expenses, indemnities or other amounts payable to the HSBC Loan Lender, under and in connection with the HSBC Loan Agreement or any other HSBC Loan Document, including all renewals, extensions, refinancings and refundings thereof from time to time.

"HSBC Loan Priority Collateral" means all of the following Property, whether now existing or hereafter acquired, of 130:

- (1) all undertaking, Property and assets; and

(2) all substitutions, replacements, accessions, products or Proceeds (including, without limitation, insurance Proceeds) of any of the foregoing.

For greater certainty, HSBC Loan Priority Collateral shall not include any equipment owned by any tenant of 130, whether or not such equipment is a Fixture, and such equipment shall remain the property of such tenant. Notwithstanding the foregoing, such equipment or Fixture, as the case may be, excludes equipment or Fixtures needed to operate the building, including, but not limited to, heating, ventilation and air conditioning systems, temperature control systems, building theft detection systems, sprinkler systems, flooring and light fixtures.

"HSBC Loan Security" means all Encumbrances granted to the HSBC Loan Lender over all or any part of the Property of any Credit Party to secure all or any portion of the HSBC Loan Obligations, and all present and future agreements, documents and instruments giving effect to or reflecting such Encumbrances.

"Insolvency Law" means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) and Title 11 of the United States Code, each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency, bankruptcy, liquidation, reorganization or relief of debtor or other similar law of any jurisdiction, including any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"Instruments" means all "instruments," as such term is defined in the PPSA, now or hereafter owned or acquired by any Credit Party, wherever located, and, in any event, including, all certificates of deposit, and all promissory notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Inventory" means any "inventory," as such term is defined in the PPSA, now or hereafter owned or acquired by any Credit Party, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of any Credit Party for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods, returned goods, supplies or materials of any kind, nature or description used or consumed or to be used or consumed in such Credit Party's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

"Joinder" means each Joinder to this Agreement executed and delivered by a Subsidiary of a Credit Party in substantially the form of Schedule 2.

"North Dumfries Real Estate" means the Real Estate listed in Schedule 1 under the heading North Dumfries Real Estate.

"Payment or Distribution" means any direct or indirect payment or other distribution on or in respect of any Creditor Obligations, including any purchase, redemption or other acquisition by any Credit Party of any Creditor Obligations or any part thereof, and includes a payment or distribution of cash, Stock or other property and the exercise of a right of set off.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, unlimited

liability company, co-operative, institution, public benefit corporation, other entity or government (whether federal, provincial, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

"PMSI" shall mean a "purchase-money security interest", as such term is defined in the PPSA.

"PPSA" means the *Personal Property Security Act* (Ontario) and any equivalent law of any other jurisdiction.

"Proceeding" means any bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to any Credit Party or all or any substantial part of its Property whether under any Insolvency Law, any other Applicable Law or otherwise upon any total or partial liquidation or any dissolution or winding up of any Credit Party (other than any such dissolution or winding-up completed in accordance with any Creditor Document), in each case, whether voluntary or involuntary.

"Proceeds" means "Proceeds" as such term is defined in the PPSA.

"Property" means, for any Person, all or any portion of its undertaking, property and assets, both real and present and future, personal and moveable property including for greater certainty any Equity Interests.

"Real Estate" means the real property described in Schedule I hereto.

"Receiver" means a receiver, a manager, a receiver and manager, or an interim receiver, whether privately appointed or appointed by court order.

"Revolving Loan Lender" means Wells Fargo or any successor Revolving Loan Lender appointed pursuant to the Revolving Loan Agreement, and any other agent, hypothecary representative, trustee or other representative acting for and on behalf of the Revolving Loan Lender.

"Revolving Loan Agreement" means the credit agreement dated as of August 25, 2022 among the Borrower, Good Natured Products (CAD) Inc., Good Natured Products (US) Inc., Shepherd Thermoforming & Packaging Inc., Good Natured Real Estate Holdings (Ontario) Inc., 130, Good Natured Products (Illinois), LLC, Good Natured Products Real Estate U.S., LLC, Good Natured Products (Texas) LLC, Integrated Packaging Films GP Inc., Integrated Packaging Films LP, by its General Partner, Integrated Packaging Films GP Inc., Mechar Amco Ltd., IPF Holdings Inc., the Revolving Loan Lender, as such agreement may be further amended, supplemented, restated or replaced from time to time.

"Revolving Loan Documents" means the Revolving Loan Agreement and all documents, instruments and agreements executed from time to time in connection with the Revolving Loan Agreement, including the documents and agreements giving effect to the Revolving Loan Security.

"Revolving Loan Lender" means the Person who now or hereafter are party to the Revolving Loan Agreement as lender.

“Revolving Loan Obligations” means all existing and future obligations and liabilities of the Credit Parties, or any of them, whether for or on account of principal, premium, if any, reimbursement obligations, guarantee obligations, interest (including interest accruing during the pendency of any Proceeding, regardless of whether allowed or allowable in such Proceeding), fees, expenses, indemnities or other amounts payable to the Revolving Loan Lender under the Revolving Loan Agreement or any other Revolving Loan Document, including all renewals, extensions, refinancings and refundings thereof from time to time and including any financing provided by the Revolving Loan Lender during a Proceeding.

“Revolving Loan Priority Collateral” means all of the following Property, whether now existing or hereafter acquired, of each Credit Party other than gnREH and 130:

- (1) all Accounts;
- (2) all Inventory;
- (3) all cash or cash equivalents;
- (4) all Deposit Accounts and Futures Accounts, and all sums therein from time to time;
- (5) all other undertaking, Property and assets; and
- (6) all substitutions, replacements, accessions, products or Proceeds (including, without limitation, insurance Proceeds) of any of the foregoing.

“Revolving Loan Security” means all Encumbrances granted to the Revolving Loan Lender or any Revolving Loan Lender over all or any part of the Property of any Credit Party, to secure all or any portion of the Revolving Loan Obligations and all present and future agreements, documents and instruments giving effect to or reflecting such Encumbrances.

“Security” shall mean any “security” as such term is defined in the PPSA, any stock/share, certificates of interest or participation in any profit sharing agreement or arrangement, options, warrants, bonds, debentures, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

“Senior Creditor” means, with respect to any Creditor (the **“First Creditor”**), in relation to any other Creditor (the **“Second Creditor”**), that the First Creditor’s priority entitlement with respect to the Revolving Loan Priority Collateral, the TD Loan Priority Collateral or the HSBC Loan Priority Collateral, as applicable, has priority over the Second Creditor’s entitlement to the applicable Collateral.

“Specified Waiver” has the meaning ascribed thereto in Section 2.1(9).

“Subordinated Creditor” means, (i) with respect to the TD Loan Priority Collateral, the Revolving Loan Lender, the HSBC Loan Lender and EDC and (ii) respect to the Revolving Loan Priority Collateral, the TD Loan Lender, the HSBC Loan Lender and EDC and (iii) with respect to the HSBC Loan Priority Collateral, the TD Loan Lender, the Revolving Loan Lender and EDC.

"Subsidiary" means, with respect to any Person, (a) any corporation of which an aggregate of more than 50% of the outstanding Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of 50% or more of such Stock whether by proxy, agreement, operation of law or otherwise, and (b) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than 50% or of which any such Person is a general partner or may exercise the powers of a general partner.

"TD" means The Toronto-Dominion Bank.

"TD Loan Agreement" means collectively, (i) the commitment letter dated February 13, 2024 among gnREH and TD as such agreement may be amended, supplemented, restated or replaced from time to time, and (ii) any other loan or credit agreement entered into between TD and any Credit Party from time to time.

"TD Loan Documents" means the TD Loan Agreement, and all documents, instruments, and agreements executed from time to time in connection with the TD Loan Agreement, including the documents and agreements giving effect to the TD Loan Security.

"TD Loan Lender" means TD or any successor to or affiliate of the TD Loan Lender appointed pursuant to the TD Loan Agreement, and any other agent, trustee or other representative acting for and on behalf of the TD Loan Lender.

"TD Loan Obligations" means all existing and future obligations and liabilities of certain of the Credit Parties, whether for or on account of principal, premium, if any, reimbursement obligations, guarantee obligations, interest (including interest accruing during the pendency of any Proceeding, regardless of whether allowed or allowable in such Proceeding), fees, expenses, indemnities or other amounts payable to the TD Loan Lender, under and in connection with the TD Loan Agreement or any other TD Loan Document, including all renewals, extensions, refinancings and refundings thereof from time to time.

"TD Loan Priority Collateral" means all of the following Property, whether now existing or hereafter acquired, of gnREH:

- (1) all undertaking, Property and assets; and
- (2) all substitutions, replacements, accessions, products or Proceeds (including, without limitation, insurance Proceeds) of any of the foregoing.

For greater certainty, TD Loan Priority Collateral shall not include any equipment owned by any tenant of gnREH, whether or not such equipment is a Fixture, and such equipment shall remain the property of such tenant. Notwithstanding the foregoing, such equipment or Fixture, as the case may be, excludes equipment or Fixtures needed to operate the building, including, but not limited to, heating, ventilation and air conditioning systems, temperature control systems, building theft detection systems, sprinkler systems, flooring and light fixtures.

"TD Loan Security" means all Encumbrances granted to the TD Loan Lender over all or any part of the Property of any Credit Party to secure all or any portion of the TD Loan Obligations, and all present and future agreements, documents and instruments giving effect to or reflecting such Encumbrances.

"Trustee" means the trustee in bankruptcy of any Credit Party following the occurrence of a bankruptcy with respect thereto.

"Wells Fargo" means Wells Fargo Capital Finance Corporation Canada.

1.2 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.3 Extended Meanings

In this Agreement words importing the singular number only include the plural and vice versa and words importing a gender include both genders. The term "including" means "including without limiting the generality of the foregoing".

