

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Applicant**

**and**

**730 HOLDINGS INC., 730 SUBWAY INC., 730 ROADHOUSE INC.  
AND 2362655 ONTARIO INC.**

**Respondents**

**SECOND REPORT OF THE RECEIVER**

**DATED NOVEMBER 29, 2018**

# Table of Contents

INTRODUCTION.....	3
PURPOSE OF REPORT .....	4
TERMS OF REFERENCE .....	4
ADVANCE FROM THE BDC.....	5
VETTING OF THE BDC SECURITY.....	5
PRIORITY CLAIM OF THE TOWNSHIP .....	5
STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	6
PROFESSIONAL FEES .....	6
RECEIVER’S RECOMMENDATIONS .....	7

## EXHIBITS

- A** Appointment Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice dated November 21, 2017
- B** Appointment Order of the Honourable Justice McEwen of the Ontario Superior Court of Justice dated December 11, 2017
- C** First Report of the Receiver dated July 8, 2018 (without exhibits)
- D** Order from the Court dated July 19, 2018
- E** Approval and Vesting Order dated July 19, 2018
- F** Amended Approval and Vesting Order dated August 8, 2018
- G** Soloway Wright LLP opinion letter dated November 13, 2018 on validity of Business Development Bank of Canada security
- H** Soloway Wright LLP opinion letter dated November 28, 2018 on priority of claim of the Township of Edwardsburgh/Cardinal for municipal tax arrears
- I** Receiver’s Statement of Receipts and Disbursements as at November 21, 2018
- J** Affidavit of Stanley Loiselle of Raymond Chabot Inc. sworn November 21, 2018
- K** Affidavit of Roxanne Chapman of Soloway Wright LLP sworn November 29, 2018

## INTRODUCTION

1. By Orders of the Ontario Superior Court of Justice (the “**Court**”) dated November 21, 2017 and December 11, 2017 (the “**Appointment Orders**”), Raymond Chabot Inc. (“**RCI**”) was appointed as the receiver (the “**Receiver**”) of (collectively the “**Property**”): (i) all of the assets, undertakings and properties of 730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc. and 2362655 Ontario Inc. (collectively the “**Companies**”) acquired for, or used in relation to a business carried on by the Companies; and (ii) the real property municipally known as 2085 County Road 22 / Shanly Road, Cardinal, Ontario and legally described in PIN No. 68150-0142 (LT) the (“**Real Property**”), the registered owner of which Real Property was 730 Holdings Inc. The Appointment Orders are attached hereto as **Exhibits A and B**.
2. RCI filed its first report with the Court on July 9, 2018 (the “**First Report**”) a copy of which is attached hereto as **Exhibit C** (without exhibits). The purpose of the First Report was to, among other things, obtain the Court’s approval of the sale of the Real Property and the Property owned or used by the Companies in their business operations.
3. By an Order of the Court dated July 19, 2018, (the “**Sale Order**”), a copy of which is attached hereto as **Exhibit D**, the said sale of the Property by the Receiver was approved.
4. By an Approval and Vesting Order dated July 19, 2018 and a subsequent Amended Approval and Vesting Order dated August 8, 2018, (the “**Vesting Orders**”), the said sale of the Real Property by the Receiver was approved. Copies of the Vesting Orders are attached hereto as **Exhibits E and F**, respectively.
5. RCI completed the sale of the Real Property pursuant to the terms of the Sale Order on August 20, 2018.
6. The Appointment Orders and subsequent Orders, together with the Notices to Creditors, the First Report and this Second Report have been posted on the Receiver’s website at <https://www.raymondchabot.com/public-records/>.

## PURPOSE OF REPORT

7. The purpose of the Receiver's second report to the Court (the "**Second Report**") is to:
  - a. reimburse the \$50,000.00 advance paid to the Receiver by Business Development Bank of Canada ("**BDC**");
  - b. authorize an interim distribution to the BDC and the Township of Edwardsburgh/Cardinal (the "**Township**");
  - c. approve the activities and conduct of the Receiver and its counsel as described in this Second Report;
  - d. approve the Receiver's Interim Statement of Receipts and Disbursements for the period of November 21, 2017 to November 21, 2018; and
  - e. approve the professional fees of the Receiver and its legal counsel as set out herein and authorizing the Receiver to pay all such fees and disbursements from available funds.

## TERMS OF REFERENCE

8. In preparing this Second Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the Companies' books and records, discussions with former management of the Companies, and information from third-party sources (collectively, the "**Information**"). Except as described in this Second Report:
  - a. the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
  - b. the Receiver has prepared this Second Report in its capacity as a Court-appointed officer to support the relief being sought. Parties using the Second Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
9. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

10. Unless otherwise provided, all other capitalized terms not otherwise defined in this Second Report are as defined in the Appointment Orders and/or the First Report.

## ADVANCE FROM THE BDC

11. BDC advanced the sum of \$50,000.00 on or around March 12, 2018 to the Receiver. The purpose of this advance was to provide funds to administer the sale of the assets and conservatory measures.

## VETTING OF THE BDC SECURITY

12. Legal counsel for the Receiver has prepared and provided the Receiver with a legal opinion regarding the validity and enforceability of the security interest of BDC, a copy of which is attached hereto as **Exhibit G**.
13. Based on this legal opinion, it appears that BDC's security is valid and enforceable as against the Property and the Real Property.
14. By payout letter dated August 21, 2018, counsel for BDC confirmed that BDC was owed in excess of \$2.59 million. Thus, the Receiver will be seeking the authorization of the Court to make an interim distribution of \$993,227.51 to BDC.

## PRIORITY CLAIM OF THE TOWNSHIP

15. The Township has a priority claim against the Real Property as it relates to unpaid property taxes in the amount of \$143,824.80 and potentially with respect environmental cleanup costs of approximately \$280,000.00. Attached hereto as **Exhibit H** is a legal opinion from counsel for the Receiver confirming that the Township as a priority claim with respect to municipal tax arrears pursuant to subsection 349(3) of the *Municipal Act*, 2001, S.O. 2001, c.25, as amended.
16. The Receiver has initiated a claim with the Companies' insurers to cover a part of or all the costs of the environmental cleanup. The claim remains outstanding as of the date of this Second Report and will be addressed in future reports to the Court.
17. The Receiver will be seeking the authorization of the Court to make an interim distribution of \$143,824.80 to the Township for the portion of its claim that relates to property taxes arrears.

## STATEMENT OF RECEIPTS AND DISBURSEMENTS

18. Attached as **Exhibit I** is the Statement of Receipts and Disbursements for the receivership of the Companies for the period from November 21, 2017 to November 21, 2018 (the “**Receivership Period**”). As at November 21, 2018, the closing cash balance was \$1,612,052.31.
  
19. Total receipts of \$1,839,886.48 for the Receivership Period are primarily comprised of:
  - a. \$25,350 from the sale of assets;
  - b. \$1,620,934.32 from the sale of the Real Property
  - c. \$122,302.98 from rent; and
  - d. \$50,000.00 as an advance from BDC.
  
20. Total cash disbursements for the Receivership Period of \$227,834.17 were primarily comprised of:
  - a. \$14,004.72 of insurance premiums;
  - b. \$20,000.00 transferred to cover bankruptcy costs of the Companies;
  - c. \$30,927.10 of utilities;
  - d. \$34,984.56 of services rendered related to security, monitoring, and property maintenance;
  - e. \$67,696.25 in Receiver fees; and
  - f. \$35,702.14 in legal fees.
  
21. The Receiver is keeping a balance of approximately \$425,000 to cover future professional fees as well as cleanup costs in the event the Companies’ insurers deny the claim and it is later determined that the Township’s priority claim attaches to the said cleanup costs.

## PROFESSIONAL FEES

22. The Receiver, and its legal counsel, Soloway Wright LLP (“**SW**”), have maintained detailed records of their professional time and costs since the issuance of the Appointment Orders. Pursuant to paragraph 20 of the Appointment Order dated November 21, 2017, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court and were granted a Receiver’s Charge over the Property.
  
23. The total fees of the Receiver for the period from April 29, 2018 to November 10, 2018 amount to \$28,077.50 plus harmonized sales tax (“**HST**”) of \$3,650.08 totalling \$31,727.58. The time spent

by the Receiver is more particularly described in the Affidavit of Stanley Loiselle, sworn November 21, 2018 (the "Loiselle Affidavit") in support hereof and attached hereto as **Exhibit J**.

24. The total legal fees incurred by the Receiver during the period from June 11, 2018 to November 13, 2018 for services provided by SW amount to \$24,327.00 together with disbursements in the sum of \$2,179.46 and HST in the amount of \$3,412.69 totalling \$29,919.15. The time spent by SW personnel is more particularly described in the Affidavit of Roxanne Chapman, sworn November 29, 2018 (the "Chapman Affidavit") in support hereof and attached hereto as **Exhibit K**.

25. The Receiver is of the view that the fees and disbursements set out in the fee affidavits are reasonable in the circumstances.

## RECEIVER'S RECOMMENDATIONS

26. For the reasons set out above, the Receiver recommends that the Court make an Order:
- a. authorizing and directing the Receiver to reimburse the advance from BDC in the amount of \$50,000.00;
  - b. authorizing and directing the Receiver to pay a distribution in the amount of \$993,227.51 to BDC on account of its first-ranking charge over the Property and Real Property;
  - c. authorizing and directing the Receiver to pay a distribution in the amount of \$143,824.80 to the Township on account of its priority claim for outstanding property taxes;
  - d. approving the activities and conduct of the Receiver and its counsel as described in this Second Report;
  - e. approving the Receiver's Interim Statement of Receipts and Disbursements for the period of November 21, 2017 to November 21, 2018, and approving the professional fees of the Receiver and its legal counsel set out herein, and authorizing the Receiver to pay all such fees and disbursements from available funds;

All of which is respectfully submitted at Ottawa, Ontario this 29<sup>th</sup> day of November 2018.

### **RAYMOND CHABOT INC.**

Receiver of the assets, undertakings and property of  
730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc. and 2362655 Ontario Inc.,  
and not in its personal capacity.

Per:

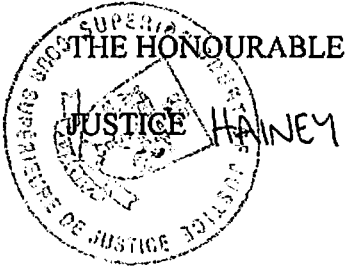


Stanley Loiselle, CIRP, LIT

**TAB A**



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST



THE HONOURABLE )

TUESDAY, THE 21<sup>ST</sup>

JUSTICE HAINES )

DAY OF NOVEMBER, 2017

**BUSINESS DEVELOPMENT BANK OF CANADA**

Applicant

- and -

**730 HOLDINGS INC., 730 SUBWAY INC. and  
730 ROADHOUSE INC.**

Respondents

**ORDER**  
(appointing Receiver)

**THIS APPLICATION** made by Business Development Bank of Canada ("BDC") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Raymond Chabot Inc. ("Raymond Chabot") as receiver (in such capacity, the "Receiver") without security, of: (i) all the assets, undertakings and properties of 730 Holdings Inc., 730 Subway Inc. and 730 Roadhouse Inc. (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors; and (ii) the real property municipally known as 2085 County Road 22 / Shanly Road, Cardinal, Ontario and legally described in PIN No. 68150-0142 (LT) (the "Real Property"), the registered owner of which Real Property is 730 Holdings Inc., was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Marlène Rodrigue sworn October 12, 2017 and the exhibits thereto, and the affidavit of Kanwaljeet Rattan sworn October 25, 2017, and the exhibits thereto, and on being advised that the Debtors do not oppose the application because Federated Insurance Company (“Federated”) has not yet made payment to the Debtors or to BDC pursuant the policy of insurance issued by Federated in respect of the Real Property bearing policy no. 0122857.9 (the “Policy”), and on hearing the submissions of counsel for BDC and such other counsel as were present, no one appearing for any other person on the service list although duly served as appears from the affidavit of service of Diana McMillen sworn October 18, 2017, and on reading the consent to act as the Receiver from Raymond Chabot,

### **SERVICE**

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

### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Raymond Chabot Inc. is hereby appointed Receiver, without security, of (collectively, the “Property”) the Real Property and all the assets, undertakings and properties of the Debtors acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof, but, subject to further order of this Court, excluding the Debtors’ right and interest as insured under the Policy, including all coverages thereunder, and 730 Holdings Inc.’s interest as plaintiff in the action against Federated commenced in the Ontario Superior Court of Justice (Belleville) bearing court file no. CV-17-0316-00 (the “Insurance Action”). For greater certainty, nothing herein derogates from BDC’s interest in the proceeds of any such claim.

### **RECEIVER’S POWERS**

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the businesses of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the businesses of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors, with the exception of any indebtedness owing to the Debtors or BDC by Federated;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, with the exception of the Insurance Action, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding. For clarity, the Receiver shall not have these powers in relation to the Insurance Action, as it does not form part of the Property;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to make an assignment in bankruptcy on behalf of each of the Debtors. For clarity, should the Debtors be assigned into bankruptcy, any trustee in bankruptcy so appointed shall have the power to continue the prosecution of the Insurance Action pursuant to section 30(1)(d) of the *Bankruptcy and Insolvency Act*, provided that the trustee obtains an order to continue pursuant to Rule 11.01 of the *Rules of Civil Procedure*;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

#### **INSURANCE ACTION**

4. **THIS COURT ORDERS** that the Debtors shall provide the Receiver with copies of all non-privileged documents generated in the course of the prosecution of the Insurance Action.

5. **THIS COURT ORDERS** that the Debtors shall pay any proceeds of the Insurance Action, net of legal fees and disbursements incurred by the Debtors in the prosecution of the Insurance Action, to the Receiver, forthwith upon receipt of same.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

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

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

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

9. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or

with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

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

#### **NO INTERFERENCE WITH THE RECEIVER**

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

#### **CONTINUATION OF SERVICES**

14. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or



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

#### **RECEIVER TO HOLD FUNDS**

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

#### **EMPLOYEES**

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

#### **PIPEDA**

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all

such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

19. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## **RECEIVER'S ACCOUNTS**

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

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

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

## **FUNDING OF THE RECEIVERSHIP**

23. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or

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

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

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

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

#### **SERVICE AND NOTICE**

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

28. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as

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

**GENERAL**

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

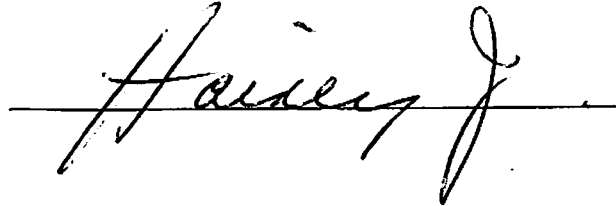
30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

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

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

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

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

A handwritten signature in cursive script, appearing to read "Haines J.", is written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

NOV 21 2017

PER / PAR:

Handwritten initials, possibly "ml", written in cursive script.

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. **THIS IS TO CERTIFY** that Raymond Chabot Inc., the receiver (the "Receiver") of all the assets, undertakings and properties that 730 Holdings Inc., 730 Roadhouse Inc. and 730 Subway Inc. (the "Debtors") acquired for or used in relation to businesses carried on by the Debtors (including all proceeds thereof) and the real property municipally known as 2085 County Road 22 / Shanly Road, Cardinal, Ontario and legally described in PIN No. 68150-0142 (LT) (collectively, the "Property"), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 21<sup>st</sup> day of November 2017 (the "Order") made in an application having Court file number CV- CV-17-584016-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

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

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

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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

Per: \_\_\_\_\_  
Name:  
Title:



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced at Toronto

**ORDER**  
(appointing Receiver)

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9

**Steven L. Graff (LSUC # 31871V)**  
Tel: (416) 865-7726  
Fax: (416) 863-1515  
Email: [sgraff@airdberlis.com](mailto:sgraff@airdberlis.com)

**Miranda Spence (LSUC # 60621M)**  
Tel: (416) 865-3414  
Fax: (416) 863-1515  
Email: [mpace@airdberlis.com](mailto:mpace@airdberlis.com)

*Lawyers for Business Development Bank of Canada*

**TAB B**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE

)

MONDAY, THE 11<sup>TH</sup>

JUSTICE McEwen

)

DAY OF DECEMBER, 2017

)



**BUSINESS DEVELOPMENT BANK OF CANADA**

Applicant

- and -

**730 HOLDINGS INC., 730 SUBWAY INC. and  
730 ROADHOUSE INC.**

Respondents

**ORDER**

**THIS MOTION** made by Business Development Bank of Canada (“BDC”), on consent, for an Order, *inter alia*: (i) amending the Order (Appointing Receiver) granted by Justice Hainey on November 21, 2017 in these proceedings (the “Receivership Order”) appointing Raymond Chabot Inc. as receiver (in such capacity, the “Receiver”) of all the assets, undertakings and properties of the Debtors (as such term is defined in the Receivership Order) acquired for, or used in relation to a business carried on by the Debtors, and of the Real Property (as such term is defined in the Receivership Order) to include 2362655 Ontario Inc. (“236”) as one of the Debtors (as such term is defined in the Receivership Order); and, (ii) adding 236 as a party to the application bearing court file number CV-17-584016-00CL, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Marlène Rodrigue sworn October 12, 2017 and the exhibits thereto, the affidavit of Kanwaljeet Rattan sworn October 25, 2017, and the exhibits thereto, and the affidavit of Danielle Muise sworn December 8, 2017, and the exhibits thereto, and on hearing the submissions of counsel for BDC and such other counsel as were present, no one appearing for any other person on the service list although duly served as appears from the affidavit of service of Miranda Spence sworn December 8, 2017, and on reading the consent of BDC, 730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc., and 236,

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

2. **THIS COURT ORDERS** that the Receivership Order be and is hereby amended to include 236 as one of the Debtors, as such term is defined in the preamble to the Receivership Order.

3. **THIS COURT ORDERS** that the Receivership Order be and is hereby amended to exclude from the definition of Property, 236's interest as plaintiff in the Insurance Action, as such terms are defined at paragraph 2 of the Receivership Order,.

4. **THIS COURT ORDERS** that 236 shall be added as a respondent to this application, and the title of the proceeding in all documents issued, served or filed after the date of this Order in this application shall be as follows:

Court File No. CV-17-584016-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA**

Applicant

730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. and 2362655 ONTARIO INC.

Respondents

McE...