1.4 Payment of Obligations

Any reference to the TD Loan Obligations, the Revolving Loan Obligations, the HSBC Loan Obligations or the EDC Loan Obligations being paid in full or any similar reference means that the TD Loan Obligations, the Revolving Loan Obligations, the HSBC Loan Obligations or the EDC Loan Obligations, as applicable, have been finally and indefeasibly paid and satisfied in full in cash and that any commitments to lend or advance any credit or to guarantee any obligations in connection with any agreements evidencing or relating to the TD Loan Obligations, the Revolving Loan Obligations, the HSBC Loan Obligations or the EDC Loan Obligations, as applicable, and any letters of credit, bankers acceptances, cash management arrangements or similar agreements constituting part of the TD Loan Obligations, the Revolving Loan Obligations, the HSBC Loan Obligations or the EDC Loan Obligations, as applicable, either will have expired or been terminated, otherwise than as a result of the occurrence of a default thereunder or will have been cash collateralized in an amount satisfactory to the TD Loan Lender, in the case of the TD Loan Obligations, the Revolving Loan Lender, in the case of the Revolving Loan Obligations, the HSBC Loan Lender, in the case of the HSBC Loan Obligations and EDC, in the case of the EDC Loan Obligations, in each case, acting reasonably.

1.5 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

1.6 Currency

All references to currency herein are to lawful money of Canada.

1.7 Schedules

The following are the Schedules to this Agreement:

Schedule 1 - Real Estate

**ARTICLE 2
ACTIONS OF OTHER PARTIES; APPLICATION OF PROCEEDS**

2.1 Agreements to Subordinate

(1) The Creditors agree, and each of the Credit Parties acknowledges, consents and agrees, that:

- (a) any Encumbrance in respect of the TD Loan Priority Collateral (including the Brampton Real Estate) shall rank in descending order of priority:
 - (i) first, the TD Loan Security, to the extent of the TD Loan Obligations;
 - (ii) second, the Revolving Loan Security, to the extent of the Revolving Loan Obligations; and
 - (iii) third, the HSBC Loan Security, to the extent of the HSBC Loan Obligations.
- (b) EDC does not, and shall not, have an Encumbrance on the TD Loan Priority Collateral; and
- (c) subject to the terms of Sections 2.3, 2.11(1) and 2.17(4), any Payment or Distribution of Proceeds of the TD Loan Priority Collateral shall be made in the following descending order of priority:
 - (i) first, to the TD Loan Lender until the TD Loan Obligations have been paid in full; and
 - (ii) second, to the Revolving Loan Lender until the Revolving Loan Obligations have been paid in full; and
 - (iii) third, to the HSBC Loan Lender until the HSBC Loan Obligations have been paid in full.

(2) The Creditors agree, and each of the Credit Parties acknowledges, consents and agrees, that:

- (a) any Encumbrance in respect of the Revolving Loan Priority Collateral shall rank in descending order of priority:

- (i) first, the Revolving Loan Security, to the extent of the Revolving Loan Obligations;
 - (ii) second, the EDC Loan Security, to the extent of the EDC Loan Obligations; and
 - (iii) third, the TD Loan Security, to the extent of the TD Loan Obligations, and
 - (iv) fourth, the HSBC Loan Security, to the extent of the HSBC Loan Obligations.
- (b) subject to the terms of Sections 2.3, any Payment or Distribution of Proceeds of the Revolving Loan Priority Collateral shall be made in descending order of priority:
 - (i) first, to the Revolving Loan Lender until the Revolving Loan Obligations have been paid in full;
 - (ii) second, to EDC to the extent such Payment or Distribution of Proceeds of the Revolving Loan Priority Collateral is charged pursuant to the EDC Loan Security as at the date of this Agreement until the EDC Loan Obligations have been paid in full; and
 - (iii) third, to the TD Loan Lender to the extent such Payment or Distribution of Proceeds of the Revolving Loan Priority Collateral is charged pursuant to the TD Loan Security as at the date of this Agreement until the TD Loan Obligations have been paid in full; and
 - (iv) fourth, to the HSBC Loan Lender until the HSBC Loan Obligations have been paid in full.
- (3) The Creditors agree, and each of the Credit Parties acknowledges, consents and agrees, that:
 - (a) any Encumbrance in respect of the HSBC Loan Priority Collateral shall rank in descending order of priority:
 - (i) first, the HSBC Loan Security, to the extent of the HSBC Loan Obligations, and
 - (ii) second, the Revolving Loan Security, to the extent of the Revolving Loan Obligations.
 - (b) EDC does not, and shall not, have an Encumbrance on the HSBC Loan Priority Collateral; and
 - (c) subject to the terms of Sections 2.3, 2.11(3) and 2.17(4), any Payment or Distribution of Proceeds of the HSBC Loan Priority Collateral shall be made in the following descending order of priority:

- (i) first, to the HSBC Loan Lender until the HSBC Loan Obligations have been paid in full; and
 - (ii) second, to the Revolving Loan Lender until the Revolving Loan Obligations have been paid in full.
- (4) The subordinations provided for herein are absolute, unconditional, irrevocable and effective irrespective of:
 - (a) any lack of validity, legality, completeness or enforceability of any Creditor Obligations, any Creditor Documents, or any Creditor Security;
 - (b) any failure of, or delay by, any Creditor:
 - (i) to assert any claim or demand or to enforce any right, power or remedy against the Borrower or any other Credit Party under any Creditor Document, any Applicable Law or otherwise; or
 - (ii) to exercise any right, power or remedy against the Borrower, any other Credit Party, any Creditor Security or any other collateral securing any Creditor Obligations;
 - (c) any change in the time, manner, or place of payment of, or in any other term of, all or any of the Creditor Obligations or any Creditor Document;
 - (d) any reduction, limitation, impairment, or termination of any of the Creditor Obligations for any reason, including any claim of waiver, release, surrender, alteration, or compromise;
 - (e) any amendment to, rescission, waiver, or other modification of, or any consent to departure from, any of the terms of any Creditor Document;
 - (f) except as otherwise provided in this Agreement, any addition to, exchange, release or surrender of any Creditor Security or any other collateral securing the Creditor Obligations or the obligations under any Creditor Document;
 - (g) the priorities otherwise accorded to the Creditor Security under Applicable Law;
 - (h) the time of creation, granting, execution, delivery, attachment, registration, notification, perfection or enforcement of the Creditor Security;
 - (i) the time of crystallization of any floating charge under the Creditor Security;
 - (j) the terms of the Creditor Security;
 - (k) any forbearance whatsoever, whether as to time, performance, or otherwise or any release, discharge, loss or alteration in or dealing with all or any part of the Creditor Obligations or the Creditor Security or any part thereof;
 - (l) any failure or delay in giving any notice required under this Agreement;

- (m) any defence, compensation, set-off or counterclaim that the Borrower or any other Credit Party may have or assert;
- (n) any dissolution, bankruptcy, receivership, winding-up, liquidation or other similar proceedings in respect of the Borrower or any other Credit Party (whether voluntary or involuntary) or any Creditor, any proposal or similar proceeding made or commenced by the Borrower, any other Credit Party or any Creditor under any Insolvency Law or any distribution of assets of the Borrower, any other Credit Party or any Creditor among its creditors in any manner whatsoever, and any sale of all or substantially all of the assets of the Borrower or any other Credit Party, as the case may be;
- (o) the date of any advance or advances made to the Borrower or any other Credit Party by any Creditor; or
- (p) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, or otherwise prejudicially affect the subordination herein provided.

(5) If any of the Creditor Security is claimed or found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 2 shall not apply to such Credit Security to the extent that such Creditor Security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party (i.e. any Person who is not a Creditor claiming an interest in such Creditor Security) unless the Creditor shall be diligently contesting such a claim and has provided the other Creditors with a satisfactory indemnity.

(6) If any person, other than a Creditor, shall have a valid claim, right or interest in or to any of the present or after-acquired personal property of the Credit Parties which is subject to all or any part of the Creditor Security, in priority to or on a parity with one of Creditors but not in priority to or on a parity with the other Creditors, then this Agreement shall not apply so as to diminish the rights (as such rights would have been but for this Agreement) of such other Creditor to such property or the proceeds thereof.

(7) The subordinations provided for herein are for the benefit of each applicable Senior Creditor. Each Subordinated Creditor will be deemed, subject to the provisions of Sections 2.13(c) and 2.16 hereof, to have entered into or to have agreed to continue to provide credit or other support to the Borrower pursuant to the applicable Creditor Document in material reliance upon this Agreement and the provisions hereof.

(8) The Creditors and the Credit Parties acknowledge, consent and agree that:

- (a) the Revolving Loan Lender will not, as of the date of this Agreement, obtain nor register mortgages or other real property Encumbrances against the Real Estate in order to secure the Revolving Loan Obligations. However, and notwithstanding the foregoing or any other provisions to the contrary in this Agreement or in the Creditor Documents, but subject to Sections 2.2(2) and 2.2(3) hereof, in the event the Revolving Loan Lender is granted any such mortgage or other real property

Encumbrance against the Real Estate, it shall be permitted to receive and register same, which shall then form part of the Revolving Loan Security, subject to the priorities and other terms hereof; and

- (b) the entering into of any of the foregoing mortgages or other real property Encumbrances does not, on the date of this Agreement, and will not, on the date that it is entered into, trigger any Event of Default or other event of default (however described) under any of the Creditor Documents.

(9) Where a Creditor has (a) a PMSI in Collateral and/or (b) received a waiver, subordination, no interest, estoppel or similar letter (each a "**Specified Waiver**") with respect to specific collateral from any other Creditor, the rank and priority of the Creditor Security of such Creditor as against the Creditor Security of the other Creditors, in the case of a PMSI, or such Creditor, in the case of a Specified Waiver, and the distribution of any proceeds of realization from such Collateral shall be determined without reference to the terms of this Agreement.

(10) Each Credit Party and each Creditor (other than the Revolving Loan Lender) undertakes to the Revolving Loan Lender that it will not deliver any notice of assignment or direction to pay to any bank, contract counterparty, account debtor or other third party in respect of any Property constituting Revolving Loan Priority Collateral. Each Credit Party and each Creditor (other than the Revolving Loan Lender) represents and warrants to the Revolving Loan Lender that, as of the date of this Agreement, it has not delivered any notice of assignment or direction to pay to any bank, contract counterparty, account debtor or other third party in respect of any Property constituting Revolving Loan Priority Collateral.

2.2 No New Encumbrances

(1) Except, for the avoidance of any doubt, for any mortgage or other real property Encumbrance against the Real Estate (subject to the terms of Section 2.1(8)) and an assignment of (a) all present and future leases and other agreements pertaining to the Real Estate and all present and future rents, revenues and other income derived therefrom and (b) all Proceeds of any insurance policies in respect of the Real Estate, until the date upon which the Revolving Loan Obligations have been paid in full, the parties hereto agree that no other Creditor shall acquire or hold any Encumbrance on any assets of the Borrower or any other Credit Party securing such Creditor's Creditor Obligations which assets are not also subject to the Encumbrance of the Revolving Loan Lender under the Revolving Loan Documents unless the Revolving Loan Lender has delivered a Specified Waiver to another Creditor in respect of such assets, but only to the extent to such Specified Waiver. If any Creditor shall (nonetheless and in breach hereof) acquire or hold any Encumbrance on any assets of the Borrower or any other Credit Party securing such Creditor's Creditor Obligations which assets are not also subject to the Encumbrance of the Revolving Loan Lender under the Revolving Loan Documents, then such Creditor shall, without the need for any further consent of the Borrower or any other Credit Party and notwithstanding anything to the contrary in any other Creditor Document, be deemed to also hold and have held such Encumbrance as agent or bailee for the benefit of the Revolving Loan Lender as security for the Revolving Loan Obligations (subject to the priorities and other terms

hereof) and shall promptly notify the Revolving Loan Lender in writing of the existence of such Encumbrance.

(2) Until the date upon which the TD Loan Obligations have been paid in full, the parties hereto agree that no other Creditor shall acquire or hold any Encumbrance on any TD Loan Priority Collateral assets of the Borrower or any other Credit Party securing such Creditor's Creditor Obligations which assets are not also subject to the Encumbrance of the TD Loan Lender under the TD Loan Documents unless the TD Loan Lender has delivered a Specified Waiver to another Creditor in respect of such TD Loan Priority Collateral assets, but only to the extent of such Specified Waiver. If any Creditor shall (nonetheless and in breach hereof) acquire or hold any Encumbrance on any such assets of the Borrower or any other Credit Party securing such Creditor's Creditor Obligations which assets are not also subject to the Encumbrance of the TD Loan Lender under the TD Loan Documents, then such Creditor shall, without the need for any further consent of the Borrower or any other Credit Party and notwithstanding anything to the contrary in any other Creditor Document be deemed to also hold and have held such Encumbrance as agent or bailee for the benefit of the TD Loan Lender as security for the TD Loan Obligations (subject to the priorities and other terms hereof) and shall promptly notify the TD Loan Lender in writing of the existence of such Encumbrance.

(3) Until the date upon which the HSBC Loan Obligations have been paid in full, the parties hereto agree that no other Creditor shall acquire or hold any Encumbrance on any HSBC Loan Priority Collateral assets of the Borrower or any other Credit Party securing such Creditor's Creditor Obligations which assets are not also subject to the Encumbrance of the HSBC Loan Lender under the HSBC Loan Documents unless the HSBC Loan Lender has delivered a Specified Waiver to another Creditor in respect of such HSBC Loan Priority Collateral assets, but only to the extent of such Specified Waiver. If any Creditor shall (nonetheless and in breach hereof) acquire or hold any Encumbrance on any such assets of the Borrower or any other Credit Party securing such Creditor's Creditor Obligations which assets are not also subject to the Encumbrance of the HSBC Loan Lender under the HSBC Loan Documents, then such Creditor shall, without the need for any further consent of the Borrower or any other Credit Party and notwithstanding anything to the contrary in any other Creditor Document be deemed to also hold and have held such Encumbrance as agent or bailee for the benefit of the HSBC Loan Lender as security for the HSBC Loan Obligations (subject to the priorities and other terms hereof) and shall promptly notify the HSBC Loan Lender in writing of the existence of such Encumbrance.

2.3 Tracing of and Priorities in Proceeds

Notwithstanding any other provision to the contrary herein, each Creditor further agrees that prior to an issuance of any Enforcement Notice by the Revolving Loan Lender, the TD Loan Lender or the HSBC Lender (unless a bankruptcy or insolvency Event of Default then exists), any Proceeds of Collateral, whether or not deposited under control agreements, which are used by any Credit Party to acquire other property which is Collateral shall not (solely as between the Creditors) be treated as Proceeds of Collateral for purposes of determining the relative priorities in the Collateral which was so acquired.

2.4 Enforcement

(1) The TD Loan Lender shall not commence any Enforcement Action until an Enforcement Notice has been given to the other Creditors. The Revolving Loan Lender shall not commence any Enforcement Action until an Enforcement Notice has been given to the other Creditors. The HSBC Loan Lender shall not commence any Enforcement Action until an Enforcement Notice has been given to the other Creditors. EDC shall not commence any Enforcement Action until an Enforcement Notice has been given to the other Creditors. Subject to the foregoing, the Creditors agree that during an Enforcement Period:

- (a) subject to Sections 2.18 and 2.19 hereof, the TD Loan Lender may, at its option, take any action to accelerate payment of the TD Loan Obligations, or any part thereof, and to foreclose or realize upon or enforce any of its rights with respect to the TD Loan Priority Collateral (including the disposition thereof) pursuant to the TD Loan Documents without the consent of any other Creditor;
- (b) subject to Sections 2.18 and 2.19 hereof, the Revolving Loan Lender may, at its option, take any action to accelerate payment of the Revolving Loan Obligations and to foreclose or realize upon or enforce any of its rights with respect to the Revolving Loan Priority Collateral (including the disposition thereof) in accordance with the Revolving Loan Documents without the consent of any other Creditor;
- (c) subject to Sections 2.20 and 2.21 hereof, the HSBC Loan Lender may, at its option, take any action to accelerate payment of the HSBC Loan Obligations, or any part thereof, and to foreclose or realize upon or enforce any of its rights with respect to the HSBC Loan Priority Collateral (including the disposition thereof) pursuant to the HSBC Loan Documents without the consent of any other Creditor;
- (d) the Revolving Loan Lender may proceed with any Enforcement Action with respect to Revolving Loan Priority Collateral, the TD Loan Lender may proceed with any Enforcement Action with respect to TD Loan Priority Collateral and the HSBC Loan Lender may proceed with any Enforcement Action with respect to HSBC Loan Priority Collateral; provided, however, that during the Access Period, notwithstanding anything to the contrary in this Agreement but subject to Section 2.19 hereof, each other Creditor shall refrain from taking any action that would prevent or in any manner impair the Revolving Loan Lender from exercising the rights specified in Section 2.18 hereof;
- (e) subject to Sections 2.18 and 2.19 hereof, no other Creditor shall interfere with the Enforcement Actions of the TD Loan Lender with respect to the TD Loan Priority Collateral;
- (f) subject to Sections 2.19 and 2.21 hereof, no other Creditor shall interfere with the Enforcement Actions of the Revolving Loan Lender with respect to the Revolving Loan Priority Collateral; and

- (g) subject to Sections 2.20 and 2.21 hereof, no other Creditor shall interfere with the Enforcement Actions of the HSBC Loan Lender with respect to the HSBC Loan Priority Collateral

(2) The Revolving Loan Lender shall have the exclusive right to enforce rights, exercise remedies (including set-off) and make decisions with respect to the release, disposition, or restrictions with respect to the Revolving Loan Priority Collateral, and no other Creditor shall have the right to commence or act in respect of any Enforcement Action in respect of the Revolving Loan Priority Collateral. The TD Loan Lender shall have the exclusive right to enforce rights, exercise remedies (including set-off) and make decisions with respect to the release, disposition, or restrictions with respect to the TD Loan Priority Collateral, and no other Creditor shall have the right to commence or act in respect of any Enforcement Action in respect of the TD Loan Priority Collateral. The HSBC Loan Lender shall have the exclusive right to enforce rights, exercise remedies (including set-off) and make decisions with respect to the release, disposition, or restrictions with respect to the HSBC Loan Priority Collateral, and no other Creditor shall have the right to commence or act in respect of any Enforcement Action in respect of the HSBC Loan Priority Collateral. Notwithstanding the foregoing, this Section 2.4(2) shall not prevent any Creditor from (i) taking any action on the Collateral securing such Creditor's Creditor Obligations or the rights of any Creditor to exercise remedies in respect thereof in order to create, perfect, preserve or protect its Encumbrance on the relevant Collateral or its right to receive the Proceeds of disposition in respect of the relevant Collateral in accordance with this Agreement, (ii) taking action for conversion of any non-fixed charge to a fixed charge to the extent applicable, (iii) giving notice of default, demand for payment or acceleration of the indebtedness owing, and/or (iv) issuing one or more statutory notices (including, without limitation, a notice pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada)).

(3) Notwithstanding the provisions of this Section 2.4, the TD Loan Lender agrees that it will not take any Enforcement Action with respect to the TD Loan Priority Collateral, unless it has first provided the other Creditors thirty (30) days prior written notice (a "**TD Standstill Notice**") that it intends to commence an Enforcement Period pursuant to an Enforcement Notice, on the thirtieth (30th) day following receipt by such other Creditors of the TD Standstill Notice (such 30 day standstill period being hereinafter referred to as a "**TD Standstill Period**"); provided, however, that if Revolving Loan Lender commences any Enforcement Period or an Enforcement Action prior to the commencement of, during, or after a TD Standstill Period, this Section 2.4(3) shall no longer be applicable. Notwithstanding the foregoing, a TD Standstill Notice is an Enforcement Notice triggering the commencement of the Access Period on the date the TD Standstill Notice is received by the Revolving Loan Lender.