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

DEC 11 2017

PER / PAR:

NB

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

**ORDER**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9

**Steven L. Graff (LSUC # 31871V)**  
Tel: (416) 865-7726  
Fax: (416) 863-1515  
Email: [sgraff@airdberlis.com](mailto:sgraff@airdberlis.com)

**Miranda Spence (LSUC # 60621M)**  
Tel: (416) 865-3414  
Fax: (416) 863-1515  
Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

*Lawyers for Business Development Bank of Canada*

**TAB C**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Applicant**

**and**

**730 HOLDINGS INC., 730 SUBWAY INC., 730 ROADHOUSE INC.  
AND 2362655 ONTARIO INC.**

**Respondents**

**FIRST REPORT OF THE RECEIVER**

**DATED JULY 9, 2018**



## Table of Contents

<b>INTRODUCTION.....</b>	<b>4</b>
<b>PURPOSE OF REPORT.....</b>	<b>5</b>
<b>TERMS OF REFERENCE.....</b>	<b>6</b>
<b>BACKGROUND.....</b>	<b>7</b>
<b>TAKING POSSESSION AND SAFEGUARDING ASSETS.....</b>	<b>7</b>
<b>MARKETING AND SALE PROCESS.....</b>	<b>8</b>
<b>ASSIGNMENT OF LEASES TO THE PURCHASER.....</b>	<b>9</b>
<b>CANADA REVENUE AGENCY – 2362655 ONTARIO INC.....</b>	<b>10</b>
<b>STATEMENT OF RECEIPTS AND DISBURSEMENTS.....</b>	<b>10</b>
<b>PROFESSIONAL FEES.....</b>	<b>11</b>
<b>RECEIVER’S RECOMMENDATIONS.....</b>	<b>11</b>

## **EXHIBITS**

- A** Appointment Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice dated November 21, 2017
- B** Appointment Order of the Honourable Justice McEwen of the Ontario Superior Court of Justice dated December 11, 2017
- C** Notice and Statement of Receiver dated November 30, 2017
- D** Amended Notice and Statement of Receiver dated December 18, 2017
- E** Agreement of Purchaser and Sale date May 28, 2018
- F** 730 Holdings Inc. Call for Tenders and Bills of Sale
- G** 2362655 Ontario Inc. Call for Tenders and Bill of Sale
- H** Colliers International Appraisal Report dated January 31, 2018
- I** Listing Agreement with Rogers & Trainor Commercial Realty dated March 26, 2018
- J** Waiver dated July 6, 2018
- K** Summary of offers received pursuant to 730 Holdings Inc. Call for Tenders
- L** Summary of offers received pursuant to 2362655 Ontario Inc. Call for Tenders
- M** Email from Capital Asset Management dated January 11, 2018
- N** Canada Revenue Agency property claim dated January 24, 2018 re: 2362655 Ontario Inc.
- O** Receiver's Statement of Receipts and Disbursements as at July 9, 2018
- P** Affidavit of Stanley Loiselle of Raymond Chabot Inc. sworn July 9, 2018
- Q** Affidavit of André Ducasse of Soloway Wright LLP sworn July 9, 2018

## INTRODUCTION

1. By Orders of the Ontario Superior Court of Justice (the “Court”) dated November 21, 2017 (the “Appointment Orders”) and December 11, 2017, Raymond Chabot Inc. (“RCI”) was appointed as the receiver (the “Receiver”) of (collectively the “Property”): (i) all of the assets, undertakings and properties of 730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc. and 2362655 Ontario Inc. (collectively the “Companies”) acquired for, or used in relation to a business carried on by the Companies; and (ii) the real property municipally known as 2085 County Road 22 / Shanly Road, Cardinal, Ontario and legally described in PIN No. 68150-0142 (LT) the (“Real Property”), the registered owner of which Real Property is 730 Holdings Inc. The Appointment Orders are attached hereto as Exhibits A and B.
2. The Appointment Orders authorize the Receiver to, among other things, take possession of, and exercise control over, the Property and any and all proceeds, receipts and disbursements, arising out of, or from, the Property. In addition, the Receiver is authorized to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - a. without the approval of the Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
  - b. with the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause.
3. Shortly following the issuance of the Appointment Orders the Receiver issued a Notice and Statement of the Receiver and Amended Notice and Statement of Receiver (“Notices to Creditors”) pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada) (“BIA”) in respect of the Company. The Notices to Creditors are attached hereto as Exhibits C & D.
4. The Appointment Orders, together with the Notices to Creditors and this First Report have been posted on the Receiver’s website at <https://www.raymondchabot.com/public-records/>.

## PURPOSE OF REPORT

5. The purpose of this first report of the Receiver (the “**First Report**”) is to:
- a. provide a summary of the Receiver’s activities to date;
  - b. provide details of the marketing activities undertaken by the Receiver with respect to the sale of the Property owned or used by the Companies in their business operations; and
  - c. provide the Court with the evidentiary basis to make an Order:
    - i. authorizing and directing the Receiver to enter into and carry out the terms of the Agreement of Purchase and Sale (the “**APS**”) dated May 28, 2018 and a redacted copy of which is attached hereto as **Exhibit E**, between the Receiver as Vendor and 2042066 Ontario Inc. as purchaser (the “**Purchaser**”) together with any further amendments thereto deemed necessary by the Receiver, and vesting in the Purchaser title to the Real Property;
    - ii. authorizing and directing the Receiver to assign the commercial leases with the various tenants currently occupying the Real Property to the Purchaser;
    - iii. approving the sale by the Receiver of the assets of 730 Holdings Inc. pursuant to the terms of the Receiver’s call for tenders dated May 15, 2018, hereinafter described, along with all related bills of sale (collectively the “**730 Call for Tenders**”) and attached hereto as **Exhibit F**, between the Receiver as Vendor and the various purchasers (the “**730 Purchasers**”) together with any further amendments thereto deemed necessary by the Receiver, and vesting in the 730 Purchasers title to the assets more particularly described in the 730 Call for Tenders;
    - iv. approving the sale by the Receiver of the assets of 2362655 Ontario Inc. pursuant to the terms of the Receiver’s call for tenders dated May 15, 2018, hereinafter described, along with all related bills of sale (collectively the “**2362655 Call for Tenders**”) and attached hereto as **Exhibit G**, between the Receiver as Vendor and the purchaser (the “**2362655 Purchaser**”) together with any further amendments thereto deemed necessary by the Receiver, and vesting in the 2362655 Purchaser title to the assets more particularly described in the 2362655 Call for Tenders;
    - v. authorizing and directing the Receiver to issue payment in the amount of \$661.05 to the Canada Revenue Agency (“**CRA**”) on account of its property claim over the

assets of 2362655 Ontario Inc., being the net proceeds received by the Receiver from the 2362655 Call for Tenders;

- vi. approving the activities of the Receiver and its counsel as described in this First Report including, without limitation, the steps taken by the Receiver pursuant to the marketing and sales process of the Property of the Companies;
- vii. approving the Receiver's Interim Statement of Receipts and Disbursements for the period of November 21, 2017 to July 9, 2018, and approving the professional fees of the Receiver and its legal counsel set out herein, and authorizing the Receiver to pay all such fees and disbursements from available funds; and
- viii. sealing as confidential, un-redacted copies of Exhibits E and H attached hereto, given that the redacted information contained in these exhibits could taint the market in the event the sale of the Real Property does not close.

## TERMS OF REFERENCE

6. In preparing this First Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the Companies' books and records, discussions with former management of the Companies, and information from third-party sources (collectively, the "Information"). Except as described in this First Report:
  - a. the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
  - b. the Receiver has prepared this First Report in its capacity as a Court-appointed officer to support the Court's approval of the sale of assets and Real Property of the Company and the other relief being sought. Parties using the First Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

8. Unless otherwise provided, all other capitalized terms not otherwise defined in this First Report are as defined in the Appointment Orders.

## **BACKGROUND**

9. The Companies are Ontario corporations which collectively operated a truck stop and restaurant from the Real Property where its head office and place of business is located.
10. As at the date of the Appointment Orders, the directors of the Companies were Kanwaljeet S. Rattan (aka Ken Rattan) and Balbir Saral.
11. The Company had ceased operating in the ordinary course of business prior to the date of the Appointment Orders due to a major fire in April 2017 which destroyed the main building.

## **TAKING POSSESSION AND SAFEGUARDING ASSETS**

12. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Orders:
  - a. Established the Receiver's website and issued the Notice to Creditors in respect of the Company;
  - b. Reviewed available books and records;
  - c. Changed all locks for the various buildings on the Real Property and arranged for security and ongoing monitoring and maintenance of the Real Property;
  - d. Arranged for the clean up and restricted access to the Real Property which had been left completely unattended and/or monitored by the Companies and its directors;
  - e. Contacted utility companies and assumed ongoing costs;
  - f. Obtained an independent appraisal of the Real Property;
  - g. Prepared a detailed list of assets (including known leased and 3<sup>rd</sup> party assets) located at the Premises based on available records;
  - h. Insured all assets of the Company for \$747,000 and obtained commercial general liability coverage of \$10,000,000;
  - i. Made inquiries of the various tenants occupying the Real Property and the current status of payments required pursuant to the terms of the various leases; and
  - j. Negotiated the renewal of the lease with an existing tenant and entered into a month-to-month lease with a new tenant.

## MARKETING AND SALE PROCESS

13. As empowered and authorized by the Court, the Receiver obtained a real property appraisal from Colliers International, a redacted copy of which is attached hereto as **Exhibit H**.
14. The Receiver signed a listing agreement with Rogers & Trainor Commercial Realty Inc. (“RTCR”) and, based on the recommendation from RTCR, listed the property for sale at \$1,800,000 on March 26, 2018. A copy of the listing agreement is attached hereto as **Exhibit I**.
15. The Receiver subsequently received a total of 5 purchase offers and ultimately entered into an APS with the Purchaser at a purchase price which is greater than the appraised value. A redacted copy of the APS is included as **Exhibit E**. The APS was subject to a number of conditions in favour of the Purchaser, all of which were waived on June 29, 2018. A copy of the waiver is attached hereto as **Exhibit J**.
16. As empowered and authorized by the Court, the Receiver, through its agent Capital Asset Management (“CAM”), initiated a call for tenders process on May 15, 2018, to sell certain assets of 730 Holdings Inc. and 2362655 Ontario Inc. The deadline to submit offers pursuant to the Call for Tenders Process was May 30, 2018 at 12:00PM.
17. CAM undertook the following steps during the Call for Tenders Process:
  - a. Prepared the Call for Tenders including a summary description of the assets available for sale and presenting the conditions and reserves related to the sale of the assets;
  - b. Posted the Call for Tenders and related information, including detailed asset listings and photographs on CAM’s website and advised local contacts;
  - c. Coordinated the interested parties’ inspections of the assets for sale;
  - d. Communicated and answered interested parties’ inquiries;
  - e. Reviewed the five (5) offers received for the assets of 730 Holdings Inc., the details of which have been included in **Exhibit K** to this First Report;
  - f. Reviewed the three (3) offers received for the assets of 2362655 Ontario Inc., the details of which have been included in **Exhibit L** to this First Report;
18. On June 7, 2018, the Receiver completed the sales pursuant to bills of sale included hereto in **Exhibit F** and **Exhibit G** given that the amounts of each transaction and of the total of the

transactions collectively is below the limit set out in the Appointment Orders whereby the Receiver is authorized to sell assets without the approval of the Court. The aggregate gross proceeds generated from the sale of these assets totalled \$25,350.00

19. Based on its experience and appraisal of the assets of the Companies, CAM estimated the liquidation value of the assets subject to the 730 Call for Tenders and 2362655 Call for Tenders to be in the range of \$15,000.00 to \$28,000.00, before realization expenses. An email from CAM dated January 11, 2018 in this regard is attached hereto as Exhibit M.
20. The Receiver recommends that the Court authorize and direct the Receiver to accept and complete the sale of Property for the following reasons:
  - a. the value of the Real Property being sold pursuant to the APS is significantly higher than its appraised value;
  - b. the value of the assets of 730 Holdings Inc. and 2362655 Ontario Inc. is significantly higher than its appraised value;
  - c. the tenders received and the APS are in a form acceptable to the Receiver and its legal counsel;
  - d. As outlined in paragraphs 15 and 17 above, the Receiver listed the Real Property with a qualified real estate agent and received a total of five (5) purchase offers, and, through its agent CAM, implemented a suitable marketing and sales process for the assets sold pursuant to the 730 Call for Tenders and 2362655 Call for Tenders, and the potential market for the assets being sold has been thoroughly canvassed; and
  - e. the Transaction is, in the view of the Receiver, superior to other options available to the Receiver.

## **ASSIGNMENT OF LEASES TO THE PURCHASER**

21. As previously indicated, the Company operated from the Real Property.
22. Further to the Appointment Orders, the Receiver contacted the tenants to arrange for the ongoing payment of rent to the Receiver.
23. The Receiver negotiated the renewal of the lease with Cervus Equipment Corporation and entered into a month-to-month lease with Gladiator Auto Transport Inc.



24. As of the date of this First Report, the tenants currently occupying the Real Property are as follows:

- a. Cervus Equipment Corporation;
- b. Bell Mobility Inc.;
- c. Nationex Inc.; and
- d. Gladiator Auto Transport Inc.

25. The Receiver is seeking the Court's approval to assign the above-noted leases to the Purchaser effective July 31, 2018.

## CANADA REVENUE AGENCY – 2362655 ONTARIO INC.

26. CRA filed a property claim with the Receiver in the amount of \$7,354.71 for unremitted payroll deductions on January 24, 2018, a copy of which is attached hereto at Exhibit N. As indicated previously, the Receiver sold the assets of 2362655 Ontario Inc. pursuant to the 2362655 Call for Tenders. The net proceeds from the sale of these assets is \$661.05 and, as such, the Receiver is seeking the Court's authorization to issue payment in the amount of \$661.05 to the CRA.

## STATEMENT OF RECEIPTS AND DISBURSEMENTS

27. Attached as Exhibit O is the Statement of Receipts and Disbursements for the receivership of the Company for the period from November 21, 2017 to July 9, 2018 (the "Receivership Period"). As at July 9, 2018, the closing cash balance was \$45,897.16.

28. Total receipts of \$198,923.46 for the Receivership Period are primarily comprised of:

- a. \$25,780.95 from the sale of assets;
- b. \$107,113.46 from rent; and
- c. \$50,000 as an advance from the secured creditor, BDC.

29. Total cash disbursements for the Receivership Period of \$153,026.30 were primarily comprised of:

- a. \$11,200.00 of insurance premiums;
- b. \$20,000.00 transferred to cover bankruptcy costs of the Companies;
- c. \$26,779.50 of utilities;

- d. \$29,867.38 of services rendered related to security, monitoring, and property maintenance;
- e. \$39,618.75 in Receiver fees; and
- f. \$9,195.68 in legal fees.

## **PROFESSIONAL FEES**

- 30. The Receiver, and its legal counsel, Soloway Wright LLP ("SW"), have maintained detailed records of their professional time and costs since the issuance of the Appointment Orders. Pursuant to paragraph 20 of the Appointment Order dated November 21, 2017, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court and were granted a Receiver's Charge over the Property.
- 31. The total fees of the Receiver for the period from November 21, 2017 to April 28, 2018 amount to \$39,618.75 plus harmonized sales tax ("HST") of \$5,150.44 totalling \$44,769.19. The time spent by the Receiver is more particularly described in the Affidavit of Stanley Loiselle, sworn July 9, 2018 (the "Loiselle Affidavit") in support hereof and attached hereto as Exhibit P.
- 32. The total legal fees incurred by the Receiver during the period from November 21, 2017 to June 12, 2018 for services provided by SW amount to \$9,105.50 together with disbursements in the sum of \$90.18 and HST in the amount of \$1,195.44 totalling \$10,391.12. The time spent by SW personnel is more particularly described in the Affidavit of André Ducasse, a partner of SW, sworn July 9, 2018 (the "Ducasse Affidavit") in support hereof and attached hereto as Exhibit Q.
- 33. The Receiver is of the view that the fees and disbursements set out in the fee affidavits are reasonable in the circumstances.

## **RECEIVER'S RECOMMENDATIONS**

- 34. For the reasons set out above, the Receiver recommends that the Court make an Order:
  - a. authorizing and directing the Receiver to carry out the terms of the APS dated May 28, 2018, between the Receiver and the Purchaser, together with any further amendments thereto deemed necessary by the Receiver, and vesting in the Purchaser title to the Real Property;
  - b. approving the sale by the Receiver of the Real Property to the Purchaser;

- c. authorizing and directing the Receiver to assign the commercial leases with the various tenants currently occupying the Real Property to the Purchaser;
- d. approving the sale by the Receiver of the assets of 730 Holdings Inc. pursuant to the terms of the 730 Call for Tenders between the Receiver and the 730 Purchasers, together with any further amendments thereto deemed necessary by the Receiver, and vesting in the 730 Purchasers title to the assets more particularly described in the 730 Call for Tenders;
- e. approving the sale by the Receiver of the assets of 2362655 Ontario Inc. pursuant to the terms of the 2362655 Call for Tenders between the Receiver and the 2362655 Purchaser, together with any further amendments thereto deemed necessary by the Receiver, and vesting in the 2362655 Purchaser title to the assets more particularly described in the 2362655 Call for Tenders;
- f. authorizing and directing the Receiver to issue payment in the amount of \$661.05 to CRA on account of its property claim over the assets of 2362655 Ontario Inc., being the net proceeds received by the Receiver from the 2362655 Call for Tenders;
- g. approving the activities of the Receiver and its counsel as described in this First Report including, without limitation, the steps taken by the Receiver pursuant to the marketing and sales process of the Property of the Companies;
- h. approving the Receiver's Interim Statement of Receipts and Disbursements for the period of November 21, 2017 to July 9, 2018, and approving the professional fees of the Receiver and its legal counsel set out herein, and authorizing the Receiver to pay all such fees and disbursements from available funds; and
- i. sealing as confidential, un-redacted copies of Exhibits E and H attached hereto, given that the redacted information contained in these exhibits could taint the market in the event the sale of the Real Property does not close.

All of which is respectfully submitted at Ottawa, Ontario this 9<sup>th</sup> day of July, 2018.

**RAYMOND CHABOT INC.**

Receiver of the assets, undertakings and property of  
730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc. and 2362655 Ontario Inc.,  
and not in its personal capacity.

Per: 

Stanley Loiselle, CIRP, LIT

**TAB D**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

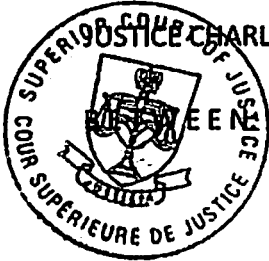
THE HONOURABLE MR.

)  
)  
)

THURSDAY, THE 19<sup>TH</sup> DAY

JUSTICE CHARLES HACKLAND

OF JULY, 2018.



BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. and 2362655 ONTARIO INC.

Respondents

**ORDER**

**THIS MOTION**, made on notice by Raymond Chabot Inc. as Court-Appointed Receiver (the "Receiver") of the Respondents was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario.

**ON READING** the Motion Record filed on behalf of the Receiver, including the First Report of the Receiver dated July 9, 2018 (the "First Report"), and upon hearing the submissions of counsel for the Receiver and counsel for certain other interested parties or such interested parties, all interested parties having been duly served as appears from the Affidavits of Service of Andre Ducasse and Jannika Baird, sworn July 10, 2018, filed,

1. **THIS COURT ORDERS** that these proceedings are hereby transferred from the Superior Court of Justice in Toronto, Ontario to the Superior Court of Justice in Ottawa, Ontario.

2. **THIS COURT FURTHER ORDERS** that the Receiver's First Report is hereby approved and that the activities and conduct of the Receiver and its counsel as recited and set forth in its First Report are hereby ratified and approved.
3. **THIS COURT FURTHER ORDERS** that the Receiver is hereby authorized and directed to assign to the Purchaser (as defined in the First Report) the commercial leases with respect to Cervus Equipment Corporation, Bell Mobility Inc., Nationex Inc. and Gladiator Auto Transport Inc.
4. **THIS COURT FURTHER ORDERS** that the sale by the Receiver of the assets of 730 Holdings Inc. and 2362655 Ontario Inc. and the bills of sale with respect thereto, all as described and set forth in the First Report, are hereby approved.
5. **THIS COURT FURTHER ORDERS** and directs the Receiver to pay to the Canada Revenue Agency ("CRA") a distribution in the amount of \$661.05.
6. **THIS COURT FURTHER ORDERS** that the Receiver's Statement of Receipts and Disbursements, as set forth in the First Report is hereby approved.
7. **THIS COURT FURTHER ORDERS** that the fees and disbursements of the Receiver, including the fees and disbursements of its legal counsel, all as particularized in the First Report, are hereby ratified and approved.
8. **THIS COURT FURTHER ORDERS** that unredacted copies of Confidential Appendices "E" and "H" attached to the First Report shall be kept sealed and confidential and shall not form part of the public record pending further order of this Court.