(4) Notwithstanding the provisions of this Section 2.4, the HSBC Loan Lender agrees that it will not take any Enforcement Action with respect to the HSBC Loan Priority Collateral, unless it has first provided the other Creditors thirty (30) days prior written notice (a "**HSBC Standstill Notice**") that it intends to commence an Enforcement Period pursuant to an Enforcement Notice, on the thirtieth (30th) day following receipt by such other Creditors of the HSBC Standstill Notice (such 30 day standstill period being hereinafter referred to as a "**HSBC Standstill Period**"); provided, however, that if

Revolving Loan Lender commences any Enforcement Period or an Enforcement Action prior to the commencement of, during, or after a HSBC Standstill Period, this Section 2.4(4) shall no longer be applicable. Notwithstanding the foregoing, a HSBC Standstill Notice is an Enforcement Notice triggering the commencement of the Access Period on the date the HSBC Standstill Notice is received by the Revolving Loan Lender.

(5) EDC agrees that it will not take any Enforcement Action, unless it has first provided the other Creditors one hundred and twenty (120) days prior written notice (a "EDC Standstill Notice") that it intends to commence an Enforcement on the one hundred and twentieth (120th) day following receipt by such other Creditors of the EDC Standstill Notice; provided, however, that any Enforcement Action by EDC shall be subject to the provisions of this Agreement, including, without limitation, Section 2.1 and Subsection 2.4(2). Notwithstanding anything to the contrary in this Agreement, and not otherwise providing any additional rights hereunder, EDC shall not seek a stay or other court order which would have the effect of interrupting the Revolving Loan Lender's access to the Revolving Loan Priority Collateral during the Access Period.

2.5 Reinstatement, etc.

Each Creditor agrees that this Agreement will continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the other Creditors' Creditor Obligations is rescinded or must otherwise be restored by any other Creditor, upon any Proceeding involving any Credit Party or otherwise, all as though such payment had not been made.

2.6 Waiver, etc.

Each Creditor hereby waives promptness, diligence, notice of acceptance, and any other notice with respect to any of the other Creditors' Creditor Obligations and any requirement that any other Creditor protect, secure, perfect, or insure any Encumbrance or any property subject thereto, marshal any of the Collateral or exhaust any right or take any action against any Credit Party, or any other Person or any collateral securing such other Creditors' Creditor Obligations.

2.7 Liquidation, Dissolution, Bankruptcy, etc.

(1) Subject to the terms of Section 2.3, 2.11(1) and 2.17(4), upon the occurrence of any Proceeding, any Payment or Distribution from or in respect of the TD Loan Priority Collateral will be paid in descending order of priority set forth in Section 2.1(1)(c).

(2) Subject to the terms of Section 2.3, upon the occurrence of any Proceeding, any Payment or Distribution from or in respect of the Revolving Loan Priority Collateral will be paid in descending order of priority set forth in Section 2.1(2)(b).

(3) Subject to the terms of Section 2.3, 2.11(3) and 2.17(4), upon the occurrence of any Proceeding, any Payment or Distribution from or in respect of the HSBC Loan Priority Collateral will be paid in descending order of priority set forth in Section 2.1(3)(c).

(4) An amalgamation, merger or consolidation of the Borrower or any other Credit Party with another Person or a liquidation or dissolution of the Borrower or any

other Credit Party following the transfer of all or substantially all of its property to another Person will not be deemed a transaction contemplated by this Section 2.7 if such other Person, as part of such amalgamation, merger, consolidation or transfer, complies with each Creditor Document and, unless otherwise provided by any Creditor Document, unconditionally assumes all the obligations of the Borrower or the applicable Credit Party under each Creditor Document.

2.8 Application of Proceeds of TD Loan Priority Collateral

So long as the TD Loan Obligations have not been paid in full, but subject to the terms of Section 2.3, 2.11(1) and 2.17(4), any TD Loan Priority Collateral or Proceeds thereof received by any Creditor whether (i) in connection with any Disposition of, or collection on, such TD Loan Priority Collateral, whether under an Enforcement Action or otherwise, (ii) as a result of a Payment or Distribution paid to any Creditor under Section 2.1, (iii) as a result of the operation of Section 2.7, or (iv) otherwise in accordance with this Agreement, will be paid and applied as follows:

- (a) first, to any Person who is not a Creditor having an Encumbrance on the TD Loan Priority Collateral ranking prior to the Encumbrances in favour of the Creditors;
- (b) second, in payment of the reasonable remuneration of any Receiver and all reasonable costs incurred by such Receiver in the exercise of all or any of the powers granted to it under the applicable Creditor Documents;
- (c) third, to the TD Loan Lender on account of the TD Loan Obligations (including all amounts borrowed by or advanced to a Receiver appointed by the TD Loan Lender or any other TD Loan Document and any interest thereon);
- (d) fourth, to the Revolving Loan Lender on account of the Revolving Loan Obligations;
- (e) fifth, to the HSBC Loan Lender on account of the HSBC Loan Obligations; and
- (f) sixth, as required in accordance with Applicable Law.

2.9 Application of Proceeds of Revolving Loan Priority Collateral

(1) So long as the Revolving Loan Obligations have not been paid in full, but subject to the terms of Section 2.3, any Revolving Loan Priority Collateral or Proceeds thereof received by any Creditor whether (i) in connection with any Disposition of, or collection on, such Revolving Loan Priority Collateral whether under an Enforcement Action or otherwise, (ii) as a result of a Payment or Distribution paid to any Creditor under Section 2.1, (iii) as a result of the operation of Section 2.7, or (iv) otherwise in accordance with this Agreement, will be paid and applied as follows:

- (a) first, to any Person who is not a Creditor having an Encumbrance on the Revolving Loan Priority Collateral ranking prior to the Encumbrances in favour of the Creditors;

- (b) second, in payment of the reasonable remuneration of any Receiver and all reasonable costs incurred by such Receiver in the exercise of all or any of the powers granted to it under the applicable Creditor Documents;
- (c) third, to the Revolving Loan Lender on account of the Revolving Loan Obligations (including all amounts borrowed by or advanced to a Receiver appointed by the Revolving Loan Lender under the Revolving Loan Documents and any interest thereon);
- (d) fourth, to EDC on account of the EDC Loan Obligations to the extent such Revolving Loan Priority Collateral or Proceeds thereof is charged pursuant to the EDC Loan Security as at the date of this Agreement;
- (e) fifth, to the TD Loan Lender on account of the TD Loan Obligations to the extent such Revolving Loan Priority Collateral or Proceeds thereof is charged pursuant to the TD Loan Security as at the date of this Agreement;
- (f) sixth, to the HSBC Loan Lender on account of the HSBC Loan Obligations (including all amounts borrowed by or advanced to a Receiver by the HSBC Loan Lender); and
- (g) seventh, as required in accordance with Applicable Law.

2.10 Application of Proceeds of HSBC Loan Priority Collateral

So long as the HSBC Loan Obligations have not been paid in full, but subject to the terms of Section 2.3, 2.11(3) and 2.17(4), any HSBC Loan Priority Collateral or Proceeds thereof received by any Creditor whether (i) in connection with any Disposition of, or collection on, such HSBC Loan Priority Collateral, whether under an Enforcement Action or otherwise, (ii) as a result of a Payment or Distribution paid to any Creditor under Section 2.1, (iii) as a result of the operation of Section 2.7, or (iv) otherwise in accordance with this Agreement, will be paid and applied as follows:

- (a) first, to any Person who is not a Creditor an Encumbrance on the HSBC Loan Priority Collateral ranking prior to the Encumbrances in favour of the Creditors;
- (b) second, in payment of the reasonable remuneration of any Receiver and all reasonable costs incurred by such Receiver in the exercise of all or any of the powers granted to it under the applicable Creditor Documents;
- (c) third, to the HSBC Loan Lender on account of the HSBC Loan Obligations (including all amounts borrowed by or advanced to a Receiver appointed by the HSBC Loan Lender or any other HSBC Loan Document and any interest thereon);
- (d) fourth, to the Revolving Loan Lender on account of the Revolving Loan Obligations; and
- (e) fifth, as required in accordance with Applicable Law.

2.11 Turnover of Payment or Distribution Received

(1) If any Subordinated Creditor receives any Payment or Distribution in respect of the TD Loan Priority Collateral at a time when such Subordinated Creditor was not entitled to receive such Payment or Distribution under this Agreement, then such Payment or Distribution will be deemed to have been received and held in trust for the benefit of the TD Loan Lender, and will be segregated from other property of such Subordinated Creditor and will be paid and delivered as promptly as practicable to, the TD Loan Lender for application to, or as collateral for, the payment or prepayment of the TD Loan Obligations to the extent required to repay the TD Loan Obligations in full after giving effect to any concurrent Payment or Distribution in respect of the TD Loan Obligations; provided, however, that the foregoing shall not apply to Proceeds that are received by Revolving Loan Lender in the ordinary course as a result of normal course cash management arrangements between any Credit Party and Revolving Loan Lender, unless (a) the Payment or Distribution is deposited in any accounts designated as trust accounts by a Credit Party for the benefit of TD Loan Lender or (b) Revolving Loan Lender has received written notice from TD Loan Lender or any Credit Party prior to receipt of the Proceeds by it, and providing satisfactory evidence thereof, that the money to be received by Revolving Loan Lender is Proceeds of TD Loan Priority Collateral paid to the Revolving Loan Lender in breach of the TD Loan Agreement, or any other TD Loan Document.

(2) If any Subordinated Creditor receives any Payment or Distribution in respect of the Revolving Loan Priority Collateral at a time when such Subordinated Creditor was not entitled to receive such Payment or Distribution under this Agreement, then such Payment or Distribution will be deemed to have been received and held in trust for the benefit of the Revolving Loan Lender, and will be segregated from other property of such Subordinated Creditor and will be paid and delivered as promptly as practicable to, the Revolving Loan Lender for application to, or as collateral for, the payment or prepayment of the Revolving Loan Obligations to the extent required to repay the Revolving Loan Obligations in full after giving effect to any concurrent Payment or Distribution in respect of Revolving Loan Obligations.