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

JUL 20 2018

PER / PAR:



The Honourable Mr. Justice Charles Hackland

**BUSINESS DEVELOPMENT BANK OF CANADA**  
Applicant

- and -

**730 HOLDINGS INC. et al.**  
Respondents

Court File No. CV-17-584016-00CL

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

Proceeding Commenced at Toronto

**ORDER**

**SOLOWAY WRIGHT LLP**

Lawyers

700-427 Laurier Avenue West

Ottawa ON K1R 7Y2

**André A. Ducasse - LSUC No.: 044739R**

(613) 236-0111 telephone

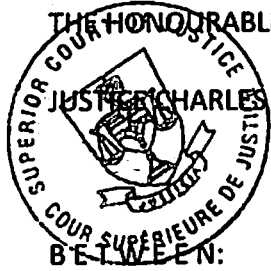
(613) 238-8507 facsimile

Lawyers for the Court-Appointed Receiver, Raymond  
Chabot Inc.

# TAB E



**ONTARIO  
SUPERIOR COURT OF JUSTICE**



THE HONOURABLE MR. )  
JUSTICE CHARLES HACKLAND )

) THURSDAY, THE 19<sup>TH</sup> DAY  
)  
) OF JULY, 2018.

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Applicant**

- and -

**730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. and 2362655 ONTARIO INC.**

**Respondents**

**APPROVAL AND VESTING ORDER**

**THIS MOTION, made by Raymond Chabot Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertakings, properties and assets of the Respondents (the "Debtors") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and 2042066 Ontario Inc. (the "Purchaser") dated May 28, 2018 and appended as a Confidential (redacted) Appendix to the Report of the Receiver dated July 9, 2018 (the "Report"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at the Courthouse, 161 Elgin Street, Ottawa, Ontario.**

**ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the Affidavits of Andre Ducasse and Jannika Baird, sworn on July 10, 2018 filed:**

**1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.**

**2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated November 21, 2017 or the Order of the Honourable Justice McEwen dated December 11, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.**

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Grenville (No. 15) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*: the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent

preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).



---

THE HONOURABLE MR. JUSTICE CHARLES HACKLAND

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

JUL 2 0 2018

PER / PAR:



**Schedule A – Form of Receiver’s Certificate**

**Court File No. CV-17-584016-00CL**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Applicant**

**- and -**

**730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. and 2362655 ONTARIO INC.**

**Respondents**

**RECEIVER’S CERTIFICATE**

**RECITALS**

**A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "Court") dated November 21, 2017, as amended by the Order of the Honourable Justice McEwen dated December 11, 2017, Raymond Chabot Inc. was appointed as the receiver (the "Receiver") of the undertaking, properties and assets of the Respondents (the "Debtors").**

**B. Pursuant to an Order of the Court dated July 19, 2018, the Court approved the agreement of purchase and sale made as of May 28, 2018 (the "Sale Agreement") between the Receiver and 2042066 Ontario Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtors’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have**

been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**RAYMOND CHABOT INC., in its capacity as Receiver of the undertakings, properties and assets of THE RESPONDENTS, and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

## **Schedule B – Purchased Assets**

**The Purchased Assets/Real Property include the following parcel of land:**

- 1. PT LT 6 CON 2 EDWARDSBURGH AS IN PR89727, PT 1 15R8540 & PT 1, 15R9285 EXCEPT PT 1, 15R7354 & PT 2 & 3, 15R10628; S/T PR195859; S/T INTEREST IN PR37581; EDWARDSBURGH/CARDINAL. (PIN: 68150-0142 (LT) LRO #15)**

**Schedule C – Claims to be deleted and expunged from title to Real Property**

The following Claims are to be deleted and expunged from title to the Real Property:

<b>Instrument Number</b>	<b>Date of Registration</b>	<b>Description</b>
GC33572	November 25, 2014	Charge in the amount of \$4,020,000 from 730 Holdings Inc. to Business Development Bank of Canada
GC35887	May 28, 2015	Charge in the amount of \$305,000 from 730 Holdings Inc. to Business Development Bank of Canada
GC33573	November 25, 2014	Notice of Assignment of Rents from 730 Holdings Inc. to Business Development Bank of Canada
GC34659	February 19, 2015	Notice of Lease from 730 Holdings Inc. to Bell Mobility Inc.
GC49753	November 23, 2017	Construction lien registered by Claybar Contracting Inc.
GC50280	January 3, 2018	Certificate registered by Claybar Contracting Inc.

The following registration is to be discharged from the Personal Property Act registry:

<b>PPSA File and Registration Number</b>	<b>Date of Registration</b>	<b>Description</b>
File #: 701804169 Registration #: 20141125 1024 1862 5745	November 26, 2014	"General assignment of rents as it relates to 2085 Shanly Road, Cardinal, Ontario."



**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(unaffected by the Vesting Order)**

**Any Instrument registered against title to the Real Property not listed in Schedule "C" hereto as  
of the date hereof is a permitted encumbrance.**

**BUSINESS DEVELOPMENT BANK OF CANADA**  
Applicant

- and -

**730 HOLDINGS INC. et al.**  
Respondents

Court File No. CV-17-584016-00CL

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

Proceeding Commenced at Toronto

**APPROVAL AND VESTING ORDER**

**SOLOWAY WRIGHT LLP**

Lawyers

700-427 Laurier Avenue West

Ottawa ON K1R 7Y2

André A. Ducasse - LSUC No.: 044739R

(613) 236-0111 telephone

(613) 238-8507 facsimile

Lawyers for the Court-Appointed Receiver, Raymond  
Chabot Inc.

**TAB F**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR. ) WEDNESDAY, THE 8<sup>TH</sup> DAY  
JUSTICE CHARLES HACKLAND ) OF AUGUST, 2018.

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Applicant**

**- and -**

**730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. and 2362655 ONTARIO INC.**

**Respondents**

**AMENDED APPROVAL AND VESTING ORDER**

**THIS MOTION, made by Raymond Chabot Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertakings, properties and assets of the Respondents (the "Debtors") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and 2042066 Ontario Inc. (the "~~Purchaser~~") dated May 28, 2018 and appended as a Confidential (redacted) Appendix to the Report of the Receiver dated July 9, 2018 (the "Report"), and subsequently assigned by 2042066 Ontario Inc. to 2643868 Ontario Inc. (the "Purchaser") by way of assignment agreement dated August 1, 2018, and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day and on July 19, 2018 at the Courthouse, 161 Elgin Street, Ottawa, Ontario.**

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the Affidavits of André Ducasse and Jannika Baird, sworn on July 10, 2018 filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated November 21, 2017 or the Order of the Honourable Justice McEwen dated December 11, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Grenville (No. 15) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*: the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent

preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

A handwritten signature in black ink, appearing to read "Hackland J.", is written above a solid horizontal line.

THE HONOURABLE MR. JUSTICE CHARLES HACKLAND

**Schedule A – Form of Receiver’s Certificate**

Court File No. CV-17-584016-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Applicant**

**- and -**

**730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. and 2362655 ONTARIO INC.**

**Respondents**

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Hailey of the Ontario Superior Court of Justice (the "Court") dated November 21, 2017, as amended by the Order of the Honourable Justice McEwen dated December 11, 2017, Raymond Chabot Inc. was appointed as the receiver (the "Receiver") of the undertaking, properties and assets of the Respondents (the "Debtors").

B. Pursuant to an Orders of the Court dated July 19, 2018 and August 8, 2018, the Court approved the agreement of purchase and sale made as of May 28, 2018 (the "Sale Agreement") between the Receiver and 2042066 Ontario Inc. ~~(the "Purchaser")~~, which Sale Agreement was assigned by 2042066 Ontario Inc. to 2643868 Ontario Inc. (the "Purchaser") by way of assignment agreement dated August 1, 2018, and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for



the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**RAYMOND CHABOT INC., in its capacity as Receiver of the undertakings, properties and assets of THE RESPONDENTS, and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

**Schedule B – Purchased Assets**

The Purchased Assets/Real Property include the following parcel of land:

1. PT LT 6 CON 2 EDWARDSBURGH AS IN PR89727, PT 1 15R8540 & PT 1, 15R9285 EXCEPT PT 1, 15R7354 & PT 2 & 3, 15R10628; S/T PR195859; S/T INTEREST IN PR37581; EDWARDSBURGH/CARDINAL. (PIN: 68150-0142 (LT) LRO #15)

**Schedule C – Claims to be deleted and expunged from title to Real Property**

The following Claims are to be deleted and expunged from title to the Real Property:

<b>Instrument Number</b>	<b>Date of Registration</b>	<b>Description</b>
GC33572	November 25, 2014	Charge in the amount of \$4,020,000 from 730 Holdings Inc. to Business Development Bank of Canada
GC35887	May 28, 2015	Charge in the amount of \$305,000 from 730 Holdings Inc. to Business Development Bank of Canada
GC33573	November 25, 2014	Notice of Assignment of Rents from 730 Holdings Inc. to Business Development Bank of Canada
GC34659	February 19, 2015	Notice of Lease from 730 Holdings Inc. to Bell Mobility Inc.
GC49753	November 23, 2017	Construction lien registered by Claybar Contracting Inc.
GC50280	January 3, 2018	Certificate registered by Claybar Contracting Inc.

The following registration is to be discharged from the Personal Property Act registry:

<b>PPSA File and Registration Number</b>	<b>Date of Registration</b>	<b>Description</b>
File #: 701804169 Registration #: 20141125 1024 1862 5745	November 26, 2014	"General assignment of rents as it relates to 2085 Shanly Road, Cardinal, Ontario"

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(unaffected by the Vesting Order)**

Any Instrument registered against title to the Real Property not listed in Schedule "C" hereto as of the date hereof is a permitted encumbrance.

**BUSINESS DEVELOPMENT BANK OF CANADA**  
Applicant

- and -

**730 HOLDINGS INC. et al.**  
Respondents

Court File No. CV-17-584016-00CL

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

Proceeding Commenced at Toronto

**AMENDED APPROVAL AND VESTING ORDER**

**SOLOWAY WRIGHT LLP**  
Lawyers  
700-427 Laurier Avenue West  
Ottawa ON K1R 7Y2

**André A. Ducasse - LSUC No.: 044739R**  
(613) 236-0111 telephone  
(613) 238-8507 facsimile

Lawyers for the Court-Appointed Receiver, Raymond  
Chabot Inc.

**TAB G**



Soloway Wright LLP  
700 - 427 Laurier Avenue West  
Ottawa ON K1R 7Y2

T: 613.236.0111 | 1.866.207.5880  
F: 613.238.8507  
[www.solowaywright.com](http://www.solowaywright.com)

André A. Ducasse  
Partner  
Direct line: 613.782.3225  
Email address: [aducasse@solowaywright.com](mailto:aducasse@solowaywright.com)

FILE NO: 50434-1003

**BY EMAIL**

November 13, 2018

Stanley Loiselle  
Raymond Chabot Inc.  
1000-116 Albert Street  
Ottawa, ON K1P 5G3

Dear Mr. Loiselle:

**Re: Vetting for Business Development Bank of Canada (the "Bank") Loans to 730 Holdings Inc. (the "Company")**

Further to your request, I have reviewed the loan and security documentation with respect to the above-noted matter.

**Scope of Review**

We have reviewed the Loan Agreements and the Security (as defined below) generally to identify any of the documents or any registrations which do not appear complete and regular on their face or which appear to raise other problems.

In conducting our review, (unless otherwise noted), we have assumed that:

- (a) the persons signing the Loan Agreements and the Security on behalf of the Company were the authorized incumbent officers at the time and that their signatures are genuine;
- (b) any copies of documents which we received are authentic and conform to the originals;
- (c) the standard form documents used by the Bank are effective to create legal, valid and binding security and other obligations in its favour in accordance with their terms;
- (d) there are no agreements to which the Company or its principals are parties which might impair their ability to grant the Security or perform their obligations under the Security; and

---

**Ottawa Office**

700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2  
T: 613.236.0111 | 1.866.207.5880 | F: 613.238.8507

**Kingston Office**

510 – 366 King Street, Kingston ON K7K 6Y3  
T: 613.544.7334 | 1.800.263.4257 | F: 1.800.263.4213

---

- (e) we have been provided with all required loan and security instruments and that the file is complete in this regard.

We have not conducted any searches with respect to the Company and, accordingly, we are not in a position to provide any opinions as to corporate status or title to property.

### **The Loan Agreements**

Pursuant to a Letter of Offer of Credit dated October 17, 2014 (the "First Agreement"), as amended by letter amending agreement dated November 6, 2014 (the "Amending Agreement"), the Bank granted a loan to the Company in the amount of \$4,020,000.00 repayable by way of 300 monthly instalments in the amount of \$13,400.00 each, with interest at the Bank's Floating Base Rate, plus a variance thereon of 0.25%. A copy of the First Agreement and the Amending Agreement is attached hereto at Tabs 1 and 2, respectively.

Pursuant to a further Letter of Offer of Credit dated October 17, 2014 (the "Second Agreement"), as amended by the Amending Agreement, the Bank granted a further loan to the Company in the amount of \$100,000.00 repayable by way of an initial payment in the amount of \$2,060.00 followed by 59 monthly payments in the amount of \$1,660.00 each, with interest at the Bank's Floating Base Rate, plus a variance thereon of 2.0%. A copy of the Second Agreement is attached at Tab 3.

The terms of the First Agreement were accepted by "K. Rattan" on behalf of the Company on October 22, 2014 in his capacity as an "Authorized Signing Officer" of the Company. Presumably, the signatory is Kanwaljeet Rattan who is identified as a director of the Company in the Company's corporate profile report, a copy of which is attached at Tab 4.

The terms of the Second Agreement were accepted by "Ken Rattan" on behalf of the Company on October 22, 2014 in his capacity as an "Authorized Signing Officer" of the Company. Our understanding is that Kanwaljeet Rattan is also known as Ken Rattan. We would ask that you please advise us should our understanding in this regard be incorrect.

The terms of the Amending Agreement were accepted by "Kanwaljeet Rattan" on behalf of the Company in his capacity as an "Authorized Signing Officer" of the Company. However, Mr. Rattan failed to confirm the date on which the Amending Agreement was signed, which should have been done.

For convenience, the First Agreement, the Second Agreement and the Amending Agreement are hereinafter collectively referred to as the "Loan Agreements".

The First Agreement provides that it was to be secured in part by the following:

- a first-ranking mortgage (the "Mortgage") in the principal amount of \$4,020,000.00 encumbering title to the property municipally known as 2085 Shanly Road/County Road 22, Cardinal, Ontario (the "Property"); and



- a first-ranking general assignment of rents from the Company (the "Rents Assignment").

The Second Agreement provides that it was to be secured in part by the following:

- a General Security Agreement (the "GSA") constituting a first-ranking security interest in certain equipment, along with a security-interest in the Company's personal property.

For convenience, the security instruments detailed above are hereinafter collectively referred to as the "Security".

### **The Bank's Security**

The Bank's first-ranking Mortgage was registered against title to the Property as Instrument No. GC33572 on November 25, 2014 and secures the principal amount of \$4,020,000.00, along with interest and costs. For your convenience, we enclose at Tab 5 a copy of the said Instrument and the parcel register for the Property, which confirm that the Bank's mortgage was duly registered against title to the Property.

We have been provided with an Assignment of Rents agreement dated November 12, 2014, which was signed by Mr. Rattan on behalf of the Company in his capacity as the Company's president. The parcel register for the company (Tab 5) confirms that the Rents Assignment was registered on title to the Property as Instrument No. 33573 on November 25, 2014. Moreover, the Bank registered the Rents Assignment pursuant to the PPSA on November 25, 2014. We enclose a copy of the Rents Assignment Agreement and the above Instrument, and the PPSA search results at Tabs 6 and 7, respectively.

We have been provided with two identical copies of the GSA, one of which is dated January 6, 2015 and the other May 19, 2015. The signatory of each of GSA was Mr. Rattan in his capacity as the Company's president. A copy of each GSA is attached at Tab 8.

The enclosed PPSA search results (Tab 7) confirm that the Bank is the Company's sole secured creditor and that the Bank's security interest in the Company's assets was duly perfected by registration pursuant to the PPSA. The Bank's collateral identified in the PPSA search results are inventory, equipment, accounts and "other".

### **Opinion**

Subject to the comments made above, the Loan Agreements and Security appear to have been executed by Mr. Rattan on behalf of the Company in his capacity as the Company's president or an "authorized signing officer" thereof. Given that at all material times Mr. Rattan held himself out as having authority to bind the Company, appeared to have authority to bind the Company and is confirmed as being a registered director thereof in the Company's corporate profile report, the Loan

Agreements and the Security appear to have been properly executed and registered and are therefore valid and enforceable in accordance with their terms.

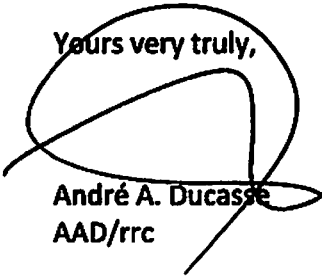
**General Qualifications**

The enforceability of the Security is also subject to the following qualifications which arise under laws of general application:

- (a) The effect of any applicable bankruptcy, insolvency, reorganization, preference, moratorium, liquidation or similar laws relating to or affecting creditors rights generally;
- (b) The equitable and statutory powers of the courts to stay proceedings before them;
- (c) The execution of judgments and equitable remedies, such as specific performance and injunctions, which are available only at the discretion of a court of competent jurisdiction;
- (d) The equitable and statutory powers of the courts to relieve against penalties of mortgagors and to impose such terms with respect to them as the court sees fit; and
- (e) The powers of a receiver being circumscribed by or subject to the review of the court.

I trust the foregoing is satisfactory and please do not hesitate to contact me should you wish to further discuss this matter.

Yours very truly,



André A. Ducasse  
AAD/rrc

Encls.

**TAB 1**



BDCID: 10000853670

Letter of Offer dated October 17, 2014

730 Holdings Inc.  
2085 Shanly Rd  
Cardinal, ON  
K0E 1E0

Attention of: Mr. Karwaljeet Rattan

Re: Loan(s) No. 082573-01

In accordance with this letter of offer of credit as amended from time to time (the "Letter of Offer"), Business Development Bank of Canada ("BDC") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "Loan"). The Letter of Offer is open for acceptance until October 27, 2014 (the "Acceptance Date") after which date it shall become null and void.

**LOAN PURPOSE AND FUNDING****Loan Purpose**

Replacement of Sewage System	1,300,000.00
Construction of new Gas Bar	420,000.00
Hotel room conversion	200,000.00
Refinance BMO mortgage	2,100,000.00
	<hr/>
	4,020,000.00

**Funding**

BDC 082573-01	4,020,000.00
	<hr/>
	4,020,000.00

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

**DEFINITIONS**

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

**LENDER**

BDC

Business Development Bank of Canada  
1000 Gardiner Road, Suite 201  
Kingston, ON K7P 3C4  
www.bdc.ca

Canada

B1100-LV14

LETTER OF OFFER 730 Holdings Inc. – 082573-01, October 17, 2014

**BORROWER**

730 Holdings Inc. (the "Borrower")

**GUARANTOR**

2382855 Ontario Inc.

~~730 Truck Stop Inc.~~

*To be removed.*

Kanwaljeet S. Rattan

Balbir S. Sarai

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

**LOAN AMOUNT**

Loan 082573-01: \$4,020,000.00

**INTEREST RATE**

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

Loan 082573-01

**Floating Rate**

BDC's Floating Base Rate plus a variance of 0.25% per year (the "Variance 01"). On the date hereof, BDC's Floating Base Rate is 5.00% per year.

**INTEREST CALCULATION**

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

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

**REPAYMENT**

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

LETTER OF OFFER 730 Holdings Inc. – 082573-01, October 17, 2014

**Loan 082573-01**

**Regular**

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
300	Monthly	13,400.00	01-04-2016	01-03-2041

In addition, interest is payable monthly on the 1<sup>st</sup> day of the month (the "Payment Date 01") commencing on the next occurring Payment Date 01 following the first advance on the Loan.

**Maturity Date: March 1, 2041 (the "Maturity Date 01").**

**PREPAYMENT**

**Annual Prepayment Privilege:** Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after October 17, 2014. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.