(3) If any Subordinated Creditor receives any Payment or Distribution in respect of the HSBC Loan Priority Collateral at a time when such Subordinated Creditor was not entitled to receive such Payment or Distribution under this Agreement, then such Payment or Distribution will be deemed to have been received and held in trust for the benefit of the HSBC Loan Lender, and will be segregated from other property of such Subordinated Creditor and will be paid and delivered as promptly as practicable to, the HSBC Loan Lender for application to, or as collateral for, the payment or prepayment of the HSBC Loan Obligations to the extent required to repay the HSBC Loan Obligations in full after giving effect to any concurrent Payment or Distribution in respect of the HSBC Loan Obligations; provided, however, that the foregoing shall not apply to Proceeds that are received by Revolving Loan Lender in the ordinary course as a result of normal course cash management arrangements between any Credit Party and Revolving Loan Lender, unless (a) the Payment or Distribution is deposited in any accounts designated as trust accounts by a Credit Party for the benefit of HSBC Loan Lender or (b) Revolving Loan Lender has received written notice from HSBC Loan Lender or any Credit Party prior to

receipt of the Proceeds by it, and providing satisfactory evidence thereof, that the money to be received by Revolving Loan Lender is Proceeds of HSBC Loan Priority Collateral paid to the Revolving Loan Lender in breach of the HSBC Loan Agreement, or any other HSBC Loan Document.

2.12 Subrogation

If all Creditor Obligations of the applicable Senior Creditor have been paid in full, each Subordinated Creditor will be subrogated to the rights of such Senior Creditor to the extent of any Payments or Distributions made to such Senior Creditor or otherwise applied to payment of the Creditor Obligations of such Senior Creditor under this Agreement that, but for this Agreement, would have been made to such Subordinated Creditor, including the right to receive Payments or Distributions in respect thereof including by virtue of the security interests and guarantees in favour of such Senior Creditor. A Payment or Distribution made to any Senior Creditor under this Agreement which otherwise would have been made to a Subordinated Creditor will not be construed or deemed, as between the Borrower, any other Credit Party and such Subordinated Creditor, a Payment or Distribution in respect of the Creditor Obligations of such Subordinated Creditor.

2.13 Relative Rights

This Agreement defines the relative rights of (a) the Revolving Loan Lender, (b) the TD Loan Lender, (c) the HSBC Loan Lender and (d) EDC. Nothing herein will:

- (a) impair, as between (i) any Credit Party, and (ii) the Creditors, the Creditor Obligations or any Credit Party's obligations under any Creditor Document;
- (b) affect the relative rights of the any Credit Party and creditors of any Credit Party, other than the Creditors; or
- (c) except as otherwise expressly provided herein, prevent any Creditor from exercising any available right, power or remedy under such Creditor's Creditor Documents including the receipt and acceptance by the Creditor of all payments and prepayments on account of principal, interest, royalty, bonus and fees in accordance with the Creditor's Documents

2.14 Subordination Not Impaired

(1) No right of any Senior Creditor to enforce the subordination and postponement as herein provided in respect of the applicable Collateral will at any time in any way be prejudiced or impaired by any act or omission by any other Creditor.

(2) No right of any Senior Creditor to enforce the subordination and postponement of the Creditor Obligations of such Senior Creditor and the Creditor Security of such Senior Creditor in respect of the applicable Collateral provided for herein will be impaired by any act or failure to act by the Borrower, any other Credit Party or any Subordinated Creditor, or by the failure of the Borrower, any other Credit Party or any Subordinated Creditor to comply with this Agreement, regardless of any knowledge thereof that such Subordinated Creditor may have or otherwise be charged with.

2.15 Authorization to File Proof of Claim; Exercise of Voting Rights

(1) Each Subordinated Creditor hereby covenants and agrees not to exercise any voting right or other privilege that it may have from time to time in any Proceeding in favour of any plan, proposal, compromise, arrangement or similar transaction or to make or to join in any claim or other action that would defeat:

- (a) the right of any Senior Creditor to receive Payments or Distributions in respect of the applicable Collateral otherwise payable or deliverable upon or with respect to the applicable Creditor Obligations in accordance with this Agreement so long as such Creditor Obligations remain outstanding; or
- (b) the obligation of such Subordinated Creditor to receive, hold in trust, and pay over to the applicable Senior Creditor certain Payments or Distributions as contemplated by Section 2.11.

(2) All allocations of payments between the (a) TD Loan Lender, (b) the Revolving Loan Lender, (c) the HSBC Loan Lender and (d) EDC will, subject to any court order to the contrary, continue to be made after the filing of a petition under any Insolvency Law, on the same basis that the payments were to be allocated hereunder prior to the date of such filing.

2.16 Modification of Terms of Obligations

(1) Any renewal or extension of the time of payment of any Creditor Obligations or the exercise by the Creditors of any of their rights under any document or instrument creating or evidencing such Creditor's Creditor Obligations, including the waiver of default thereunder, may be made or done all without notice to or assent from any other Creditor.

(2) Except as otherwise expressly provided by this Agreement, no action or inaction in respect of (a) any liability or obligation under or in respect of any Creditor Obligations, or (b) any of the terms, covenants or conditions of any Creditor Document, or (c) any Creditor Obligations or any Creditor Document, whether or not such action is in accordance with the provisions of any applicable document, will in any way alter or affect any of the provisions of this Agreement or of any other Creditor Document or any other Creditor Obligation relating to the subordination and postponement provided for hereby.

2.17 Insurance and Condemnation Awards

(1) So long as the TD Loan Obligations have not been paid in full, the TD Loan Lender will have the exclusive right, subject to the rights of the Credit Parties under the TD Loan Security, to settle and adjust claims in respect of TD Loan Priority Collateral under policies of insurance (including, without limitation, rental income insurance) and to approve any award granted in any condemnation or similar proceeding. All Proceeds of any such policy and any such award, will be paid

- (a) first, to any Person that is not a Creditor having an Encumbrance on the TD Loan Priority Collateral ranking prior to the Encumbrances in favour of the Creditors:

- (b) second, prior to the payment in full of the TD Loan Obligations and subject to the rights of the Credit Parties under the TD Loan Security, to the TD Loan Lender under the terms of the TD Loan Documents;
- (c) third, after the payment in full of the TD Loan Obligations and subject to the rights of the Credit Parties under the Revolving Loan Security, to the Revolving Loan Lender under the terms of the Revolving Loan Documents;
- (d) fourth, after the payment in full of the Revolving Loan Obligations, to the owner of the subject property, to such other Person as may be entitled thereto or to such Person as a court of competent jurisdiction may otherwise direct.

(2) So long as the Revolving Loan Obligations have not been paid in full, the Revolving Loan Lender will have the exclusive right, subject to the rights of the Credit Parties under the Revolving Loan Security, to settle and adjust claims in respect of Revolving Loan Priority Collateral under policies of insurance (including, without limitation, business interruption insurance) and to approve any award granted in any condemnation or similar proceeding. All Proceeds of any such policy and any such award, will be paid

- (a) first, to any Person that is not a Creditor having an Encumbrance on the Revolving Loan Priority Collateral ranking prior to the Encumbrances in favour of the Creditors;
- (b) second, prior to the payment in full of the Revolving Loan Obligations and subject to the rights of the Credit Parties under the Revolving Loan Security, to the Revolving Loan Lender under the terms of the Revolving Loan Documents;
- (c) third, after the payment in full of the Revolving Loan Obligations and subject to the rights of the Credit Parties under the EDC Loan Security, to EDC under the terms of the EDC Loan Documents;
- (d) fourth, after the payment in full of the EDC Loan Obligations and subject to the rights of the Credit Parties under the TD Loan Security, to the TD Loan Lender under the terms of the TD Loan Documents; and
- (e) fifth, after the payment in full of the TD Loan Obligations, and subject to the rights of the Credit Parties under the HSBC Loan Security, to the HSBC Loan Lender under the terms of the HSBC Loan Documents;
- (f) sixth, after the payment in full of the HSBC Loan Obligations, to the owner of the subject property, to such other Person as may be entitled thereto or to such Person as a court of competent jurisdiction may otherwise direct

(3) So long as the HSBC Loan Obligations have not been paid in full, the HSBC Loan Lender will have the exclusive right, subject to the rights of the Credit Parties under the HSBC Loan Security, to settle and adjust claims in respect of HSBC Loan Priority Collateral under policies of insurance (including, without limitation, rental income insurance) and to approve any award granted in any condemnation or similar proceeding.

All Proceeds of any such policy and any such award, will be paid

- (a) first, to any Person that is not a Creditor having an Encumbrance on the HSBC Loan Priority Collateral ranking prior to the Encumbrances in favour of the Creditors;
- (b) second, prior to the payment in full of the HSBC Loan Obligations and subject to the rights of the Credit Parties under the HSBC Loan Security, to the HSBC Loan Lender under the terms of the HSBC Loan Documents;
- (c) third, after the payment in full of the HSBC Loan Obligations and subject to the rights of the Credit Parties under the Revolving Loan Security, to the Revolving Loan Lender under the terms of the Revolving Loan Documents;
- (d) fourth, after the payment in full of the Revolving Loan Obligations, to the owner of the subject property, to such other Person as may be entitled thereto or to such Person as a court of competent jurisdiction may otherwise direct.

(4) Notwithstanding anything else contained herein, all Proceeds of any business interruption insurance policy and any award relating thereto, will be paid in accordance with Sections 2.17(1), 2.17(2) and 2.17(3).