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

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

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

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

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

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

LETTER OF OFFER 730 Holdings Inc. – 082573-01, October 17, 2014

**SECURITY**

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

**Loan 082573-01**

1. First readvanceable mortgage in the principal amount of \$4,020,000 on land (approx. 37.72 acres) legally described as Pt Lt 6 Con 2 Edwardsburgh As In PR 89727, Pt 1 15R8540 & Pt 1, 15R9285 Except Pt 1, 15R7354 & Pt 2 & 3, 15R10628; S/T PR195859; S/T Interest In PR37581; Edwardsburgh/Cardinal and buildings (approx. 42,200 sq. ft.) located at 2085 Shanly Road, Cardinal, Ontario, owned by 730 Holdings Inc. Building location survey or title insurance required.
2. Guarantee of 2362655 Ontario Inc. for the full amount of loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject to prior charge on inventory and receivables in favour of lender providing operating line of credit. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.
3. Postponement of shareholder loans totalling \$ 1,250,000. Interest may not be paid.
4. First registered general assignment of rents from 730 Holdings Inc. Rent may be paid to lessor until notified by BDC. No prepayment without BDC's approval.
5. Joint and Several Guarantee of Kanwaljeet S. Rattan and Balbir S. Saral for 25% of the outstanding Loan amount. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.
6. Guarantee of 730 Truck Stop Inc. for the full amount of loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees. } To be reviewed

**DISBURSEMENT**

The Loan funds shall be disbursed as follows:

**Loan 082573-01**

1. Funds will be disbursed through solicitor in trust once all required security and conditions of this Letter of Offer have been completed to BDC's satisfaction.

For the BMO mortgage being refinanced as described in the Loan Purpose, written confirmation of the payout balance must be obtained directly from BMO or from the external solicitor/notary.

**2. Septic System project:**

BDC will disburse upon receipt of a work permit and invoices evidencing expenditures under the Loan Purpose. The amount disbursed for the septic tank project shall not exceed 100% of the total dollar amount of invoices submitted to a maximum of \$1,300,000, (excluding applicable taxes), less any applicable holdbacks.

Prior to each disbursement, the Borrower must submit a report, certified by an Architect acceptable to BDC, establishing in detail:

- the stage of completion of the construction project
  - any change (proposed or planned) to the initial budget, plans and specifications with the value of these changes
  - the amount and purpose of advances required for the current period and the expenses incurred and paid
  - the budgeted costs to be incurred to complete the project
  - the holdback amounts, required by all parties, including BDC (when required under applicable provincial or territorial legislation
- BDC may, in its sole discretion, require additional and more detailed reporting

**HOLDBACKS:**

Each disbursement will be subject to a holdback equal to 10% of the amount certified for payment by the Architect acceptable to BDC. The total holdback shall be disbursed only upon completion of the following:

- Borrower has provided BDC with a copy of the Certificate of Substantial Performance confirming that the entire project is complete, issued by the Architect in compliance with applicable legislation;
- The Borrower has provided BDC with satisfactory proof that 45 days have passed following publication of the Certificate in a construction trade newspaper; and
- The Borrower has provided BDC with a final report, satisfactory to BDC in its sole discretion, certified by an Architect acceptable to BDC, confirming:
  - The construction completion date;
  - That all work pertaining to plans and specifications has been completed and there are no deficiencies to the final construction.

**Conversion to motel rooms project:**

The maximum that BDC will disburse will not exceed 100% of the project element BDC is financing. BDC will disburse upon receipt of invoices evidencing expenditures under the Loan Purpose. The amount disbursed for the project shall not exceed 100% of the total dollar amount of invoices submitted to a maximum of \$200,000, (excluding applicable taxes), less any applicable holdbacks. Any expenditures exceeding \$200,000 will be covered by shareholder investment which will be injected prior to BDC disbursements.

All invoices are to be recorded on the "Construction Worksheet" which must provide the following in detail:

- the stage of completion of the construction project
  - any change (proposed or planned) to the initial budget, plans and specifications with the value of these changes
  - the amount and purpose of advances required for the current period and the expenses incurred and paid
  - the budgeted costs to be incurred to complete the project
- BDC may, in its sole discretion, require additional and more detailed reporting.



LETTER OF OFFER 730 Holdings Inc. – 002573-01, October 17, 2014

**Construction of Gas Bar:**

BDC will disburse upon receipt of invoices evidencing expenditures under the Loan Purpose. The amount disbursed for the Gas Bar construction project shall not exceed 100% of the total dollar amount of invoices submitted to a maximum of \$420,000, (excluding applicable taxes), less any applicable holdbacks.

3. Prior to Security being placed, \$375,000 of this Loan (a "Fast Track Disbursement") may be disbursed if:

1) BDC receives a promissory note for the full amount of the disbursement signed by each of:

- 730 Holdings Inc. represented by a duly authorized representative;
- 2362655 Ontario Inc. represented by a duly authorized representative;
- Kanwaljeet S. Rattan in his personal capacity as guarantor of the Loan; and
- Balbir S. Saral in his personal capacity as guarantor of the Loan

2) And provided that the following conditions have been met (without requiring satisfaction of any other conditions contained in the Conditions Precedent section in this Letter of Offer)

1. Satisfactory review of all financial information relating to the Borrower and any corporate Guarantor and their respective business as BDC may reasonably require.
2. No Default or Event of Default shall have occurred.
3. No Material Adverse Change shall have occurred.

Invoices evidencing expenditures under the Loan Purpose covered by this Fast Track Disbursement will be required prior to any subsequent disbursement. It will be an Event of Default on the Loan if the Borrower and any other required parties fail to execute and deliver all required Security to BDC within 30 days after BDC provides a written request to the Borrower to do so.

When all the required Security and conditions set out in this Letter of Offer have been completed to BDC's satisfaction, the promissory note will be irrevocably cancelled.

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

**CONDITIONS PRECEDENT**

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

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to the Borrower and any corporate Guarantor and their respective business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.

5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.
7. Submit a Phase I – Environmental Site Assessment Report prepared by an external consultant commissioned by BDC for the property located at 2085 Shanly Road, Cardinal, Ontario. The report should specifically address: groundwater contamination consisting of various metals and their source as mentioned in previous reports provided to the Bank, comments surrounding the conditions of the UST's piping/connections and Pump Island for both the Flying J cardlock facility and the Pioneer retail fuel islands and comments concerning contaminants found in the groundwater as identified in previous reports and the potential for migration to the well.  
The contents and the conclusions of the Report(s) must all be acceptable to BDC. The Borrower is responsible for the payment of all charges relative to the preparation of the report(s).
8. Provide evidence that Fixed Site Pollution Liability Insurance covering the premises and operations is in effect with the following conditions:
  - a. Limits of not less than \$2,000,000 per occurrence and in the aggregate;
  - b. Such insurance shall apply to all aboveground and underground tank systems (and associated piping) located on or under the site, located at 2085 Shanly Road, Cardinal, Ontario;
  - c. Off-site third party cleanup costs;
  - d. On-site cleanup costs including a First Party Discovery Trigger (coverage to apply irrespective of a third party claim or regulatory cleanup order);
  - e. Loss arising from loading/unloading;
  - f. BDC and the Landlord to be named as an Additional Insured;
  - g. Coverage is not subject to any time element discovery/reporting restrictions;
  - h. 30 days prior written notice of cancellation clause in favour of BDC.

Policy must specifically include coverage for underground storage tanks.
9. Provide copy of the signed and executed dealer commission plan and equipment agreement between Pioneer Energy LP and 2382655 Ontario Inc. for a term not less than 10 years, with no material difference in terms and conditions of the draft dealer agreement dated July 8, 2014 previously provided to the Bank, including the borrower's written confirmation that it will not accept any interest free financing from Pioneer Energy LP for Dealer Improvements.
10. Provide a review engagement financial statement as of March 31, 2014 which shows no Material Adverse Change in the financial position of 2382655 Ontario Inc. since the draft Notice to Reader financial statements dated March 31, 2014. These financial statements must report:
  - a) Minimum Sales of \$3,635,000
  - b) Minimum Available Funds of \$61,000
  - c) Minimum Net Profit of \$15,000
  - d) Minimum Tangible Equity of \$512,000
  - e) No debt
11. Provide a Notice to Reader financial statement as of March 31, 2014 which shows no Material Adverse Change in the financial position of 730 Truck Stop Inc. since the draft Notice to Reader financial statements dated March 31, 2014. These financial statements must report:
  - a) Minimum Sales of \$300,000

- b) Minimum Available Funds of \$98,000
  - c) Minimum Tangible Equity of \$754,000
  - d) Maximum Term Debt to Tangible Equity Ratio of 1.71:1
12. Provide written evidence that an operating credit of not less than \$100,000 has been established in favour of the Borrower by a financial institution acceptable to BDC and on terms and conditions satisfactory to BDC.
  13. Prior to disbursement of final \$200,000, obtain a building permit and construction contract acceptable to BDC for the main building 2nd floor conversion to motel rooms project at 2085 Shanly Road, Cardinal, Ontario, from a general contractor supporting the construction costs of \$200,000.

#### **UNDERLYING CONDITIONS**

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

1. You agree to manage your storage tanks in accordance with the regulation in effect and to report to BDC all cases of non-compliance or environmental problem related to the storage tanks and their ancillary piping installations. You further agree to observe all of the conditions of the Technical Standards and Safety Act, the Liquid Fuels Handling code, the Environmental Protection Act and any other relevant requirement of any governmental body or agency or any other competent authority whether local or otherwise. Upon demand you will provide copies of any reports and/or communications with regulatory bodies or agencies and yourselves.
2. BDC reserves the right to obtain Environmental Compliance Audit Reports and/or Phase I or II - Environmental Site Assessment Reports during the term of the loan. BDC will determine in its sole discretion and judgment the type of report(s) and the frequency for obtaining the said report(s). The report(s) will be prepared according to BDC's standards and may consist of a new report or an update of an existing report. The Borrower is responsible for payment of all charges relative to the preparation of the reports.
3. You shall abide by the following conditions in relation to the renting to, and occupancy by, third parties of realty relating to your business:
  - a) provide BDC with a copy of all current and future leases (including sub-leases), the terms and conditions of which must be acceptable to BDC and which must be subject to the terms and conditions of this Letter of Offer;
  - b) inform BDC immediately of any change of tenants or occupants, current and future, and obtain BDC's prior approval of all new tenants or occupants;
  - c) ensure that all tenants, sub-tenants and occupants, current and future, conform to BDC's policy regarding "Ineligible Activities" as described in this Letter of Offer and respect all environmental laws and regulations;
  - d) include in all new leases, lease renewals and sub-leases a clause requiring that the tenant(s) and occupant(s) conform to BDC's policy regarding "Ineligible Activities" as described in this Letter of Offer and a clause containing a covenant to respect all environmental laws and regulations.
  - e) refrain from amending leases and sub-leases without BDC's prior consent;

- f) pay the cost of serving such legal and other notices to your tenants as BDC may deem necessary from time to time to protect BDC's interests in relation to this Loan.
4. You agree to provide to BDC annually, upon demand, written proof of your payment of the property, school or similar taxes which are assessed against the mortgaged land and improvements (the "taxes"), within thirty (30) days following the due date of each required instalment. Should you default in paying any such instalment of the taxes when due, you will pay BDC monthly payments as calculated by BDC to establish a tax reserve account. These payments will be collected by the pre-authorized debit plan and the funds in the account will earn interest in accordance with BDC's policy then in effect. You authorize BDC to pay the relevant taxing authorities. Should there be insufficient funds to satisfy the taxes owing, you will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. You will instruct the taxing authority to forward a copy of the tax notice to BDC, or you will deliver a copy to BDC upon receipt.
  5. You agree to assume all program cost overruns and HST without prejudice to the security held by BDC.
  6. 2362655 Ontario Inc. shall maintain a Dealer Commission Plan Agreement with Pioneer Energy L.P. and with SFJ Inc. for the location at 2085 Shanly Road, Cardinal, Ontario for the duration of the loan. Any changes to the agreements shall be subject to prior written Bank approval.
  7. You agree to maintain in effect Fixed Site Pollution Liability Insurance covering the premises and operations with the following conditions:
    - a. Limits of not less than \$2,000,000 per occurrence and in the aggregate;
    - b. Such insurance shall apply to all aboveground and underground tank systems (and associated piping) located on or under the site, located at 2085 Shanly Road, Cardinal, Ontario;
    - c. Off-site third party cleanup costs;
    - d. On-site cleanup costs including a First Party Discovery Trigger (coverage to apply irrespective of a third party claim or regulatory cleanup order);
    - e. Loss arising from loading/unloading;
    - f. BDC and the Landlord to be named as an Additional Insured;
    - g. Coverage is not subject to any time element discovery/reporting restrictions;
    - h. 30 days prior written notice of cancellation clause in favour of BDC.

Policy must specifically include coverage for underground storage tanks.
  8. If, during the life of the loan, the borrower or any tenant of the borrower, undertakes any demolition and/or renovation to the property at 2085 Shanly Rd., Cardinal, Ontario, the borrower will engage a qualified Environmental Consultant to complete a Designated Substances Survey, in accordance with Ontario Regulation 278/05. If a Designated Substances survey confirms the presence of designated substances containing materials, then a written Designated Substances Management Program is to be developed. The borrower agrees to develop and implement all the recommendations in the Designated Substances Management Program and ensure that all contractors and trades persons are provided a copy of said Program.
  9. You will maintain a long term debt/ tangible equity ratio not exceeding 3.5:1 for the duration of the Loan.

#### **REPRESENTATIONS AND WARRANTIES**

The Borrower makes the representations and warranties in Schedule "A" – Section II. These

LETTER OF OFFER 730 Holdings Inc. – 082573-01, October 17, 2014

representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Borrower pursuant to the Loan Documents.

#### **COVENANTS**

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

#### **REPORTING OBLIGATIONS**

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

Company	Type	Frequency	Period Ending
2362655 Ontario Inc.	Review Engagement	Annual	March
730 Holdings Inc.	Notice to Reader	Annual	March

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

#### **EVENTS OF DEFAULT**

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

#### **FEES**

##### **Cancellation Fee**

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

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

##### **Loan 082573-01**

Lapsing Date: October 17, 2015 (the "Lapsing Date 01").

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

LETTER OF OFFER 730 Holdings Inc. – 082573-01, October 17, 2014

---

### **Standby Fee**

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

### **Loan 082573-01**

Rate: 1.50% per annum

Date: April 17, 2015

### **Legal Fees and Expenses**

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

### **Loan Management Fee**

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

### **Loan 082573-01**

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

### **Transaction Fees**

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

### **CONFLICTS**

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

### **INDEMNITY**

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

**GOVERNING LAW**

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

**SUCCESSORS AND ASSIGNS**

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

**ACCEPTANCE**

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

**SCHEDULE**

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

**LANGUAGE CLAUSE**

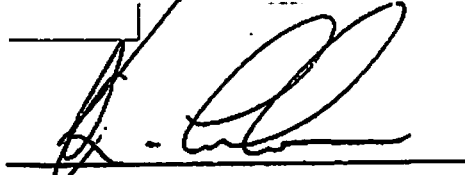
The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

LETTER OF OFFER 730 Holdings Inc. – 082573-01, October 17, 2014

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



Susan Thurlow  
Senior Account Manager, Acquisition  
Phone: (613) 389-5680  
Fax: (613) 389-2543  
Susan.Thurlow@bdc.ca



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



LETTER OF OFFER 730 Holdings Inc. - 082573-01, October 17, 2014

**ACCEPTANCE**

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

This 22 day of October 2014.

730 Holdings Inc.

  
\_\_\_\_\_, Authorized Signing Officer

Name: K. Rattan  
*(Please print name of signing party)*

**GUARANTOR(S)**

2362685 Ontario Inc.


  
\_\_\_\_\_, Authorized Signing Officer

Name: K. Rattan  
*(Please print name of signing party)*

730 Truck Stop Inc. *To be removed*

\_\_\_\_\_, Authorized Signing Officer

Name: \_\_\_\_\_  
*(Please print name of signing party)*

Kanwaljeet S. Rattan  
  
Name: Kanwaljeet S. Rattan

Balbir S. Sarai  
  
Name: Balbir S. Sarai

**LETTER OF OFFER 730 Holdings Inc. – 082573-01, October 17, 2014**

---

October 17, 2014

## SECTION I - DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Material Adverse Change" – means:

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

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

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

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

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

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

## SECTION II - REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to BDC that:

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

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

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

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

### SECTION III - COVENANTS

The Borrower and each corporate Guarantor shall:

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

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

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

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

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

11. Not engage in, or permit their premises to be used by a tenant or other Person, for any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:

- a. businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; businesses that are engaged in or associated with illegal activities; businesses trading in countries that are proscribed by the Federal Government;
- b. businesses that operate as stand-alone nightclubs, bars, lounges, cabarets, casinos, discotheques, video arcades, pool and billiard halls, and similar operations; or
- c. businesses that promote nudism and naturism.

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

#### SECTION IV - EVENTS OF DEFAULT

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

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

#### SECTION V - GENERAL TERMS AND CONDITIONS

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

##### Other Available Interest Rate Plans

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

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

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

##### Interest Adjustment Date

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

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

##### Pre-Authorized Payment System

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

##### Application of Payments

All payments shall be applied in the following order:

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

730 Holdings Inc.

## SCHEDULE "A"

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

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

#### Consent to Obtaining Information

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

#### Notices

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

#### Joint and Several Liability

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

#### Anti-Money Laundering/Know Your Client

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

#### Confidentiality

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

#### Changes in Accounting Standards

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



**TAB 2**



BDCID: 10000987627

November 6, 2014

Mr. Karwaljeet Rattan  
 730 Holdings Inc.  
 2085 Shanly Rd  
 Cardinal, ON  
 K0E 1E0

**Re: BDC Loan 082573-01 and 082573-03**

Dear Mr. Rattan:

We write in reference to our Letters of Offer for Loan No. 082573-01 and 082573-03, and any subsequent amendments thereto. Subject to the terms set out below, the following amendments will be made to your loan(s).

#### LOAN PURPOSE AND FUNDING

Loan Purpose and Funding for Loan No. 082573-01 and 082573-03, has been amended as per the table below:

##### *Previous Loan Purpose and Funding*

Loan Purpose	
Replacement of Sewage System	1,300,000
Construction of new Gas Bar	420,000
Hotel room conversion	200,000
Refinance BMO mortgage	2,100,000
<b>Total</b>	<b>\$ 4,020,000</b>

##### *Amended Loan Purpose and Funding*

Loan Purpose	
Replacement of Sewage System	1,300,000
Construction of new Gas Bar	420,000
Refinance BMO mortgage	2,300,000
<b>Total</b>	<b>\$ 4,020,000</b>

Funding	
BDC 082573-01	4,020,000

Funding	
BDC 082573-01	4,020,000

**Total** \$ 4,020,000

**Total** \$ 4,020,000

#### **Amendments – Loan No. 082573-01:**

#### REPAYMENT

Outstanding principal balance of this Loan, being \$4,020,000 is now repayable as follows:

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

Canada

EN\_104\_FH\_v22



### Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
300	Monthly	13,400.00	01-11-2016	01-10-2041

Accordingly, the final payment will be due on October 01, 2041, (the "Maturity Date"). Interest remains payable monthly.

All payments are to be made on the 1<sup>st</sup> day of the month (the "Payment Date"). This change will come into effect six (6) working days after the date of this letter.

### SECURITY

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

- Guarantee of 730 Truck Stop Inc. for the full amount of loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.

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

### DISBURSEMENT

The following existing disbursement condition relating to this Loan:

#### Septic System project:

BDC will disburse upon receipt of a work permit and invoices evidencing expenditures under the Loan Purpose. The amount disbursed for the septic tank project shall not exceed 100% of the total dollar amount of invoices submitted to a maximum of \$1,300,000, (excluding applicable taxes), less any applicable holdbacks.