(5) Until the payment in full of the Creditor Obligations of the applicable Senior Creditor, if any Subordinated Creditor, at any time, receives, directly from the insurer, any Proceeds of any such insurance policy or any such award or payment to which it is not entitled hereunder, it will segregate and hold in trust and forthwith transfer and pay over such Proceeds to the applicable Senior Creditor in accordance with Section 2.11; provided, however, that the foregoing shall not apply to Proceeds that are received by Revolving Loan Lender in the ordinary course as a result of normal course cash management arrangements between any Credit Party and Revolving Loan Lender, unless (a) the Proceeds are deposited in any accounts designated as trust accounts by a Credit Party for the benefit of the TD Loan Lender or the HSBC Loan Lender or (b) Revolving Loan Lender has received written notice from any other Creditor or any Credit Party prior to the receipt of such Proceeds by it, and providing satisfactory evidence thereof, that the money received by Revolving Loan Lender is Proceeds of (i) TD Loan Priority Collateral paid to the Revolving Loan Lender in breach of the TD Loan Agreement, or any other TD Loan Document or (ii) HSBC Loan Priority Collateral paid to the Revolving Loan Lender in breach of the HSBC Loan Agreement, or any other HSBC Loan Document.

2.18 Access Period

(1) Subject to the provisions of this Article and subject to any rights of any other persons, other than the Creditors, having priority over any interest of TD Loan Lender in the TD Loan Priority Collateral, during the Access Period, the Revolving Loan Lender, its Receiver, if any, and their respective agents and designees are hereby granted a non-exclusive, royalty free and rent free license and lease to use and enter all of the TD Loan Priority Collateral, including the Brampton Real Estate, to collect, sell or otherwise dispose Accounts, process or complete work-in-process to fulfill contracts and to package, ship,

sell, liquidate or otherwise dispose of, or arrange for the sale or other disposition of, all Inventory and other Revolving Loan Priority Collateral and to inspect, remove or take any other action with respect to the Revolving Loan Priority Collateral.

(2) The Revolving Loan Lender shall pay to the TD Loan Lender an amount equal to all scheduled interest payments falling due under the TD Loan Obligations during the Access Period provided the Revolving Loan Lender's access is not stayed or otherwise prohibited by law or court order. Any payments hereunder shall be apportioned on a per diem basis.

(3) The Revolving Loan Lender shall pay all realty taxes and all occupancy costs, including, but not limited to, utility rates and similar charges, arising out of the occupancy and use of the TD Loan Priority Collateral during the Access Period provided the Revolving Loan Lender's access is not stayed or otherwise prohibited by law or court order.

(4) The Creditors shall cooperate and use reasonable efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above.

(5) Without limiting any other provision of this Section 2.18, during the Access Period, the TD Loan Lender and its Receiver, if any, shall not do any act or thing to preclude the Revolving Loan Lender and its Receiver, if any, from having access to and use and occupancy of the TD Loan Priority Collateral to conduct the actions described in Section 2.18(1). gnREH and 130 each hereby consents and agrees to the foregoing.

(6) The Revolving Loan Lender shall ensure that during the period of time that the Revolving Loan Lender elects to have access to and use some or all of the TD Loan Priority Collateral, such TD Loan Priority Collateral are dealt with in a manner satisfactory to TD, acting reasonably, and the Revolving Loan Lender shall exercise the same degree of care as would a prudent owner of such TD Loan Priority Collateral including, without limitation, to protect such TD Loan Priority Collateral from any claim, damage or theft, ordinary wear and tear excepted and taking the then current state of such TD Loan Priority Collateral into account.

(7) If the insurance policies maintained by the Credit Parties over the TD Loan Priority Collateral have lapsed (and been replaced by TD) or the Credit Parties have failed to pay the insurance premiums relating thereto (and such premiums have been paid by TD), the Revolving Loan Lender shall reimburse TD for such premiums, including, without limitation, premiums relating to property coverage for all risk or broad form on a replacement cost basis and general commercial liability coverage, to the extent they relate to Access Period and the Credit Parties acknowledge and agree that all such payments by the Revolving Loan Lender shall be added to the Revolving Loan Obligations.

2.19 TD Loan Lender's Rights during Access Period

During the Access Period, the Revolving Loan Lender's use and occupancy of the Equipment, Fixtures and Brampton Real Estate included in the TD Loan Priority Collateral shall

not be exclusive and, provided that none of the following interferes in any respect material with the exercise by the Revolving Loan Lender or its Receiver of the rights afforded by Section 2.18, including the liquidation, sale or other disposition of the Revolving Loan Priority Collateral by the Revolving Loan Lender or its Receiver, nothing herein shall prevent the TD Loan Lender from taking any Enforcement Action in respect of the TD Loan Priority Collateral permitted pursuant to the terms of this Agreement and subject to the provisions hereof and: (i) the TD Loan Lender and its Receiver, if any, shall have access to the TD Loan Priority Collateral to preserve, protect, appraise and evaluate the TD Loan Priority Collateral, to show it to potential purchasers and to offer it for sale, and (ii) the TD Loan Lender or its Receiver, if any, may sell some or all of the TD Loan Priority Collateral, provided that the purchasers of such TD Loan Priority Collateral shall have expressly agreed in writing to be bound by the TD Loan Lender's obligations under Section 2.18 hereof with respect to the purchased TD Loan Priority Collateral until the expiration of the Access Period and that the items purchased shall remain in place and shall remain subject to the rights of use and occupancy of the Revolving Loan Lender and its Receiver, in accordance with Section 2.18 hereof. Each Credit Party hereby consents and agrees to the foregoing.

2.20 Access Period

(1) Subject to the provisions of this Article and subject to any rights of any other persons, other than the Creditors, having priority over any interest of HSBC Loan Lender in the HSBC Loan Priority Collateral, during the Access Period, the Revolving Loan Lender, its Receiver, if any, and their respective agents and designees are hereby granted a non-exclusive, royalty free and rent free license and lease to use and enter all of the HSBC Loan Priority Collateral, including the North Dumfries Real Estate, to collect, sell or otherwise dispose Accounts, process or complete work-in-process to fulfill contracts and to package, ship, sell, liquidate or otherwise dispose of, or arrange for the sale or other disposition of, all Inventory and other Revolving Loan Priority Collateral and to inspect, remove or take any other action with respect to the Revolving Loan Priority Collateral.

(2) The Revolving Loan Lender shall pay to the HSBC Loan Lender an amount equal to all scheduled interest payments falling due under the HSBC Loan Obligations during the Access Period provided the Revolving Loan Lender's access is not stayed or otherwise prohibited by law or court order. Any payments hereunder shall be apportioned on a per diem basis.

(3) The Revolving Loan Lender shall pay all realty taxes and all occupancy costs, including, but not limited to, utility rates and similar charges, arising out of the occupancy and use of the HSBC Loan Priority Collateral during the Access Period provided the Revolving Loan Lender's access is not stayed or otherwise prohibited by law or court order.

(4) The Creditors shall cooperate and use reasonable efforts to ensure that their activities during the Access Period as described above do not interfere materially with the activities of the other as described above.

(5) Without limiting any other provision of this Section 2.20, during the Access Period, the HSBC Loan Lender and its Receiver, if any, shall not do any act or thing to preclude the Revolving Loan Lender and its Receiver, if any, from having access to and

use and occupancy of the HSBC Loan Priority Collateral to conduct the actions described in Section 2.20(1). gnREH and I30 each hereby consents and agrees to the foregoing.

(6) The Revolving Loan Lender shall ensure that during the period of time that the Revolving Loan Lender elects to have access to and use some or all of the HSBC Loan Priority Collateral, such HSBC Loan Priority Collateral are dealt with in a manner satisfactory to HSBC, acting reasonably, and the Revolving Loan Lender shall exercise the same degree of care as would a prudent owner of such HSBC Loan Priority Collateral including, without limitation, to protect such HSBC Loan Priority Collateral from any claim, damage or theft, ordinary wear and tear excepted and taking the then current state of such HSBC Loan Priority Collateral into account.

(7) If the insurance policies maintained by the Credit Parties over the HSBC Loan Priority Collateral have lapsed (and been replaced by HSBC) or the Credit Parties have failed to pay the insurance premiums relating thereto (and such premiums have been paid by HSBC), the Revolving Loan Lender shall reimburse HSBC for such premiums, including, without limitation, premiums relating to property coverage for all risk or broad form on a replacement cost basis and general commercial liability coverage, to the extent they relate to Access Period and the Credit Parties acknowledge and agree that all such payments by the Revolving Loan Lender shall be added to the Revolving Loan Obligations.

2.21 HSBC Loan Lender's Rights during Access Period

During the Access Period, the Revolving Loan Lender's use and occupancy of the Equipment, Fixtures and North Dumfries Real Estate included in the HSBC Loan Priority Collateral shall not be exclusive and, provided that none of the following interferes in any respect material with the exercise by the Revolving Loan Lender or its Receiver of the rights afforded by Section 2.20, including the liquidation, sale or other disposition of the Revolving Loan Priority Collateral by the Revolving Loan Lender or its Receiver, nothing herein shall prevent the HSBC Loan Lender from taking any Enforcement Action in respect of the HSBC Loan Priority Collateral permitted pursuant to the terms of this Agreement and subject to the provisions hereof and: (i) the HSBC Loan Lender and its Receiver, if any, shall have access to the HSBC Loan Priority Collateral to preserve, protect, appraise and evaluate the HSBC Loan Priority Collateral, to show it to potential purchasers and to offer it for sale, and (ii) the HSBC Loan Lender or its Receiver, if any, may sell some or all of the HSBC Loan Priority Collateral, provided that the purchasers of such HSBC Loan Priority Collateral shall have expressly agreed in writing to be bound by the HSBC Loan Lender's obligations under Section 2.20 hereof with respect to the purchased HSBC Loan Priority Collateral until the expiration of the Access Period and that the items purchased shall remain in place and shall remain subject to the rights of use and occupancy of the Revolving Loan Lender and its Receiver, in accordance with Section 2.20 hereof. Each Credit Party hereby consents and agrees to the foregoing.