Prior to each disbursement, the Borrower must submit a report, certified by an Architect acceptable to BDC, establishing in detail:

- the stage of completion of the construction project
  - any change (proposed or planned) to the initial budget, plans and specifications with the value of these changes
  - the amount and purpose of advances required for the current period and the expenses incurred and paid
  - the budgeted costs to be incurred to complete the project
  - the holdback amounts, required by all parties, including BDC (when required under applicable provincial or territorial legislation)
- BDC may, in its sole discretion, require additional and more detailed reporting



**HOLDBACKS:**

Each disbursement will be subject to a holdback equal to 10% of the amount certified for payment by the Architect acceptable to BDC. The total holdback shall be disbursed only upon completion of the following:

- Borrower has provided BDC with a copy of the Certificate of Substantial Performance confirming that the entire project is complete, issued by the Architect in compliance with applicable legislation;
- The Borrower has provided BDC with satisfactory proof that 45 days have passed following publication of the Certificate in a construction trade newspaper; and
- The Borrower has provided BDC with a final report, satisfactory to BDC in its sole discretion, certified by an Architect acceptable to BDC, confirming:
  - The construction completion date;
  - That all work pertaining to plans and specifications has been completed and there are no deficiencies to the final construction.

**Conversion to motel rooms project:**

The maximum that BDC will disburse will not exceed 100% of the project element BDC is financing. BDC will disburse upon receipt of invoices evidencing expenditures under the Loan Purpose. The amount disbursed for the project shall not exceed 100% of the total dollar amount of invoices submitted to a maximum of \$200,000, (excluding applicable taxes), less any applicable holdbacks. Any expenditures exceeding \$200,000 will be covered by shareholder investment which will be injected prior to BDC disbursements.

All invoices are to be recorded on the "Construction Worksheet" which must provide the following in detail:

- the stage of completion of the construction project
  - any change (proposed or planned) to the initial budget, plans and specifications with the value of these changes
  - the amount and purpose of advances required for the current period and the expenses incurred and paid
  - the budgeted costs to be incurred to complete the project
- BDC may, in its sole discretion, require additional and more detailed reporting.

**Construction of Gas Bar:**

BDC will disburse upon receipt of invoices evidencing expenditures under the Loan Purpose. The amount disbursed for the Gas Bar construction project shall not exceed 100% of the total dollar amount of invoices submitted to a maximum of \$420,000, (excluding applicable taxes), less any applicable holdbacks.

is modified and is now replaced with:

**Septic System project:**

BDC will disburse upon receipt of a work permit and invoices evidencing expenditures under the Loan Purpose. The amount disbursed for the septic tank project shall not exceed 100% of the total dollar amount of invoices submitted to a maximum of \$1,300,000, (excluding applicable taxes), less any applicable holdbacks.

**HOLDBACKS:**

Each disbursement will be subject to a holdback equal to 10% of the amount certified for payment by the project engineer or other acceptable supplier. The total holdback shall be



disbursed only upon completion of the following:

- The Borrower has provided BDC with a final engineer's inspection report, satisfactory to BDC in its sole discretion, confirming that all specification and requirements outlined in the MOE approval are met and project is complete.

All Invoices are to be recorded on the "Construction Worksheet" which must provide the following in detail:

- the stage of completion of the construction project
  - any change (proposed or planned) to the initial budget, plans and specifications with the value of these changes
  - the amount and purpose of advances required for the current period and the expenses incurred and paid
  - the budgeted costs to be incurred to complete the project
- BDC may, in its sole discretion, require additional and more detailed reporting.

Construction of Gas Bar:

BDC will disburse upon receipt of Invoices evidencing expenditures under the Loan Purpose. The amount disbursed for the Gas Bar construction project shall not exceed 100% of the total dollar amount of Invoices submitted to a maximum of \$420,000, (excluding applicable taxes), less any applicable holdbacks.

#### **CONDITIONS Precedent**

The following conditions precedent no longer apply to this Loan:

- Prior to disbursement of final \$200,000, obtain a building permit and construction contract acceptable to BDC for the main building 2nd floor conversion to motel rooms project at 2085 Shanly Road, Cardinal, Ontario, from a general contractor supporting the construction costs of \$200,000.

#### **Amendments – Loan No. 082573-03:**

#### **UNDERLYING CONDITIONS**

The following underlying conditions no longer apply to this Loan:

- You agree to provide to BDC annually, upon demand, written proof of your payment of the property, school or similar taxes which are assessed against the mortgaged land and improvements (the "taxes"), within thirty (30) days following the due date of each required instalment. Should you default in paying any such instalment of the taxes when due, you will pay BDC monthly payments as calculated by BDC to establish a tax reserve account. These payments will be collected by the pre-authorized debit plan and the funds in the account will earn interest in accordance with BDC's policy then in effect. You authorize BDC to pay the relevant taxing authorities. Should there be insufficient funds to satisfy the taxes owing, you will



pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. You will instruct the taxing authority to forward a copy of the tax notice to BDC, or you will deliver a copy to BDC upon receipt.

These amendments are now in effect.

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

Yours truly,

A handwritten signature in black ink, appearing to read 'Susan Thurlow', is written over a dotted line.

Susan Thurlow  
Senior Account Manager  
Phone: (613) 389-5680  
Susan.Thurlow@bdc.ca

Encl.

Business Development Bank of Canada  
1000 Gardiners Road  
Suite 201  
Kingston, Ontario.  
K7P 3C4

Attention: Susan Thurlow

Re: BDC Loan 082673-01 and 082673-03

The undersigned accept the terms and conditions set forth in BDC's letter of Amendment dated November 8<sup>th</sup>, 2014.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

730 Holdings Inc.



\_\_\_\_\_, Authorized Signing Officer.

Name: Kanwaljeet S. Rattan

**GUARANTORS**

2362655 Ontario Inc.



\_\_\_\_\_, Authorized Signing Officer

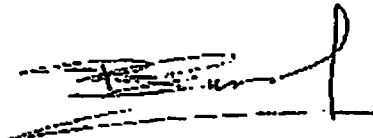
Name: Kanwaljeet S. Rattan

Kanwaljeet S. Rattan



Name: Kanwaljeet S. Rattan

Balbir S. Saral



Name: Balbir S. Saral

**TAB 3**





BDCID: 10000854140

Letter of Offer dated October 17, 2014

730 Holdings Inc.  
2085 Shanly Rd  
Cardinal, ON  
K0E 1E0

Attention of: Mr. Kanwaljeet Rattan

Re: Loan No. 082673-03

In accordance with this letter of offer of credit as amended from time to time (the "Letter of Offer"), Business Development Bank of Canada ("BDC") is pleased to offer you the following loan (the "Loan"). The Letter of Offer is open for acceptance until October 27, 2014 (the "Acceptance Date") after which date it shall become null and void.

**LOAN PURPOSE AND FUNDING**

<b>Loan Purpose</b>	
Equipment Line	100,000.00
	<hr/>
	100,000.00
<b>Funding</b>	
BDC 082673-03	100,000.00
	<hr/>
	100,000.00

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

**DEFINITIONS**

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

**LENDER**

BDC

**BORROWER**

730 Holdings Inc. (the "Borrower")

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

Canada

LETTER OF OFFER 730 Holdings Inc. - 082573, October 17, 2014

---

**GUARANTOR**

2362855 Ontario Inc.

Kanwaljeet S. Rattan

Balbir s. Saral

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

**LOAN AMOUNT**

\$ 100,000.00

**INTEREST RATE**

The Loan and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at BDC's Floating Base Rate plus a variance of 2.00% per year (the "Variance"). On the date hereof, BDC's Floating Base Rate is 5.00% per year.

The Loan must remain on a floating rate up until the Lapsing Date (as defined herein) or full disbursement of the Loan, whichever occurs first, at which time the Borrower may choose to remain on a floating rate or may choose a fixed interest rate plan.

**INTEREST CALCULATION**

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

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

**REPAYMENT**

Principal is repayable as follows:

**Regular**

Payments			Start Date	End Date
Number	Frequency	Amount ((\$))		
1	Once	2,080.00	30-09-2015	30-09-2015
59	Monthly	1,680.00	31-10-2015	31-08-2020

In addition, interest is payable monthly on the 30<sup>th</sup> day of the month (the "Payment Date") commencing on the next occurring Payment Date following the first advance on the Loan.

On August 31, 2020 (the "Maturity Date"), the balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable.

#### **PREPAYMENT**

If the interest rate on the Loan is a floating rate: the Borrower may prepay at any time all or part of the principal provided the Borrower pays the interest owing up to the time of the prepayment.

If the interest rate on the Loan is a fixed rate: the Borrower may prepay at any time all or part of the principal provided the Borrower pays the interest owing up to the time of the prepayment and the Interest Differential Charge.

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

#### **SECURITY**

LETTER OF OFFER 730 Holdings Inc. - 082573, October 17, 2014

---

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

1. General Security Agreement from 730 Holdings Inc. providing: (1) a first security interest in the specific equipment being financed under this Loan and any existing BDC first security interest on specific equipment and, (2) a security interest in all other present and after-acquired personal property, subject to all existing and future charges unless limited by an existing Letter of Offer with the Borrower or an agreement with another creditor.
2. Joint and Several Guarantee of Kanwaljeet S. Rattan and Balbir S. Saral 25% of the Loan amount outstanding from time to time. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.
3. Guarantee of 2362655 Ont for the full amount of the loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject to prior charge on inventory and receivables in favour of lender providing operating line of credit. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees. Existing General Security Agreement will stand as security for this Loan.

#### **DISBURSEMENT**

The Loan funds shall be disbursed as follows:

1. Prior to the Lapsing Date (as defined herein), BDC will disburse the Loan in one or more advances as requested by the Borrower and upon receipt from the Borrower of copies of invoices evidencing the purchase of equipment permitted under the Loan Purpose. Such invoices must be in the name of the Borrower or Guarantor who has granted security (GSA) to BDC and clearly describe the goods purchased, including make, model and serial/VIN/registration numbers when applicable.

Disbursements for deposits and progress payments may be made, provided that the aggregate outstanding amount of funds so disbursed shall not at any given time exceed, prior to the delivery of equipment, the lesser of the authorized loan amount or \$500,000, and provided further that the undisbursed portion of the Loan shall at all times remain sufficient to cover all remaining payments on such equipment.

Loan or part of the Loan may be disbursed directly to the supplier/Borrower. An order for payment on BDC standard form is to be obtained when requested by BDC.

The Borrower must submit invoices documenting all purchases made under the Loan Purpose. BDC may disburse up to 125% of the value of equipment invoices (excluding applicable taxes).

Within 30 days following either the last disbursement or Lapsing Date, whichever occurs first, the Borrower shall allow the physical inspection by a BDC representative of the equipment financed under the Loan Purpose.

Upon completion of the inspection, the Borrower shall sign a BDC-prepared listing of all equipment financed under the Loan having a purchase price greater or equal to \$20,000, as well as all motor vehicles, trailers, mobile homes, boats, outboard motors and aircraft regardless of their purchase price.

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

**CONDITIONS PRECEDENT**

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

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to the Borrower and any corporate Guarantor and their respective business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Satisfaction of all applicable disbursement conditions contained in the Underlying Conditions section of this Letter of Offer.

6. Provide a review engagement financial statement as of March 31, 2014 which shows no Material Adverse Change in the financial position of 2362655 Ontario Inc. since the draft Notice to Reader financial statements dated March 31, 2014. These financial statements must report:
  - a) Minimum Available Funds of \$61,000
  - b) Minimum Net Profit of \$15,000
  - c) Minimum Tangible Equity of \$512,000
7. Provide a Notice to Reader financial statement as of March 31, 2014 which shows no Material Adverse Change in the financial position of 730 Truck Stop Inc. since the draft Notice to Reader financial statements dated March 31, 2014. These financial statements must report:
  - a) Minimum Sales of \$300,000
  - b) Minimum Available Funds of \$96,000
  - c) Minimum Tangible Equity of \$754,000
  - d) Maximum Term Debt to Tangible Equity Ratio of 1.71:1
8. Provide copy of the signed and executed dealer commission plan and equipment agreement between Pioneer Energy LP and 2362655 Ontario Inc. for a term not less than 10 years, with no material difference in terms and conditions of the draft dealer agreement dated July 8, 2014 previously provided to the Bank, including the borrower's written confirmation that it will not accept any interest free financing from Pioneer Energy LP for Dealer Improvements.

#### UNDERLYING CONDITIONS

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

1. You agree to provide to BDC annually, upon demand, written proof of your payment of the property, school or similar taxes which are assessed against the mortgaged land and improvements (the "taxes"), within thirty (30) days following the due date of each required instalment. Should you default in paying any such instalment of the taxes when due, you will pay BDC monthly payments as calculated by BDC to establish a tax reserve account. These payments will be collected by the pre-authorized debit plan and the funds in the account will earn interest in accordance with BDC's policy then in effect. You authorize BDC to pay the relevant taxing authorities. Should there be insufficient funds to satisfy the taxes owing, you will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. You will instruct the taxing authority to forward a copy of the tax notice to BDC, or you will deliver a copy to BDC upon receipt.
2. If the Borrower does not draw on the Loan by October 1, 2015 (the "Lapsing Date"), the Loan shall lapse and be cancelled. If the Borrower draws on the Loan partially, the undisbursed part of the Loan shall lapse on the Lapsing Date and be cancelled.
3. The proceeds of the Loan may be used by the Borrower to purchase all types of equipment, whether new and used, including vehicles, but excluding:
  - Equipment purchased as inventory for resale;
  - Leasehold improvements;
  - Vessels, aircraft, locomotives and railway equipment or other similar vehicles;
  - Intangible assets including computer software; or

LETTER OF OFFER 730 Holdings Inc. - 082573, October 17, 2014

- Equipment that is to be located outside of Canada.
4. Prior to any disbursement occurring after 180 days following the date of the Borrower's most recent fiscal year end, BDC must be in receipt of the accountant-prepared financial statements for the Borrower's most recent fiscal year end.
  5. Prior to each disbursement, BDC shall have received such Priority Agreements or Waivers as may be required to confirm the rank and priority of BDC's security interest in the goods financed under the Loan and all proceeds therefrom.

#### **REPRESENTATIONS AND WARRANTIES**

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

#### **COVENANTS**

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

#### **REPORTING OBLIGATIONS**

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

Company	Type	Frequency	Period Ending
730 Holdings Inc.	Notice to Reader	Annual	March
2382655 Ontario Inc.	Review Engagement	Annual	March

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

#### **EVENTS OF DEFAULT**

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

#### **FEES**

##### **Legal Fees and Expenses**

BDC will pay all legal costs and fees incurred by BDC for the preparation and placing of the

Loan and the Loan Documents. The Borrower and the Guarantor shall pay, on demand, all legal and other out-of-pocket costs of BDC incurred in connection with the enforcement of the Loan and the Loan Documents, or any amendment or waiver of same, whether or not any advance is made to the Borrower.

#### **Loan Management Fee**

The Borrower shall pay BDC a management fee of \$150.00 per year. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the Loan. This fee is non-refundable and is subject to change.

#### **Transaction Fees**

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

#### **CONFLICTS**

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

#### **INDEMNITY**

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

#### **GOVERNING LAW**

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

#### **SUCCESSORS AND ASSIGNS**

The Letter of Offer shall extend to and be binding on the Borrower and BDC and their respective successors and assigns. BDC, in its sole discretion, may assign, sell or grant participation in (a "transfer") all or any part of its rights and obligations under this Letter of Offer or the Loan to any third party, and the Borrower agrees to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under this Letter of Offer as if it were a party to it, with respect to all rights and obligations included in the transfer and BDC will be released to the extent of any interest under this Letter of Offer or the Loan it assigns. BDC may disclose information it has in connection with the Borrower or any Guarantor to any actual or prospective transferee. No Borrower or Guarantor shall have the right to assign any of its rights or obligations under or pursuant to



LETTER OF OFFER 730 Holdings Inc. - 082573, October 17, 2014

---

the Loan Documents without BDC's prior written consent.

**ACCEPTANCE**

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

**SCHEDULE**

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

**LANGUAGE CLAUSE**

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

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



---

Susan Thurlow  
Senior Account Manager, Acquisition  
Phone: (613) 389-5880  
Fax: (613) 389-2543  
Susan.Thurlow@bdc.ca



---

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


LETTER OF OFFER 730 Holdings Inc. - 082573, October 17, 2014

**ACCEPTANCE**

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

This 22 day of October 2014.

730 Holdings Inc.

  
\_\_\_\_\_, Authorized Signing Officer


Name: Ken Rattan  
*(Please print name of signing party)*

**GUARANTOR(S)**

2362655 Ontario Inc.

  
\_\_\_\_\_, Authorized Signing Officer

Name: Ken Rattan  
*(Please print name of signing party)*

Kanwaljeet S. Rattan  
  
Name: Kanwaljeet S. Rattan

Balbir S. Saral  
  
Name: Balbir S. Saral

October 17, 2014

## SECTION I - DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

730 Holdings Inc.

SCHEDULE "A"

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

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

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

"Material Adverse Change" – means:

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

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

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

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

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

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

## SECTION II - REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to BDC that:

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

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

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

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

### SECTION III - COVENANTS

The Borrower and each corporate Guarantor shall:

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

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

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

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

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

11. Not engage in, or permit their premises to be used by a tenant or other Person, for any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:

- a. businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; businesses that are engaged in or associated with illegal activities; businesses trading in countries that are proscribed by the Federal Government;
- b. businesses that operate as stand-alone nightclubs, bars, lounges, cabarets, casinos, discotheques, video arcades, pool and billiard halls, and similar operations; or
- c. businesses that promote nudism and naturism.