2.22 Availability and Delivery of Books, Records, etc.

After an Event of Default, upon not less than three days' prior written notice from the Revolving Loan Lender to the TD Loan Lender, HSBC Loan Lender and the Borrower, the Borrower, the TD Loan Lender and HSBC Loan Lender shall make available to the Revolving Loan Lender, the TD Loan Lender, the HSBC Loan Lender, EDC and any Receiver copies of all

books, records, books of account, computer disks, printouts, tapes and other computer-prepared information and other information in its possession with respect to the Revolving Loan Priority Collateral, and the TD Loan Lender and the HSBC Loan Lender shall deliver to the Revolving Loan Lender and EDC copies of all ledgers and documents, if any, held by it and included in the Revolving Loan Priority Collateral.

2.23 Obligation to Repair, etc.

The Revolving Loan Lender shall promptly repair, at Revolving Loan Lender's expense, any physical damage to the TD Loan Priority Collateral or the HSBC Loan Priority Collateral caused directly or indirectly by the Revolving Loan Lender or its Receiver, if any, or any other Person acting under the direction of either of them during the use or occupancy of the TD Loan Priority Collateral or the HSBC Loan Priority Collateral by or on behalf of the Revolving Loan Lender or any such Receiver or any sale, removal or other disposition of the Revolving Loan Priority Collateral (ordinary wear and tear excluded) and the TD Loan Priority Collateral or the HSBC Loan Priority Loan Collateral so used or occupied shall be left in the same state of repair (ordinary wear and tear excluded) by the Revolving Loan Lender and its Receiver, if any, at the expiration of the Access Period as existed upon the commencement of the Access Period. The Revolving Loan Lender shall not be liable for any diminution in value of the TD Loan Priority Collateral or the HSBC Loan Priority Collateral caused by the absence of the Revolving Loan Priority Collateral actually removed by any Credit Party or any third party (excluding its Receiver, if any, or any other Person acting under the direction of either of them) or by any necessity of replacing the Revolving Loan Priority Collateral or, subject to the immediately preceding sentence, for any other reason not caused directly or indirectly by the Revolving Loan Lender or any such Receiver or other Person.

2.24 Release of Collateral

In the event that any Senior Creditor releases or agrees to release any of its liens or security interests in the applicable Collateral in connection with the sale or other disposition thereof or any of the applicable Collateral is sold, disposed of or retained pursuant to a foreclosure or similar action, each Subordinated Creditor shall promptly deliver (and execute as appropriate) to such Senior Creditor such termination statements and releases as such Senior Creditor shall reasonably request to effect the termination or release of the liens and security interests of each Subordinated Creditor in such Collateral.

ARTICLE 3 COVENANTS

3.1 Notice of Default/Notice of Enforcement

(1) Each Creditor will use commercially reasonable efforts to deliver to the other Creditors, a copy of any default notice delivered to Borrower under such Creditor's Creditor Documents.

(2) Any failure by any Creditor to give any notice required by Section 3.1 or 3.2 will not affect the validity of such notice or create a cause of action against the party

failing to give such notice or create any claim or right on behalf of any third party or otherwise constitute a breach of this Agreement.

3.2 No Contest and No Proceedings

No Creditor will take, or cause or permit any other Person to take on its behalf, any steps whereby the priority or validity of any Creditor Security or the rights of any Creditor hereunder or under any Creditor Document will be delayed, defeated, impaired or diminished, and without limiting the generality of the foregoing, no Subordinated Creditor will challenge, object to, compete with or impede in any manner any act taken or proceeding commenced by any Senior Creditor in connection with the enforcement by such Senior Creditor of its Creditor Security as it relates to the applicable Collateral.

3.3 Remedies

The Borrower, each other Credit Party and each Creditor agree that all covenants, provisions and restrictions contained herein are necessary and fundamental in order to establish the respective priorities of the Creditors and that a breach by the Borrower, any other Credit Party or any Creditor of any such covenant, provision or restriction would result in damages to the other Creditors, as the case may be, that could not be adequately compensated by monetary award. Accordingly, the Borrower, each other Credit Party and each Creditor expressly agree that, in addition to all other remedies available to them including any action for damages, each Creditor will be entitled to the immediate remedy of a restraining order, interim injunction, injunction or other form of injunctive or other relief as may be decreed or issued by any court of competent jurisdiction to restrain or enjoin the Borrower, each other Credit Party or the other Creditors, as applicable, from breaching any such covenant, provision or restriction.

3.4 Credit Parties

The Borrower covenants and agrees that it shall cause each Credit Party to comply with its obligations hereunder.

ARTICLE 4 PROCEEDINGS

4.1 Survival after Bankruptcy

(1) This Agreement will be applicable both before and after the institution of any Proceeding involving any Credit Party, including the filing of any petition by or against any Credit Party under any Insolvency Laws and all converted or succeeding cases in respect thereof, and all references herein to any such Credit Party will be deemed to apply to the Trustee, Receiver appointed on behalf or in respect of such Credit Party and such Credit Party as debtor-in-possession.

(2) The relative rights of the Creditors in or to any Payment or Distribution from or in respect of any Collateral or Proceeds of any Collateral will continue after the institution of any Proceeding involving any Credit Party, including the filing of any petition by or against any Credit Party under any Insolvency Laws and all converted or succeeding cases in respect thereof, on the same basis as prior to the date of such institution.

4.2 Post-Petition Financing

If any Credit Party shall become subject to Proceedings, and such Credit Party shall move for approval of financing ("**DIP Financing**") to be provided, on or after the commencement of a Proceeding, by the Revolving Loan Lender, then each other Creditor agrees that adequate notice to such Creditor for such DIP Financing shall be delivered to such Creditor if such Creditor receives notice at least two (2) Business Days in advance of the hearing to approve such DIP Financing on an interim basis and at least fifteen (15) days in advance of the hearing to approve such DIP Financing on a final basis.

ARTICLE 5 MISCELLANEOUS

5.1 Communication between Creditors

(1) From time to time upon written request therefor, each Creditor will, as soon as practicable following a receipt of a written request, advise the other Creditors in writing of the particulars of the indebtedness and liability of the Borrower or gnREH, as the case may be, to such Creditor, and may provide to the other Creditors information in respect of such indebtedness and liability as each party may see fit. The Borrower and gnREH irrevocably consent to the disclosure of all such particulars and information, and acknowledges that the Creditors are at liberty to discuss amongst themselves the financial condition and affairs of any Credit Party.

(2) In the event of any Enforcement Action, each Creditor will provide to the other Creditors, from time to time, information regarding the status of such Enforcement Action, as may be reasonably requested in writing.

5.2 Further Assurances

Each Credit Party and each Creditor will from time to time execute and deliver all such further documents and instruments and do all acts and things as any other party hereto may reasonably request or require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

5.3 Benefit of the Agreement; No Third Party Beneficiaries

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. No other Person (including any Credit Party) shall be deemed to be a third party beneficiary of this Agreement.

5.4 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms,

conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

5.5 Severability

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either of the parties.

5.6 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by each party hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

5.7 Assignment

This Agreement shall be binding on and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. The TD Loan Lender may not assign its rights or obligations hereunder to any Person other than a successor lender under the TD Loan Agreement and then only if such successor lender agrees to execute an agreement to be bound hereby as if it had been an initial party hereto. The Revolving Loan Lender may not assign its rights or obligations hereunder to any Person other than a successor agent under the Revolving Loan Agreement and then only if successor agent agrees to execute an agreement to be bound hereby as if it had been an initial party hereto. The HSBC Loan Lender may not assign its rights or obligations hereunder to any Person other than a successor lender under the HSBC Loan Agreement and then only if such successor lender agrees to execute an agreement to be bound hereby as if it had been an initial party hereto. EDC may not assign its rights or obligations hereunder to any Person other than a successor lender under the EDC Loan Agreement and then only if such successor lender agrees to execute an agreement to be bound hereby as if it had been an initial party hereto.

5.8 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

To the TD Loan Lender:

The Toronto-Dominion Bank
Address: 700 West Georgia St, 2nd Floor, Vancouver, BC V7Y 1A2

Attention: Susana Ng
Telephone: 604-654-0691
Facsimile No.: 604-654-3489

To the Revolving Loan Lender:

Wells Fargo Capital Finance Corporation Canada
Address: 10 S. Wacker Drive, Chicago, IL 60606

Attention: Anne Sasal Wells Fargo Relationship Manager
Telephone: 312-739-2236
Email: anne.sasal@wellsfargo.com

To the HSBC Loan Lender:

HSBC Bank Canada
Address: 885 West Georgia St., Vancouver, BC V6C 3G1

Attention: Derek Li
Email: derek.bin.li@hsbc.ca

To EDC:

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

Attention: Ruth Drar, Senior Financing Manager, International Financing Direct
Email: rdrar@edc.ca

To the Borrower, gnREH or any other Credit Party:

Good Natured Products Inc.
Address: 470 Granville St., Suite 814 Vancouver,
British Columbia V6C 1V5

Attention: Don Holmstrom
Email: don@goodnatured.ca

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand.

notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

5.9 Remedies Cumulative

The right and remedies of the parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

5.10 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.11 Attornment

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The parties each hereby attorn to the jurisdiction of the courts of the Province of Ontario.

5.12 Waiver of Jury Trial

Each party hereto (by accepting the benefits hereof) hereby waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Agreement and any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection herewith, and agree that any such action or proceeding will be tried before a court and not before a jury.

5.13 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Transmission of a copy of an executed signature page of this Agreement by one party hereto to the other parties hereto by facsimile transmission or e-mail in pdf format, shall be as effective as delivery to the other parties hereto of an original manually executed counterpart hereof.

5.14 Paramountcy

If there is a conflict or inconsistency between the provisions of this Agreement and the provisions of any other agreement which is referred to herein or delivered pursuant hereto, the provisions of this Agreement will prevail, provided that nothing in this Agreement is intended to

or will impair, as between the Credit Parties and the Creditors, the obligations of such Credit Parties to pay any Creditor Obligations when due.