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

#### SECTION IV - EVENTS OF DEFAULT

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

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

**SECTION V - GENERAL TERMS AND CONDITIONS**

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

**Other Available Interest Rate Plans**

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

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

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

**Interest Adjustment Date**

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

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

**Pre-Authorized Payment System**

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

**Application of Payments**

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and interest differential charge)
2. protective disbursements;
3. standby fees (arrear and current);

730 Holdings Inc.

## SCHEDULE "A"

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

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

#### Consent to Obtaining Information

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

#### Notices

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

#### Joint and Several Liability

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

#### Anti-Money Laundering/Know Your Client

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

#### Confidentiality

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

#### Changes in Accounting Standards

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



**TAB 4**

Request ID: 020387660  
Transaction ID: 64796052  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/06/16  
Time Report Produced: 15:16:19  
Page: 1

60

# CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2386724	730 HOLDINGS INC.	2013/03/28
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>		<b>Date Amalgamated</b>
1343 UNDERWOOD DRIVE		NOT APPLICABLE
		<b>Amalgamation Ind.</b>
		NOT APPLICABLE
		<b>Notice Date</b>
		NOT APPLICABLE
		<b>Letter Date</b>
		NOT APPLICABLE
<b>Mailing Address</b>		<b>Revival Date</b>
BALBIR SARAL 1343 UNDERWOOD DRIVE		NOT APPLICABLE
		<b>Continuation Date</b>
		NOT APPLICABLE
		<b>Transferred Out Date</b>
		NOT APPLICABLE
		<b>Cancel/Inactive Date</b>
		NOT APPLICABLE
		<b>EP Licence Eff.Date</b>
		NOT APPLICABLE
		<b>EP Licence Term.Date</b>
		NOT APPLICABLE
		<b>Date Ceased In Ontario</b>
		NOT APPLICABLE
		<b>Date Commenced In Ontario</b>
		NOT APPLICABLE
		<b>Number of Directors</b>
		<b>Minimum</b>
		<b>Maximum</b>
		00001 00010
<b>Activity Classification</b>		
NOT AVAILABLE		

Request ID: 020387680  
Transaction ID: 84798052  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/08/16  
Time Report Produced: 15:18:19  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number

2366724

Corporation Name

730 HOLDINGS INC.

Corporate Name History

730 HOLDINGS INC.

Effective Date

2013/03/26

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:  
Name (Individual / Corporation)

KANWALJEET  
S.  
RATTAN

Address

6457 WESTERN SKIES WAY

MISSISSAUGA  
ONTARIO  
CANADA L5W 1H7

Date Began

2013/03/26

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 020387680  
Transaction ID: 64786052  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/08/18  
Time Report Produced: 15:18:19  
Page: 3

# CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2366724

730 HOLDINGS INC.

Administrator:  
Name (Individual / Corporation)

Address

KANWALJEET  
S.  
RATTAN

6467 WESTERN SKIES WAY

MISSISSAUGA  
ONTARIO  
CANADA L6W 1H7

Date Began

First Director

2013/03/26

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:  
Name (Individual / Corporation)

Address

BALBIR  
SARAL

1343 UNDERWOOD DRIVE

MISSISSAUGA  
ONTARIO  
CANADA L4W 3M9

Date Began

First Director

2013/03/26

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 020387660  
Transaction ID: 64796052  
Category ID: UNE

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/08/18  
Time Report Produced: 15:18:19  
Page: 4

63

## CORPORATION PROFILE REPORT

Ontario Corp Number

2366724

Corporation Name

730 HOLDINGS INC.

Administrator:  
Name (Individual / Corporation)

BALBIR

SARAL

Address

1343 UNDERWOOD DRIVE

MISSISSAUGA  
ONTARIO  
CANADA L4W 3M9

Date Began

2013/03/26

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Administrator:  
Name (Individual / Corporation)

BALBIR

SARAL

Address

1343 UNDERWOOD DRIVE

MISSISSAUGA  
ONTARIO  
CANADA L4W 3M9

Date Began

2013/03/26

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 020387860  
Transaction ID: 64798052  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2017/06/18  
Time Report Produced: 15:16:19  
Page: 6

64

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2366724

730 HOLDINGS INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA ANNUAL RETURN 2016

1C

2017/03/22 (ELECTRONIC FILING)

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

**ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.**

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

**TAB 5**



ServiceOntario

LAND  
REGISTRY  
OFFICE 815

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

68150-0142 (L7)

PAGE 1 OF 4  
PREPARED FOR Jeanne01  
ON 2010/07/26 AT 11:16:54

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

PROPERTY DESCRIPTION: PT LT 6 CON 2 EDWARDSBURCH AS IN P89979, PT 1 1582540 & PT 1, 1589285 EXCEPT PT 1, 1587314 & PT 2 & 3, 15810626; S/T P8193859; S/T INTEREST IN P837581; EDWARDSBURCH/CARDINAL

PROPERTY BOUNDARY: PLANNING ACT CONSENT AS IN P8129336. PLANNING ACT CONSENT AS IN P8129332.

ESTATE/QUALIFIER:  
THE SIMPLE  
L7 CONVERSION QUALIFIED

PRECEDENCE:  
FIRST CONVERSION FROM DOCK

FILE CREATION DATE:  
2309/09/24

CURRENT NAME:  
730 HOLDINGS INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ C/CD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS	SINCE 2009/08/24 **		
** SUBJECT	ON FIRST REGISTRATION UNDER THE	LAND TITLES ACT, TO				
**	SUBSECTION 4 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION OULIES					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN,					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION,					
**	ANY LEASE TO WHICH THE SUBSECTION 10(2) OF THE REGISTRY ACT APPLIES.					
** DATE OF CONVERSION TO	LAND TITLES: 2009/08/24 **					
P837581	1974/10/10	TRANSFER			HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF TRANSPORTATION AND COMMUNICATIONS	C
	REMARKS: SKETCH ATTACHED.					
P889727	1987/05/13	TRANSFER	8195,000		718021 ONTARIO LTD.	C
	REMARKS: SKETCH ATTACHED. AMENDED BY P8102888					
1587458	1988/12/01	PLAN REFERENCE				C
1588560	1992/09/29	PLAN REFERENCE				C
P8122972	1993/04/20	TRANSFER		*** COMPLETELY DELETED ***	730 TRUCK STOP INC.	C
1589285	1996/05/13	PLAN REFERENCE				C
P8148178	1998/04/04	TRANSFER		*** COMPLETELY DELETED ***		

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



REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARCELS FROM	PARTIES TO	CERT/ GOOD
PR101659	2004/06/09	CHARGE		*** COMPLETELY DELETED ***	710 TRUCK STOP INC. CREDIT UNION CENTRAL OF ONTARIO LIMITED	
PR101660	2004/06/09	ASSIGNMENT GENERAL		*** DELETED AGAINST THIS PROPERTY ***		
		REMARKS: PR101659				
PR105588	2004/12/02	BYLAW				C
PR105889	2004/12/16	CHARGE		*** COMPLETELY DELETED ***	ULTRAMAR LTD.	
158887	2005/02/14	NOTICE		*** COMPLETELY DELETED ***		
		REMARKS: DOCUMENT PR106673 - ERROR ENTRY, CANCELLED BY RAYNER, MARGO ON 2012/12/05				
PR106673	2005/02/14	NOTICE OF LEASE		*** DELETED AGAINST THIS PROPERTY *** ULTRAMAR LTD.	710 TRUCK STOP INC.	
		REMARKS: PR106659				
15810628	2005/10/26	PLAN REFERENCE				C
PR195864	2006/06/06	AGREEMENT		*** DELETED AGAINST THIS PROPERTY ***		
		REMARKS: PR101659, PR101660 POSTPONED TO PR195859				
PR195855	2006/06/06	NOTICE		*** DELETED AGAINST THIS PROPERTY ***		
		REMARKS: PR106673				
PR195859	2006/06/06	TRANSFER EASEMENT	\$1	710 TRUCK STOP INC.	LADLAW CARRIERS TAXI S.P.	C
PR197468	2006/08/25	POSTPONEMENT		*** COMPLETELY DELETED ***		
		REMARKS: PR106673, PR195859				
PR197469	2006/08/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY ***		
		REMARKS: PR105588, PR195859				
PR220683	2007/02/13	CHARGE		*** COMPLETELY DELETED ***		

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHG/ CIRD
PR207667	2008/03/07	AGREEMENT REMARKS: SITE PLAN CONTROL			ULTRAMAR LTD. THE CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL	C
PR207685	2008/03/11	AGREEMENT REMARKS: AMENDING PR181639		*** COMPLETELY DELETED ***		
PR207886	2008/03/11	POSTPONEMENT REMARKS: PR185433, PR207885				C
PR207887	2008/03/11	POSTPONEMENT REMARKS: PR200433, PR207885		*** COMPLETELY DELETED ***		
PR207888	2008/03/11	POSTPONEMENT REMARKS: PR186273, PR207885		*** COMPLETELY DELETED ***		
OC2319	2009/12/03	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** CREDIT UNION CENTRAL OF ONTARIO LIMITED	CREDIT UNION CENTRAL OF BRITISH COLUMBIA	
OC2320	2009/12/03	NOTICE REMARKS: RE: REG. PR181839 PR181840 PR181841 PR181842 PR181843		*** COMPLETELY DELETED *** CREDIT UNION CENTRAL OF ONTARIO LIMITED	CREDIT UNION CENTRAL OF BRITISH COLUMBIA	
OC3493	2010/02/12	BY-LAW REMARKS: TO AUTHORISE THE AMENDMENT OF A SITE PLAN CONTROL AGREEMENT AS AUTHORIZED BY TOWNSHIP OF EDWARDSBURGH BY-LAW 88-02 AS AMENDED		THE CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL		C
OC4151	2010/03/12	APL (GENERAL) REMARKS: PR388873		*** COMPLETELY DELETED *** ULTRAMAR LTD.	730 TRUCK STOP INC.	
15A11135	2010/03/31	PLAN REFERENCE				C
OC24359	2011/04/16	APL VESTING ORDER	\$2,540,000	THE ONTARIO SUPERIOR COURT OF JUSTICE IN BANKRUPTCY AND INSOLVENCY	730 HOLDINGS INC.	C
OC24360	2011/04/16	CHANGE		*** COMPLETELY DELETED *** 730 HOLDINGS INC.	BANK OF MONTREAL	
OC24361	2011/04/16	ED ASSCH REGD CHG		*** COMPLETELY DELETED ***		

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

REG. NO.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHG/ CIRD
CC24537	2013/04/29	NO ASSO LESSOR INT		730 HOLDINGS INC. *** DELETED AGAINST THIS PROPERTY *** ULTRAMAR LTD.	BANK OF MONTREAL  CST CANADA CO.	
CC32826	2014/10/08	BYLAW		THE CORPORATION OF THE TOWNSHIP OF SCHWABSCHEG/CARDINAL OF A SITE PLAN CONTROL AGREEMENT		C
CC33572	2014/11/25	CHARGE	\$4,070,000	730 HOLDINGS INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
CC33573	2014/11/25	NO ASSON RENT GRN		730 HOLDINGS INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
CC34659	2015/02/19	NOTICE OF LEASE	\$2	730 HOLDINGS INC.	BELL MOBILITY INC.	C
CC35910	2015/03/23	LR'S ORDER		*** COMPLETELY DELETED *** RAYNER, MARGO AND TO ADD P2193839 TO THE DOCUMENT POOL		
CC35887	2015/05/28	CHARGE	\$303,000	730 HOLDINGS INC.	BUSINESS DEVELOPMENT BANK OF CANADA	C
CC34075	2015/06/03	LR'S ORDER		*** COMPLETELY DELETED *** RAYNER, MARGO		
CC36355	2015/06/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
CC45607	2017/02/16	APL (GENERAL)		*** COMPLETELY DELETED *** CST CANADA CO.		
CC48753	2017/11/23	CONSTRUCTION LTR	\$104,487	CLAYBAR CONTRACTING INC.		C
CC50290	2018/01/03	CERTIFICATE		CLAYBAR CONTRACTING INC.		C

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

**Properties**

**PIN** 88150 - 0142 LT *Interest/Estate* Fee Simple  
**Description** PT LT 6 CON 2 EDWARDSBURGH AS IN PR89727, PT 1 15R8540 & PT 1, 15R9285  
 EXCEPT PT 1, 15R7354 & PT 2 & 3, 15R10628; S/T PR195859; S/T INTEREST IN  
 PR37581; EDWARDSBURGH/CARDINAL  
**Address** 2085 COUNTY ROAD 22  
 CARDINAL

**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** 730 HOLDINGS INC.  
**Address for Service** 2085 Shanty Road,  
 Cardinal, Ontario, K0E 1E0

I, Kamrajjeet Rattan (President), have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Chargee(s)****Capacity****Share**

**Name** BUSINESS DEVELOPMENT BANK OF CANADA  
**Address for Service** 1000 Gardiners Road, Suite 201,  
 Kingston, Ontario, K7P 3C4

**Statements**

Schedule: See Schedules

**Provisions**

**Principal** \$4,020,000.00 **Currency** CDN  
**Calculation Period** SEE SCHEDULE "A"  
**Balance Due Date** ON DEMAND  
**Interest Rate** SEE SCHEDULE "A"  
**Payments**  
**Interest Adjustment Date**  
**Payment Date** ON DEMAND  
**First Payment Date**  
**Last Payment Date**  
**Standard Charge Terms** 20011  
**Insurance Amount** See standard charge terms  
**Guarantor**

**Signed By**

Ian William Brady 54 Victoria Avenue acting for Chargor Signed 2014 11 25  
 Belleville (s)  
 K0N 1Z7

Tel 613-771-9991  
 Fax 613-771-9998

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

**Submitted By**

BALDWIN LAW PROFESSIONAL CORPORATION 54 Victoria Avenue 2014 11 25  
 Belleville  
 K0N 1Z7

Tel 613-771-9991  
 Fax 613-771-9998

LRO # 15 Charge/Mortgage

Registered as GC33572 on 2014 11 25 at 10:37

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 3

<b>Fees/Taxes/Payment</b>	
---------------------------	--

<i>Statutory Registration Fee</i>	\$60.00
<i>Total Paid</i>	\$60.00

**SCHEDULE A**

**LAND REGISTRATION REFORM ACT**

**Payment Provisions**

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

(i) all present and future debts, liabilities and obligations now or hereafter owing by the Chargor to the Chargee including any and all principal advances and re-advances made by the Chargee to the Chargor after the repayment of any or all principal amounts, provided that the total principal amount secured shall not at any time exceed the principal amount referred to in the electronic form of charge to which this document forms a schedule; and,

(ii) interest on the amounts payable under paragraph (i) above at the rate equal to the floating base rate of Business Development Bank of Canada for commercial and industrial loans denominated in Canadian dollars announced from time to time, plus 10.00% per year, calculated monthly and payable monthly, both after as well as before maturity, default and/or judgment. If the Chargor and the Chargee have agreed in writing in any agreement referred to in the "Secured Obligations" described in paragraph (i) above, or in any other agreement, that a different interest rate will apply to all or part of the debts and liabilities described in paragraph (i) above, then that different rate will apply.

Schedule - Mortgage (Ontario) - Readvanceable (E-REG)  
Rev. September, 2001

**TAB 6**



## ASSIGNMENT OF RENTS

THIS ASSIGNMENT dated November 12, 2014.

**BETWEEN:**

730 HOLDINGS INC.

(the "Assignor")

**AND:**

BUSINESS DEVELOPMENT BANK OF CANADA

(the "Bank")

**WHEREAS:**

- A. By a Mortgage made between the Assignor and the Bank, which Mortgage is dated November 12, 2014, and was registered in the Land Titles Offices for the County of Grenville on the 25 day of November, 2014, as No. GC33572, (hereinafter called the "Mortgage") the Assignor did grant and mortgage unto the Bank the lands and premises in the County of Grenville, in the Province of Ontario, and legally described as follows:

PT LT 6 CON 2 EDWARDSBURGH, AS OM PR 89727, PT 1 15R8540 & PT 1, 15R9285 EXCEPT PT 1, 15R7354 7 PT 2 & 3, 15R10628, S/T PR195859; S/T INTEREST IN PR 37581; EDWARDSBURGH/CARDINAL (the "Lands and Premises")

to secure payment of \$4,020,000 and interest thereon as therein set forth;

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

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

1. The Assignor does hereby assign and set over unto the Bank as security for the said principal and interest secured by the Mortgage and for the performance of the covenants in the Mortgage contained all rents and other monies now due and payable or hereafter to become due and payable under every existing and



- future Lease of and Agreement to Lease the whole or any portion of the Lands and Premises (hereinafter called the "Leases"), together with the benefit of all covenants, agreements and provisos contained in the Leases with full power and authority to demand, collect, sue for, recover, receive and give receipts for the rents and to enforce payment thereof in the name of the Assignor, its successors and assigns.
2. Nothing herein contained shall be deemed to have the effect of making the Bank responsible for the collection of any rents and other monies now due and payable or to become due and payable, or for the performance of any covenants, terms and conditions either by the lessor or by the lessee contained or to be contained in the Leases and the Bank shall not, by virtue of this Assignment, be deemed a Mortgagee in possession of the Lands and Premises or any part thereof.
  3. The Bank shall be liable to account for only such monies as shall actually come into its hands by virtue of this Assignment, less collection charges, exigible taxes and costs (including solicitor and client costs). Such monies when so received by the Bank shall be applied on account of the monies from time to time due under the Mortgage and any renewal or extension thereof, or under any agreement collateral thereto.
  4. The said rents and other monies now due and payable or hereafter to become due and payable hereunder and other benefits hereby assigned or to be assigned to the Bank are being taken as collateral security only for the due payment of any sum due under the Mortgage or any renewal or extension thereof or of any Mortgage taken in substitution therefor, either wholly or in part, and none of the rights or remedies of the Bank under the Mortgage shall be delayed or in any way prejudiced by these presents.
  5. Notwithstanding any variation of the terms of the Mortgage or any agreement or arrangement with the Assignor or any extension of time for payment or any release of part or parts of the Lands and Premises, or of any collateral security, the said rents and monies now due and payable or hereafter to become due and payable hereunder and other benefits hereby assigned or to be assigned shall continue as collateral security until the whole of the monies secured by the Mortgage shall be fully paid and satisfied.
  6. The Assignor covenants and agrees from time to time and at all times hereafter, at the request of the Bank, to execute and deliver at the expense of the Assignor such further assurances for the better and more perfectly assigning to the Bank all rents and monies now due and payable or hereafter to become payable hereunder, as the Bank shall reasonably advise.
  7. Until default shall have been made in the payment of any instalment of principal or of interest as provided in the Mortgage or any renewal or extension thereof or until the breach of any covenants contained in the Mortgage, the Assignor shall be entitled to receive all rents or monies payable under the Leases and shall not be liable to account therefor to the Bank, but immediately upon default in payment of either the principal or interest under the Mortgage, or upon a breach on the part of the Assignor of any of the covenants contained in the Mortgage, and so often as either may occur, the Bank upon notice to the lessee or to any person or persons liable for payment of any rents or monies under the Leases, shall be entitled to all such rents or monies falling due subsequent to the date of service of such notice.
  8. Notwithstanding this Assignment, the Assignor shall be solely responsible for performing and complying with all the lessor's covenants and other obligations under the terms of the Leases and shall perform, according to the true intent and meaning thereof, all such the covenants and obligations contained in the Leases so that the rights and remedies of the Bank shall not be in any way delayed or prejudiced.
  9. The Bank may, but shall not be bound to, institute proceedings for the purpose of enforcing any Leases or collecting the rents or for the purpose of preserving any rights of the Bank, the Assignor or any other person, firm or corporation in respect of the same.
  10. The Bank may waive any default or breach of covenant and shall not be bound to serve any notice as hereinbefore set forth upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.

11. This Agreement shall enure to and be binding upon the Parties hereto and their respective heirs, executors, administrators, successors and assigns.

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

**730 HOLDINGS INC.**

Per: 

Kanwaljeet S. Rattan, President

*I have authority to bind the Corporation.*

**Properties**

**PIN** 88150 - 0142 LT  
**Description** PT LT 6 CON 2 EDWARDSBURGH AS IN PR89727, PT 1 15R8540 & PT 1, 15R9285  
EXCEPT PT 1, 15R7354 & PT 2 & 3, 15R10828; S/T PR185859; S/T INTEREST IN  
PR37581; EDWARDSBURGH/CARDINAL  
**Address** 2085 COUNTY ROAD 22  
CARDINAL

**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** 730 HOLDINGS INC.  
**Address for Service** 2085 Shanty Road,  
Cardinal, Ontario K0E 1E0

I, Kamrajjeet S. Rattan, President, have the authority to bind the corporation.  
This document is not authorized under Power of Attorney by this party.

**Party To(s)**

**Capacity**

**Share**

**Name** BUSINESS DEVELOPMENT BANK OF CANADA  
**Address for Service** 1000 Gardiners Road, Suite 201  
Kingston, Ontario K7P 3C4

**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, GC33572 registered on 2014/11/25 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Ian William Brady 54 Victoria Avenue acting for Signed 2014 11 25  
Belleville Applicant(s)  
K8N 1Z7

Tel 613-771-9991

Fax 613-771-9998

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

Ian William Brady 54 Victoria Avenue acting for Party To Signed 2014 11 25  
Belleville (s)  
K8N 1Z7

Tel 613-771-9991

Fax 613-771-9998

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

**Submitted By**

BALDWIN LAW PROFESSIONAL CORPORATION 54 Victoria Avenue 2014 11 25  
Belleville  
K8N 1Z7

Tel 613-771-9991

Fax 613-771-9998

**Fees/Taxes/Payment**

**Statutory Registration Fee** \$60.00  
**Total Paid** \$60.00



## ASSIGNMENT OF RENTS

---

THIS ASSIGNMENT dated November 12, 2014.

BETWEEN:

730 HOLDINGS INC.

(the "Assignor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA

(the "Bank")

WHEREAS:

- A. By a Mortgage made between the Assignor and the Bank, which Mortgage is dated November 12, 2014, and was registered in the Land Titles Offices for the County of Grenville on the 25 day of November, 2014, as No. C.P. 33572, (hereinafter called the "Mortgage") the Assignor did grant and mortgage unto the Bank the lands and premises in the County of Grenville, in the Province of Ontario, and legally described as follows:

PT LT 6 CON 2 EDWARDSBURGH, AS OM PR 89727, PT 1 15R8540 & PT 1, 15R9285 EXCEPT PT 1, 15R7354 7 PT 2 & 3, 15R10628, S/T PR195859; S/T INTEREST IN PR 37581; EDWARDSBURGH/CARDINAL (the "Lands and Premises")

to secure payment of \$4,020,000 and interest thereon as therein set forth;

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

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

1. The Assignor does hereby assign and set over unto the Bank as security for the said principal and interest secured by the Mortgage and for the performance of the covenants in the Mortgage contained all rents and other monies now due and payable or hereafter to become due and payable under every existing and

future Lease of and Agreement to Lease the whole or any portion of the Lands and Premises (hereinafter called the "Leases"), together with the benefit of all covenants, agreements and provisos contained in the Leases with full power and authority to demand, collect, sue for, recover, receive and give receipts for the rents and to enforce payment thereof in the name of the Assignor, its successors and assigns.

2. Nothing herein contained shall be deemed to have the effect of making the Bank responsible for the collection of any rents and other monies now due and payable or to become due and payable, or for the performance of any covenants, terms and conditions either by the lessor or by the lessee contained or to be contained in the Leases and the Bank shall not, by virtue of this Assignment, be deemed a Mortgagee in possession of the Lands and Premises or any part thereof.
3. The Bank shall be liable to account for only such monies as shall actually come into its hands by virtue of this Assignment, less collection charges, exigible taxes and costs (including solicitor and client costs). Such monies when so received by the Bank shall be applied on account of the monies from time to time due under the Mortgage and any renewal or extension thereof, or under any agreement collateral thereto.
4. The said rents and other monies now due and payable or hereafter to become due and payable hereunder and other benefits hereby assigned or to be assigned to the Bank are being taken as collateral security only for the due payment of any sum due under the Mortgage or any renewal or extension thereof or of any Mortgage taken in substitution therefor, either wholly or in part, and none of the rights or remedies of the Bank under the Mortgage shall be delayed or in any way prejudiced by these presents.
5. Notwithstanding any variation of the terms of the Mortgage or any agreement or arrangement with the Assignor or any extension of time for payment or any release of part or parts of the Lands and Premises, or of any collateral security, the said rents and monies now due and payable or hereafter to become due and payable hereunder and other benefits hereby assigned or to be assigned shall continue as collateral security until the whole of the monies secured by the Mortgage shall be fully paid and satisfied.
6. The Assignor covenants and agrees from time to time and at all times hereafter, at the request of the Bank, to execute and deliver at the expense of the Assignor such further assurances for the better and more perfectly assigning to the Bank all rents and monies now due and payable or hereafter to become payable hereunder, as the Bank shall reasonably advise.
7. Until default shall have been made in the payment of any installment of principal or of interest as provided in the Mortgage or any renewal or extension thereof or until the breach of any covenants contained in the Mortgage, the Assignor shall be entitled to receive all rents or monies payable under the Leases and shall not be liable to account therefor to the Bank, but immediately upon default in payment of either the principal or interest under the Mortgage, or upon a breach on the part of the Assignor of any of the covenants contained in the Mortgage, and so often as either may occur, the Bank upon notice to the lessee or to any person or persons liable for payment of any rents or monies under the Leases, shall be entitled to all such rents or monies falling due subsequent to the date of service of such notice.
8. Notwithstanding this Assignment, the Assignor shall be solely responsible for performing and complying with all the lessor's covenants and other obligations under the terms of the Leases and shall perform, according to the true intent and meaning thereof, all such the covenants and obligations contained in the Leases so that the rights and remedies of the Bank shall not be in any way delayed or prejudiced.
9. The Bank may, but shall not be bound to, institute proceedings for the purpose of enforcing any Leases or collecting the rents or for the purpose of preserving any rights of the Bank, the Assignor or any other person, firm or corporation in respect of the same.
10. The Bank may waive any default or breach of covenant and shall not be bound to serve any notice as hereinbefore set forth upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.

11. This Agreement shall enure to and be binding upon the Parties hereto and their respective heirs, executors, administrators, successors and assigns.

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

730 HOLDINGS INC.

Per: 

Kanwaljeet S. Rattan, President

*I have authority to bind the Corporation.*

**TAB 7**

**PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS**

**Date Search Conducted: 7/6/2018  
File Currency Date: 07/05/2018  
Family(ies): 4  
Page(s): 8**

**SEARCH : Business Debtor : 730 HOLDINGS INC.**

**The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.**



PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 7/6/2018  
File Currency Date: 07/05/2018  
Family(ies): 4  
Page(s): 8

SEARCH : Business Debtor : 730 HOLDINGS INC.

FAMILY : 1 OF 4 ENQUIRY PAGE : 1 OF 8  
SEARCH : BD : 730 HOLDINGS INC.

00 FILE NUMBER : 701804169 EXPIRY DATE : 25NOV 2044 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20141125 1024 1862 5745 REG TYP: P PPSA REG PERIOD: 25  
02 IND DOB : IND NAME:  
03 BUS NAME: 730 HOLDINGS INC.

OCN : 2366724

04 ADDRESS : 1343 UNDERWOOD DRIVE  
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 3M9  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
BUSINESS DEVELOPMENT BANK OF CANADA  
09 ADDRESS : 1000 GARDINERS ROAD, SUITE 201  
CITY : KINGSTON PROV: ON POSTAL CODE: K7P 3C4  
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 GENERAL ASSIGNMENT OF RENTS AS IT RELATES TO 2085 SHANLY ROAD,  
14 CARDINAL, ONTARIO.

15

16 AGENT: BALDWIN LAW PROFESSIONAL CORPORATION

17 ADDRESS : 54 VICTORIA AVENUE, P.O. BOX 1537  
CITY : BELLEVILLE PROV: ON POSTAL CODE: K8N 5J2

FAMILY : 1 OF 4  
SEARCH : BD : 730 HOLDINGS INC.

ENQUIRY PAGE : 2 OF 8

FILE NUMBER 701804169

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 001 MV SCHED: 20141125 1026 1862 5747  
21 REFERENCE FILE NUMBER : 701804169  
22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 730 HOLDINGS INC.

25 OTHER CHANGE:  
26 REASON:  
27 /DESCR:  
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

10  
11  
12  
13  
14  
15

16 NAME : BALDWIN LAW PROFESSIONAL CORPORATION  
17 ADDRESS : 54 VICTORIA AVENUE, P.O. BOX 1537  
CITY : BELLEVILLE PROV : ON POSTAL CODE : K8N 5J2

FAMILY : 2 OF 4  
SEARCH : BD : 730 HOLDINGS INC.

ENQUIRY PAGE : 3 OF 8

00 FILE NUMBER : 702450126 EXPIRY DATE : 18DEC 2025 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20141218 1210 2611 7601 REG TYP: P PPSA REG PERIOD: 11  
02 IND DOB : IND NAME:  
03 BUS NAME: 730 HOLDINGS INC.

OCN :

04 ADDRESS : 1343 UNDERWOOD DRIVE  
CITY : MISSISSAUGA PROV: ONT POSTAL CODE: L4W 3M9  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
BUSINESS DEVELOPMENT BANK OF CANADA

09 ADDRESS : 1000 GARDINERS ROAD, SUITE 201  
CITY : KINGSTON PROV: ONT POSTAL CODE: K7P 3C4  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10	YEAR	MAKE	X	X	X	X	X				
											V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: BUSINESS DEVELOPMENT BANK OF CANADA (SBI-082573-03)

17 ADDRESS : 121 KING STREET WEST, SUITE 1200  
CITY : TORONTO PROV: ONT POSTAL CODE: M5H 3T9

FAMILY : 2 OF 4  
SEARCH : BD : 730 HOLDINGS INC.

ENQUIRY PAGE : 4 OF 8

FILE NUMBER 702450126

PAGE TOT REGISTRATION NUM RBG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20150309 1414 2611 8105  
21 REFERENCE FILE NUMBER : 702450126  
22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:  
23 REFERENCE DBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 730 HOLDINGS INC.

25 OTHER CHANGE:  
26 REASON: TO INCLUDE MOTOR VEHICLE PARTICULARS.  
27 /DESCR:  
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  
10 X X X X X  
11 INTERNATIONAL PLOW TRUCK 1HTL0TURXCHA22910  
12  
13  
14  
15

16 NAME : BDC JG - 082573-03  
17 ADDRESS : 121 KING STREET WEST, SUITE 1200  
CITY : TORONTO PROV : ON POSTAL CODE : M5H 3T9

FAMILY : 2 OF 4  
SEARCH : BD : 730 HOLDINGS INC.

ENQUIRY PAGE : 5 OF 8

FILE NUMBER 702450126

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20150319 1034 2611 8155  
21 REFERENCE FILE NUMBER : 702450126  
22 AMEND PAGE: NO PAGE: CHANGE: F PRT DSC REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 730 HOLDINGS INC.

25 OTHER CHANGE:  
26 REASON:  
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. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10  
11 INTERNATIONAL PLOW TRUCK 1HTLOTURXCHA22910  
12  
13  
14  
15

16 NAME : BDC JG - 082573-03  
17 ADDRESS : 121 KING STREET WEST, SUITE 1200  
CITY : TORONTO PROV : ON POSTAL CODE : M5H 3T9

FAMILY : 3 OF 4  
SEARCH : BD : 730 HOLDINGS INC.

ENQUIRY PAGE : 6 OF 8

00 FILE NUMBER : 706114944 EXPIRY DATE : 14MAY 2028 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20150514 1150 2611 8484 REG TYP: P PPSA REG PERIOD: 13  
02 IND DOB : IND NAME:  
03 BUS NAME: 730 SUBWAY INC.

OCN :  
04 ADDRESS : 2085 SHANLY ROAD  
CITY : CARDINAL PROV: ON POSTAL CODE: K0E 1E0  
05 IND DOB : IND NAME:  
06 BUS NAME: 730 HOLDINGS INC.

OCN :  
07 ADDRESS : 1343 UNDERWOOD DRIVE  
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 3M9

08 SECURED PARTY/LIEN CLAIMANT :  
BUSINESS DEVELOPMENT BANK OF CANADA

09 ADDRESS : 1000 GARDINERS ROAD, SUITE 201  
CITY : KINGSTON PROV: ON POSTAL CODE: K7P 3C4  
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

13 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

14

15

16 AGENT: BDC (AC - 089702-01)

17 ADDRESS : 121 KING STREET WEST, SUITE 1200  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3T9

FAMILY : 3 OF 4  
SEARCH : BD : 730 HOLDINGS INC.

ENQUIRY PAGE : 7 OF 8

00 FILE NUMBER : 706114944 EXPIRY DATE : 14MAY 2028 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
RBG NUM : 20150514 1150 2611 8484 RBG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME: 2362655 ONTARIO INC.

OCN :

04 ADDRESS : 1343 UNDERWOOD DRIVE  
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 3M9  
05 IND DOB : IND NAME:  
06 BUS NAME: 730 ROADHOUSE INC.

OCN :

07 ADDRESS : 2085 SHANLY ROAD, P.O. BOX 945  
CITY : CARDINAL PROV: ON POSTAL CODE: K0E 1E0

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

14

15

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

FAMILY : 4 OF 4  
SEARCH : BD : 730 HOLDINGS INC.

ENQUIRY PAGE : 8 OF 8

00 FILE NUMBER : 706506579 EXPIRY DATE : 28MAY 2025 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20150528 1025 1862 9134 REG TYP: P PPSA REG PERIOD: 10  
02 IND DOB : IND NAME:  
03 BUS NAME: 730 HOLDINGS INC.

OCN : 002366724

04 ADDRESS : 2085 SHANLY ROAD  
CITY : CARDINAL PROV: ON POSTAL CODE: K0E 1E0  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
BUSINESS DEVELOPMENT BANK OF CANADA  
09 ADDRESS : 1000 GARDINERS ROAD, SUITE 201  
CITY : KINGSTON PROV: ON POSTAL CODE: K7P 3C4  
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

13 GENERAL SECURITY AGREEMENT (LOAN NO. 090028-01) - ALL PRESENT AND  
14 AFTER-ACQUIRED PERSONAL PROPERTY EXCEPT CONSUMER GOODS.

15

16 AGENT: BALDWIN LAW PROFESSIONAL CORPORATION

17 ADDRESS : 54 VICTORIA AVENUE, P.O. BOX 1537  
CITY : BELLEVILLE PROV: ON POSTAL CODE: K8N 5J2



**TAB 8**



**GENERAL SECURITY AGREEMENT**

THIS AGREEMENT dated this 6 day of January, 2015.

**BETWEEN:**

**730 HOLDINGS INC.**

(the "Borrower")

**AND:**

**BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at  
1000 Gardiners Road, Suite 201, Kingston, ON K7P 3C4**

(the "Bank")

**1. SECURITY INTEREST**

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

1.1 For consideration the Borrower hereby:

(a) mortgages and charges as a fixed and specific charge, and assigns and transfers to the Bank, and grants to the Bank a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:

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

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

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

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

## 2. EXCEPTIONS

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

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

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

## 3. ATTACHMENT

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

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

**4. PURCHASE MONEY SECURITY INTEREST**

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

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

**5. OBLIGATIONS SECURED**

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

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

**6. REPRESENTATIONS AND WARRANTIES**

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

**6.1 The Borrower represents and warrants to the Bank that:**

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

dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

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

## 7. COVENANTS OF THE BORROWER

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

### 7.1 The Borrower covenants with the Bank that while this Security Agreement remains in effect the Borrower will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for the Bank's benefit, against the claims and demands of all persons;

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

liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.

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

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

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

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

#### B. INSURANCE

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

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

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

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

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



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

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

**9. OTHER PROHIBITIONS**

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

Without the prior written consent of the Bank the Borrower will not:

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

**10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL**

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

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

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

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

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

**11. PERFORMANCE OF OBLIGATIONS**

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

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

## 12. ACCOUNTS

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

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

## 13. APPROPRIATION OF PAYMENTS

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

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

## 14. DEFAULT

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

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

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

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

#### 15. ENFORCEMENT

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

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

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

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

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

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

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

- (c) In or toward payment to the Bank of all interest remaining unpaid respecting the Obligations; and
- (d) In payment to those parties entitled thereto under the Act.

**16. GENERAL PROVISIONS PROTECTING THE BANK**

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

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

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

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

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

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

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

**16.7** Notwithstanding any taking of possession of the Collateral, or any other action which the Bank or the Receiver may take, the Borrower now covenants and agrees with the Bank that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to the Bank at the time of such disposition, the Borrower shall immediately pay to the Bank an amount equal to the deficiency between the

amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Borrower agrees that the Bank may bring action against the Borrower for payment of the deficiency, notwithstanding any defects or irregularities of the Bank or the Receiver in enforcing its rights under this Security Agreement.

**17. APPOINTMENT OF ATTORNEY**  
(You appoint the Bank your attorney for specific matters.)

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

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

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

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

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

**20. WAIVER**  
(Indulgences granted by the Bank should not be taken for granted.)

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

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

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

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

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

**23. NO MERGER**

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

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

**24. RIGHTS CUMULATIVE**

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

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

**25. ASSIGNMENT**

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

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

**26. SATISFACTION AND DISCHARGE**

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

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

**27. ENVIRONMENT**

The Borrower represents and agrees that:

- (a) It operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) It has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;

- (c) It possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Borrower's business or assets including without limitation the Collateral;
- (f) It will advise the Bank immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) It will provide the Bank with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Borrower and it consents to the Bank contacting and making enquiries of environmental officials or assessors;
- (h) It will from time to time when requested by the Bank provide to the Bank evidence of its full compliance with the Borrower's obligations in this Clause 27.

## 28. ENUREMENT

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

## 29. INTERPRETATION

### 29.1 In this Security Agreement:

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

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

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

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

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

## 30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Borrower:

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



**31. TIME**

Time shall in all respects be of the essence.

**32. INDEPENDENT ADVICE**

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

**33. PARENTHEICAL COMMENTS**

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

**34. THE COMMITMENT LETTER**

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

**35. WAIVER**

**I HAVE READ AND UNDERSTOOD THE GENERAL SECURITY AGREEMENT GRANTED TO THE BDC WITH RESPECT TO ALL THE INDEBTEDNESS, LIABILITIES AND OBLIGATIONS OWED OR THAT MAY BECOME DUE AND PAYABLE BY ME TO THE BDC; I UNDERSTAND THE NATURE OF AND ALL CONSEQUENCES ASSOCIATED WITH THE EXECUTION AND DELIVERY OF THE GENERAL SECURITY AGREEMENT; AND I ACKNOWLEDGE AND CONFIRM THAT I HAVE EITHER OBTAINED INDEPENDENT LEGAL ADVICE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE SECURITY DOCUMENTATION OR HAVE VOLUNTARILY DETERMINED NOT TO SEEK SUCH INDEPENDENT LEGAL ADVICE.**

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

**730 HOLDINGS INC.**

Per: 

Karwaljeet S. Rattan, President

I have the authority to bind the Corporation.

**SCHEDULE "A"**

**Subclause 1.1(a):**

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

2. the following serial numbered goods:

Serial No. (re motor vehicles & trailers, etc.)	Year	Make and Model
---	------	----------------

3. Location(s) of the Collateral:



## GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated this 19 day of May, 2015.

**BETWEEN:**

**730 HOLDINGS INC.**

(the "Borrower")

**AND:**

**BUSINESS DEVELOPMENT BANK OF CANADA**, with a business centre at  
1000 Gardiners Road, Suite 201, Kingston, Ontario K7P 3C4

(the "Bank")

**1. SECURITY INTEREST**

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

**1.1 For consideration the Borrower hereby:**

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

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

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

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

## 2. EXCEPTIONS

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

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

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

## 3. ATTACHMENT

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

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

**4. PURCHASE MONEY SECURITY INTEREST**

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

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

**6. OBLIGATIONS SECURED**

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

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

**6. REPRESENTATIONS AND WARRANTIES**

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

**6.1 The Borrower represents and warrants to the Bank that:**

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

dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

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

## 7. COVENANTS OF THE BORROWER

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

7.1 The Borrower covenants with the Bank that while this Security Agreement remains in effect the Borrower will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for the Bank's benefit, against the claims and demands of all persons;

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

liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.

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



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

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

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

## 8. INSURANCE

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

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

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

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

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

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

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

**9. OTHER PROHIBITIONS**

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

Without the prior written consent of the Bank the Borrower will not:

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

**10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL**

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

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

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

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

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

**11. PERFORMANCE OF OBLIGATIONS**

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

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

#### 12. ACCOUNTS

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

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

#### 13. APPROPRIATION OF PAYMENTS

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

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

#### 14. DEFAULT

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

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

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

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

## 15. ENFORCEMENT

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

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

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

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

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

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

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

- (c) In or toward payment to the Bank of all interest remaining unpaid respecting the Obligations; and
- (d) In payment to those parties entitled thereto under the Act.

**16. GENERAL PROVISIONS PROTECTING THE BANK**

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

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

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

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

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

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

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

16.7 Notwithstanding any taking of possession of the Collateral, or any other action which the Bank or the Receiver may take, the Borrower now covenants and agrees with the Bank that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to the Bank at the time of such disposition, the Borrower shall immediately pay to the Bank an amount equal to the deficiency between the

amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Borrower agrees that the Bank may bring action against the Borrower for payment of the deficiency, notwithstanding any defects or irregularities of the Bank or the Receiver in enforcing its rights under this Security Agreement.

**17. APPOINTMENT OF ATTORNEY**

(You appoint the Bank your attorney for specific matters.)

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

**18. CONSOLIDATION**

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

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

**19. NO OBLIGATION TO ADVANCE**

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

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

**20. WAIVER**

(Indulgences granted by the Bank should not be taken for granted.)