5.15 Termination

This Agreement will terminate (i) upon payment in full of all of the Revolving Loan Obligations, the TD Loan Obligations and the HSBC Obligations, or (ii) by mutual written agreement of the Creditors.

5.16 New Subsidiaries

Any new Subsidiaries (whether by acquisition or creation) of any Credit Party shall be required to enter into this Agreement by executing and delivering in favour of the Creditors a Joinder to this Agreement in substantially the form of Schedule 2. Upon the execution and delivery of Schedule 2 by any such new Subsidiary, such Subsidiary shall become a Credit Party hereunder with the same force and effect as if originally named as a Credit Party herein. The execution and delivery of any instrument adding an additional Credit Party as a party to this Agreement shall not require the consent of any Credit Party hereunder. The rights and obligations of each Credit Party hereunder shall remain in full force and effect notwithstanding the addition of any new Credit Party hereunder.

The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF the parties have executed this Agreement.

THE TORONTO-DOMINION BANK

Per: _____



Name:

Greg Logan

Title:

Senior Manager Commercial Credit

Per: _____

Name:

Title:

WELLS FARGO CAPITAL FINANCE
CORPORATION CANADA

Per: Carmela Digitally signed by
Name: Carmela Massari
Title: Date: 2024.02.20
Per: Massari 14:30:46 -05'00
Name:
Title:

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HSBC BANK CANADAPer: 

Name: Graeme Faraday
Title: Director and Team Lead,
Corporate Banking

Per: 

Name: David H. Smith / David H. Smith
Title: Senior Relationship Manager,
Corporate Banking

EXPORT DEVELOPMENT CANADAPer: 

Name: Ruth Drar
Title: Senior Financing Manager

Per: 

Name: Luis Pablo Bautista
Title: Financing Manager

S5

221

GOOD NATURED PRODUCTS INC.

Per: DocuSigned by:
Paul Antoniadis
12151D8B4D894EF
Name: Paul Antoniadis
Title: Authorized Signing Officer

Per: _____
Name: _____
Title: _____

GOOD NATURED PRODUCTS (CAD) INC.

By: DocuSigned by:
Paul Antoniadis
12151D8B4D894EF
Name: Paul Antoniadis
Title: Authorized Signing Officer

GOOD NATURED PRODUCTS (US) INC.

By: DocuSigned by:
Paul Antoniadis
12151D8B4D894EF
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED REAL ESTATE
HOLDINGS (ONTARIO) INC.**

By: DocuSigned by:
Paul Antoniadis
12151D8B4D894EF
Name: Paul Antoniadis
Title: Authorized Signing Officer

S6

222

1306187 B.C. LTD.,

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS (ILLINOIS),
LLC**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS REAL
ESTATE U.S., LLC**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS (TEXAS)
LLC**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS
INDUSTRIAL CANADA LP, by its general
partner, GOOD NATURED PRODUCTS
INDUSTRIAL CANADA GP INC.**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

S7

223

**GOOD NATURED PRODUCTS
PACKAGING CANADA GP INC.**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS
PACKAGING CANADA LP, by its general
partner, GOOD NATURED PRODUCTS
PACKAGING CANADA GP INC.**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS
PACKAGING BRAMPTON GP INC.**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS
PACKAGING BRAMPTON LP, by its
general partner, GOOD NATURED
PRODUCTS PACKAGING BRAMPTON
GP INC.**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

S8

224

**GOOD NATURED PRODUCTS
INDUSTRIAL CANADA GP INC.**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS DIRECT
LLC**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

**GOOD NATURED PRODUCTS
PACKAGING US LLC**

DocuSigned by:
By: Paul Antoniadis
Name: Paul Antoniadis
Title: Authorized Signing Officer

SCHEDULE 1**Brampton Real Estate**

Lands and premises municipally known as 5 Abacus Road, Brampton, Ontario and legally described as Parcel 8- 1, Section 43M772, Lot 8, Plan 43M772; Brampton (PIN 14021-0094 (LT))

North Dumfries Real Estate

Lands and premises municipally known as 15 Waydom Drive, North Dumfries, Ontario and legally described as Lot 9 Plan 1407 North Dumfries; Part Lot 31 Concession 11 North Dumfries, PT RDAL BTN LT 30 & 31 Concession 11 North Dumfries Closed by Bylaw WS607557, PTS 14 & 15 67R1392; S/T WS607559, WS607564; North Dumfries, being all of PIN 03848 – 0103.

SCHEDULE 2 FORM OF JOINDER

Joinder No. ____ (this "Joinder"), dated as of _____ 20 __, to the Third Amended and Restated Intercreditor Agreement, dated as of February 22, 2024 (as amended, restated, supplemented, or otherwise modified from time to time, the "Amended and Restated Agreement"), by and among each of the parties listed on the signature pages thereto and those additional entities that thereafter become parties thereto (collectively, jointly and severally, "Credit Parties" and each, individually, a "Credit Party") and Wells Fargo Capital Finance Corporation Canada, HSBC Bank Canada, Export Development Canada and The Toronto-Dominion Bank (together with their respective permitted successors and assigns, the "Creditors").

WITNESSETH:

WHEREAS, pursuant to the Amended and Restated Agreement, the Creditors set out the relative priorities of the TD Loan Security, the Revolving Loan Security, the HSBC Security and the EDC Loan Security and the rights and obligations related thereto; and

WHEREAS, initially capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Amended and Restated Agreement, and this Joinder shall be subject to the rules of construction set forth in Sections 1.2 to 1.6 inclusive of the Amended and Restated Agreement, which rules of construction are incorporated herein by this reference, *mutatis mutandis*; and

WHEREAS, the Credit Parties entered into the Amended and Restated Agreement in order to induce the Creditors to make certain financial accommodations to one or more Credit Parties as provided for in the Credit Documents; and

WHEREAS, pursuant to Section 5.16 of the Amended and Restated Agreement, any new Subsidiaries (whether by acquisition or creation) of any Credit Party are required to enter into the Amended and Restated Agreement by executing and delivering in favour of the Creditors this Joinder; and

WHEREAS, each of the parties listed on the signature pages thereto under the heading New Credit Parties (collectively, the New Credit Parties and each, individually, a "New Credit Party") is a Subsidiary of a Credit Party and, as such, will benefit by virtue of the financial accommodations extended to such Credit Party by the applicable Creditor, and (b) by becoming a Credit Party will benefit from certain rights granted to the Credit Parties pursuant to the terms of the one or more Credit Documents.

NOW, THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each New Credit Party hereby agrees as follows:

1. In accordance with Section 15.6 of the Amended and Restated Agreement, each New Credit Party, by its signature below, becomes a "Credit Party" under the Amended and Restated Agreement with the same force and effect as if originally named therein as a "Credit Party", and each New Credit Party hereby agrees to all of the terms and provisions of the Amended and Restated Agreement applicable to it as a "Credit Party" thereunder. Each reference to a "Credit Party" in the Amended and Restated Agreement shall be deemed to include each New Credit Party. The Amended and Restated Agreement is incorporated herein by reference.

2. Each New Credit Party represents and warrants to the Creditors that this Joinder has been duly executed and delivered by such New Credit Party and constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium, or other similar

laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

3. This Joinder may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Joinder. Delivery of an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Joinder. Any party delivering an executed counterpart of this Joinder by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Joinder but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Joinder.

4. The Amended and Restated Agreement, as supplemented hereby, shall remain in full force and effect.

5. THIS JOINDER SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE AND JURY TRIAL WAIVER SET FORTH IN SECTIONS 5.10 to 5.12 OF THE AMENDED AND RESTATED AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Joinder to the Amended and Restated Agreement to be executed and delivered as of the day and year first above written.

NEW CREDIT PARTY:

[NAME OF NEW CREDIT PARTY]

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

[NAME OF NEW CREDIT PARTY]

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

CREDITORS:

THE TORONTO-DOMINION BANK

Per: _____

Name:

Title:

Per: _____

Name:

Title:

**WELLS FARGO CAPITAL FINANCE
CORPORATION CANADA**

Per: _____

Name:

Title:

Per: _____

Name:

Title:

HSBC BANK CANADA

Per: _____

Name:

Title:

Per: _____

Name:

Title:

EXPORT DEVELOPMENT CANADA

Per: _____

Name:

Title:

Per: _____

Name:

Title:

This is Exhibit "N" referred to in
the Affidavit of A. Arenas sworn
this 10^t day of July, 2024.



A Commissioner for taking Affidavits
within British Columbia

From: Bailey, Cameron <cameron.bailey@rbc.com>
Sent: Wednesday, July 10, 2024 8:25 AM
To: Sandrelli, John; Federico, Cassandra
Subject: Good Natured Products current balances

[WARNING: EXTERNAL SENDER]

Hi Cassandra,

Please see current balances and limits below as requested.

	Limit	Outstanding
1306187 BC Ltd		
Demand term loan	CAD6,365,259.26	CAD6,365,259.26
Good Natured Products Inc.		
Letters of Credit	CAD7,000,000	USD3,893,452 (CAD5,178,291.91)
USD Credit Card	USD80,000	USD150.00 (CAD199.50)
CAD Credit Card	CAD30,000	CAD270.00
Corporate Cards		CAD35,783.00
USD Corporate Cards		USD35,840.00 (CAD47,667.20)
Good Natured Products Industrial Canada LP		
Lease Facility	CAD1,700,000	USD1,003,136.66 (CAD1,334,172)
Total		CAD12,961,642.87

Thanks
Cam

Cameron Bailey

Senior Manager – Western Canada - Special Loans and Advisory Services | **Royal Bank of Canada**
335 8th Ave SW, 24th Floor, Calgary, AB T2P 1C9
T. 403-693-8591 | C. 403-991-9840 | F. 403-292-3019 | E-mail: cameron.bailey@rbc.com

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.