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

**21. NOTICE**

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

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

**22. EXTENSIONS**

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

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

**23. NO MERGER**

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

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

**24. RIGHTS CUMULATIVE**

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

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

**25. ASSIGNMENT**

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

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

**26. SATISFACTION AND DISCHARGE**

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

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

**27. ENVIRONMENT**

The Borrower represents and agrees that:

- (a) It operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) It has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;



- (c) It possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Borrower's business or assets including without limitation the Collateral;
- (f) It will advise the Bank immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) It will provide the Bank with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Borrower and it consents to the Bank contacting and making enquiries of environmental officials or assessors;
- (h) It will from time to time when requested by the Bank provide to the Bank evidence of its full compliance with the Borrower's obligations in this Clause 27.

## 28. ENUREMENT

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

## 29. INTERPRETATION

### 29.1 In this Security Agreement:

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

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

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

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

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

## 30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Borrower:

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

**31. TIME**

Time shall in all respects be of the essence.

**32. INDEPENDENT ADVICE**

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

**33. PARENTHETICAL COMMENTS**

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

**34. THE COMMITMENT LETTER**

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

**35. WAIVER**

**I HAVE READ AND UNDERSTOOD THE GENERAL SECURITY AGREEMENT GRANTED TO THE BDC WITH RESPECT TO ALL THE INDEBTEDNESS, LIABILITIES AND OBLIGATIONS OWED OR THAT MAY BECOME DUE AND PAYABLE BY ME TO THE BDC; I UNDERSTAND THE NATURE OF AND ALL CONSEQUENCES ASSOCIATED WITH THE EXECUTION AND DELIVERY OF THE GENERAL SECURITY AGREEMENT; AND I ACKNOWLEDGE AND CONFIRM THAT I HAVE EITHER OBTAINED INDEPENDENT LEGAL ADVICE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE SECURITY DOCUMENTATION OR HAVE VOLUNTARILY DETERMINED NOT TO SEEK SUCH INDEPENDENT LEGAL ADVICE.**

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

730 HOLDINGS, INC.

Per: 

KANNA MEETH S. RATTAN  
PRESIDENT

I have the authority to bind the Corporation.

**SCHEDULE "A"**

**Subclause 1.1(a):**

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

2. the following serial numbered goods:

Serial No. (re motor vehicles & trailers, etc.)	Year	Make and Model
---	------	----------------

3. Location(s) of the Collateral:

**TAB H**



Soloway Wright LLP  
700 - 427 Laurier Avenue West  
Ottawa ON K1R 7Y2

T: 613.236.0111 | 1.866.207.5880  
F: 613.238.8507  
[www.solowaywright.com](http://www.solowaywright.com)

André A. Ducasse  
Partner  
Direct line: 613.782.3225  
Email address: [aducasse@solowaywright.com](mailto:aducasse@solowaywright.com)

FILE NO: 50434-1003

**BY EMAIL**

November 28, 2018

Stanley Loiselle  
Raymond Chabot Inc.  
1000-116 Albert Street  
Ottawa, ON K1P 5G3

Dear Mr. Loiselle:

**Re: Business Development Bank of Canada (the "Bank") and 730 Holdings Inc. (the "Company")**

We have reviewed the claim and documents of the Township of Edwardsburgh/Cardinal (the "Township") regarding the Township's statutory priority claim in respect of municipal tax arrears.

The Township is also asserting a statutory priority claim with respect to certain environmental clean-up costs. However, counsel for the Township has agreed that its claim for these clean-up costs will be dealt with separately and addressed in the future if necessary.

**The Township's Claim and Documents**

In support of its claim, counsel for the Township has provided us with the following documents (the "Documents") on behalf of the Township (attached at Tab 1):

- 2016 Final Tax Notice;
- 2017 Final Tax Notice;
- 2017 Supplemental Tax Notice;
- 2018 Tax Statement;
- A spreadsheet breaking down the tax arrears being claimed;
- A spreadsheet breaking down the 2017 supplementary tax notice;

---

Ottawa Office  
700 – 427 Laurier Avenue West, Ottawa ON K1R 7Y2  
T: 613.236.0111 | 1.866.207.5880 | F: 613.238.8507

---

Kingston Office  
510 – 366 King Street, Kingston ON K7K 6Y3  
T: 613.544.7334 | 1.800.263.4257 | F: 1.800.263.4213

---

- A spreadsheet breaking down the 2017 final tax notice;
- A spreadsheet breaking down the 2016 final tax notice;
- A letter dated November 15, 2018 explaining the calculation of the tax arrears and interest; and
- A tax certificate certified by the Township's Treasurer as proof of the debt owing to the Township on account of tax arrears totaling \$143,824.80.

We have reviewed the Documents and the Township's claim and calculations with respect to outstanding municipal taxes and everything appears to be in order. In this regard, the Township is claiming tax arrears owing to it to August 20, 2018 (being the date on which the Receiver sold the lands and premises in issue) in the amount of \$143,824.80.

### **Statutory Priority for Municipal Tax Arrears**

The Township's claim is governed by s. 349 of the *Municipal Act*, 2001, S.O. 2001, c. 25 (the "Act"), which provides that municipal taxes constitute a lien on the property that ranks in priority to every other claim or encumbrance, except for Crown claims. Section 349 of the Act provides in part as follows (underlining added):

#### **Recovery of taxes**

**349 (1)** Taxes may be recovered with costs as a debt due to the municipality from the taxpayer originally assessed for them and from any subsequent owner of the assessed land or any part of it. [...]

#### **Special lien**

**(3)** Taxes are a special lien on the land in priority to every claim, privilege, lien or encumbrance of every person except the Crown, and the lien and its priority are not lost or impaired by any neglect, omission or error of the municipality or its agents or through taking no action to register a tax arrears certificate.

#### **Proof of debt**

**(4)** In any action to recover taxes, the production of the relevant part of the tax roll purporting to be certified by the treasurer as a true copy is, in the absence of evidence to the contrary, proof of the debt.

Thus, by operation of ss. 349(3) of the Act, the Township's claim ranks in priority to every claim, privilege lien or encumbrance, including BDC's first-ranking mortgage previously registered on title.

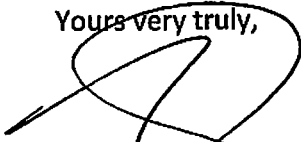
We also note that we had requested and were provided with a current tax certificate that was certified by the Township's treasurer as being a true copy as proof of the debt in accordance with ss. 349(4) of the Act.

### **Opinion**

In light of the Documents and in light of s. 349 of the Act, we are of the opinion that the Township's priority claim for unpaid municipal taxes is valid and is to be paid in priority to all other claims, including BDC's claim under its mortgage security.

I trust the foregoing is satisfactory and please do not hesitate to contact me directly should you wish to further discuss this matter.

Yours very truly,

A handwritten signature in black ink, appearing to be 'André A. Ducasse', written over the closing 'Yours very truly,'.

André A. Ducasse  
AAD/irc

Encl.

# TAB 1



Township Of Edwardsburgh/Cardinal  
 Box 129, 18 Centre Street  
 Spencerville, Ontario K0E 1X0  
 Phone: (613)658-3055  
 Fax: (613)658-3445

# Tax Notice

2016 Final Tax Notice
Billing Date August 2, 2016

<b>Roll No.</b> 07 01 701 010 18401 0000	<b>Account No.</b> 4654	<b>Civic Address</b> 2085 County Rd 22
730 Holdings Inc. 1343 Underwood Drive Mississauga, ON L4W 3M9		<b>Title Names</b> 730 Holdings Inc
<b>Mortgage Company</b>		<b>Mortgage No.</b>
		<b>Assessed Property</b> CON 2 PT LOT 6 RP 15R8540 PART 1 RP 15R9285 PT PART 1 RP 15R10628 PARTS 1 4 AND 5 37.72AC FR D

Assessment		Municipal				Education	
Tax Class	Value		Municipal Levies		Upper Tier Levies		
			Tax Rate	Amount	Tax Rate	Amount	Tax Rate Amount
CTND	2,498,500	General Levy	0.00810358	20,246.79	0.00489523	12,230.73	0.01308668 32,697.07
CUND	30,500	General Levy	0.00567263	173.02	0.00342673	104.52	0.00916068 279.40
				<b>Municipal Levies:</b>	<b>32,755.06</b>	<b>Education Levies:</b>	<b>32,976.47</b>
<b>Special Charges / Credits</b>				<b>SUMMARY</b>			
				Tax Levy Subtotal (Municipal + Education): <b>65,731.53</b>			
				Special Charges / Credits: <b>0.00</b>			
				2016 Tax Cap Adjustment: <b>0.00</b>			
				2016 Final Taxes: <b>65,731.53</b>			
				Less Interim Billing: <b>32,892.53</b>			
				Final Billing: <b>32,839.00</b>			
				Past Due / Credit (As of Aug 31 2016): <b>34,679.35</b>			
				<b>TOTAL AMOUNT DUE: 67,518.35</b>			
		<b>Amount</b>	<b>Due Date</b>				
Installment No. 1		67,518.35	Aug 31 2016				
PAYABLE AT TOWNSHIP OFFICES OR ANY FINANCIAL INSTITUTION. TAX BILL IS REQUIRED TO MAKE A PAYMENT AT THE BANK. SERVICE CHARGES MAY APPLY. PAYMENT MUST BE IN MUNICIPAL OFFICE BY DUE DATE TO AVOID PENALTY. IF YOU ARE ON THE PRE-AUTHORIZED PAYMENT PLAN THIS IS FOR YOUR RECORDS.							

Township Of Edwardsburgh/Cardinal

Installment No. 1

Box 129, 18 Centre Street  
 Spencerville, Ontario K0E 1X0

07 01 701 010 18401 0000

August 31, 2016

4654 730 Holdings Inc.

\$67,518.35

1.25%

Township Of Edwardsburgh/Cardinal  
 Box 129, 18 Centre Street  
 Spencerville, Ontario K0E 1X0  
 Phone: (613)658-3055  
 Fax: (613)658-3445

<b>Roll Number:</b>	07 01 701 010 18401 0000
<b>Assessed Owners:</b>	730 Holdings Inc
<b>Legal Description:</b>	CON 2 PT LOT 6 RP 15R8540 PART 1 RP 15R9285 PT PART 1 RP 15R10628 PARTS 1 4 AND 5 37.72AC FR D
<b>Civic Address:</b>	2085 County Rd 22

<b>SCHEDULE 3            EXPLANATION OF PROPERTY TAX CALCULATIONS            2016 TAXATION YEAR</b>	
<b>Property Classes:</b> COMM TAXABLE: FULL; COMM TAXABLE: EXCESS LAND	<b>Calculation for Adjusted Taxes:</b>
Total 2016 CVA Taxes: \$65,731.53 2016 Adjusted Taxes: \$65,731.53	Total 2016 CVA Taxes: \$65,731.53 * 2015 Annualized Taxes: \$65,785.06 2016 Tax Cap Amount: \$0.00 2016 Local Municipal Levy Change: \$0.00 2016 Provincial Education Levy Change: \$0.00 <b>** 2016 Adjusted Taxes: \$65,731.53</b>
* An annualized tax figure is used in this analysis to compensate for mid-year adjustments in tax treatment or assessment value.	
** Adjusted tax amount applies only to the property or portion(s) of property referred to in this notice and may not include some special charges and credit amounts or levies that are not part of the capped calculations.	

Township Of Edwardsburgh/Cardinal  
 Box 129, 18 Centre Street  
 Spencerville, Ontario K0E 1X0  
 Phone: (613)658-3055  
 Fax: (613)658-3445

# Tax Notice

<b>2017</b>
<b>Final Tax Notice</b>
<b>Billing Date</b> August 1, 2017

<b>Roll No.</b> 07 01 701 010 18401 0000	<b>Account No.</b> 4654	<b>Civic Address</b> 2085 County Rd 22
730 Holdings Inc. 1343 Underwood Drive Mississauga, ON L4W 3M9		<b>Title Names</b> 730 Holdings Inc
		<b>Assessed Property</b> CON 2 PT LOT 6 RP 15R8540 PART 1 RP 15R9285 PT PART 1 RP 15R10628 PARTS 1 4 AND 5 37.72AC FR D
<b>Mortgage Company</b>	<b>Mortgage No.</b>	

Assessment		Municipal				Education		
Tax Class	Value		Municipal Levies		Upper Tier Levies		Tax Rate	Amount
			Tax Rate	Amount	Tax Rate	Amount		
CTND	2,589,650	General Levy	0.00855230	22,147.46	0.00499338	12,931.11	0.01308668	33,889.92
CUND	31,600	General Levy	0.00598661	189.18	0.00349544	110.46	0.00916068	289.48
			<b>Municipal Levies:</b>		<b>35,378.21</b>		<b>Education Levies: 34,179.40</b>	
<b>Special Charges / Credits</b>				<b>SUMMARY</b>				
				<b>Tax Levy Subtotal (Municipal + Education):</b>				<b>69,557.61</b>
				<b>Special Charges / Credits:</b>				<b>0.00</b>
				<b>2017 Tax Cap Adjustment:</b>				<b>0.00</b>
				<b>2017 Final Taxes:</b>				<b>69,557.61</b>
				<b>Less Interim Billing:</b>				<b>32,866.77</b>
				<b>Final Billing:</b>				<b>36,691.84</b>
				<b>Past Due / Credit (As of Aug 31 2017):</b>				<b>96,111.01</b>
				<b>TOTAL AMOUNT DUE:</b>				<b>132,802.85</b>
<b>Amount Due Date</b>								
<b>Installment No. 1</b>	<b>132,802.85</b>	<b>Aug 31 2017</b>						
PAYABLE AT TOWNSHIP OFFICES OR ANY FINANCIAL INSTITUTION. TAX BILL IS REQUIRED TO MAKE A PAYMENT AT THE BANK. SERVICE CHARGES MAY APPLY. PAYMENT MUST BE IN MUNICIPAL OFFICE BY DUE DATE TO AVOID PENALTY. IF YOU ARE ON THE PRE-AUTHORIZED PAYMENT PLAN THIS IS FOR YOUR RECORDS.								

Township Of Edwardsburgh/Cardinal

Installment No. 1

Box 129, 18 Centre Street  
 Spencerville, Ontario K0E 1X0

07 01 701 010 18401 0000

August 31, 2017

4654 730 Holdings Inc.

\$132,802.85

1.25%

Period of Adjustment	January 1st - December 31st, 2015		Omitted
Tax Roll Number	701-010-18401	730 Holdings Inc.	
CT	108,074	0.02857177	2871.72
			<u>2,871.72</u>
		Omitted	<u>2,871.72</u>
Adjustment	CT		
Municipal	108,074	0.00818544	884.63
County	108,074	0.00494474	534.40
Education	108,074	0.01344159	1,452.69
			<u>2,871.72</u>

*md*

Period of Adjustment	January 1st - December 31st, 2016		Omitted
Tax Roll Number	701-010-18401	730 Holdings Inc.	
CT	110,000	0.02608549	2869.40
			<u>2,869.40</u>
		Omitted	<u>2,869.40</u>
Adjustment	CT		
Municipal	110,000	0.00810358	891.39
County	110,000	0.00489523	538.48
Education	110,000	0.01308668	1,439.53
			<u>2,869.40</u>

*ms*

Township Of Edwardsburgh/Cardinal  
 Box 129, 18 Centre Street  
 Spencerville, Ontario K0E 1X0  
 Phone: (613)658-3055  
 Fax: (613)658-3446

# Tax Notice

2017 Supplemental Tax Notice
Billing Date November 27, 2017

Roll No. 07 01 701 010 18401 0000	Account No. 4654	Civic Address 2085 County Rd 22
730 Holdings Inc. 1343 Underwood Drive Mississauga, ON L4W 3M9		Title Names 730 Holdings Inc
Mortgage Company		Mortgage No.
		Assessed Property CON 2 PT LOT 6 RP 15R8540 PART 1 RP 15R9285 PT PART 1 RP 15R10628 PARTS 1 4 AND 5 37.72AC FR D

Effective Date: 1/1/2015 Reason for Change: Previously Omitted Assessment

Assessment			Municipal				Education	
Year	Tax Class	Change in Assessment	Municipal Levies		Upper Tier Levies		Tax Rate	Amount
			Tax Rate	Amount	Tax Rate	Amount		
2015	CTND	108,074	0.00818544	884.63	0.00494474	534.40	0.01344159	1,452.89
2016	CTND	110,000	0.00810358	891.39	0.00489523	538.48	0.01308688	1,439.53
<b>Municipal Levies:</b>						<b>2,848.90</b>	<b>Education Levies:</b>	<b>2,892.22</b>
Installments			Summary					
		<u>Amount</u>	<u>Due Date</u>	<b>Total Supplemental Taxes:</b>				<b>5,741.12</b>
Installment No. 1		113,548.73	Dec 29 2017	<b>Past Due / Credit (As of Nov 30 2017)</b>				<b>107,807.61</b>
				<b>NET AMOUNT:</b>				<b>113,548.73</b>

PAYABLE AT TOWNSHIP OFFICES OR ANY FINANCIAL INSTITUTION. TAX BILL IS REQUIRED TO MAKE A PAYMENT AT THE BANK. SERVICE CHARGES MAY APPLY. PAYMENT MUST BE IN MUNICIPAL OFFICE BY DUE DATE TO AVOID PENALTY.

Township Of Edwardsburgh/Cardinal  
 Box 129, 18 Centre Street  
 Spencerville, Ontario K0E 1X0

07 01 701 010 18401 0000

4654 730 Holdings Inc.

Installment No. 1

December 29, 2017

\$113,548.73

1.25%

Township Of Edwardsburgh/Cardinal  
 Box 129, 18 Centre Street  
 Spencerville, Ontario  
 K0E 1X0  
 Voice: (613)658-3055  
 Fax: (613)658-3445

**TAX STATEMENT**

Roll Number: 0701 701 010 18401 0000

TITLE NAMES			PROPERTY DESCRIPTION				
730 Holdings Inc			Civic Address: 2085 County Rd 22 Legal Address: CON 2 PT LOT 6 RP 15R8540 PART 1 RP 15R9285 PT PART 1 RP 15R10628 PARTS 1 4 AND 5 37.72AC FR D				
2018 ASSESSMENT INFORMATION			TAX INFORMATION				
<b>Code</b>	<b>Description</b>	<b>Assessment</b>	2017 Tax Levy		69,557.61		
CTND	COMM TAXABLE: FULL	1,059,268	2018 Tax Levy *		29,818.85		
CUND	COMM TAXABLE: EXCESS LAND	88,731	* All expected taxes have been levied for the current year.				
<b>Total Taxable Assessment:</b>		<b>1,147,999</b>					
OUTSTANDING UTILITY CHARGES			OUTSTANDING TAXES				
Past Due Utilities 0.00			As Of 8/23/2018				
Current Charges 0.00							
<b>Total Outstanding Utility Charges: 0.00</b>			<b>Year</b>	<b>Taxes</b>	<b>Interest</b>	<b>Other</b>	<b>Total</b>
			Current	29,818.85	954.37	562.71	31,335.93
			2017	317,639.24	32,633.39	0.00	350,272.63
			2016	38,250.00	4,303.17	0.00	42,553.17
			2015	0.00	0.00	0.00	0.00
			Prior	0.00	0.00	0.00	0.00
			<b>Totals:</b>	<b>386,708.09</b>	<b>37,890.93</b>	<b>562.71</b>	<b>424,161.73</b>
SUMMARY OF AMOUNTS OWING							
Total Outstanding Taxes:						424,161.73	
Total Outstanding Utility Charges:						0.00	
<b>Total Owing:</b>						<b>424,161.73</b>	

ISSUED TO:

Raymond Chabot Inc.  
 116 Rue Albert, Suite 1000  
 Ottawa, ON  
 K1P 5G3

Detailed Breakdown of Tax Arrears Account # 701-101-18401

Year	Taxes Levied	Supplemental Tax bill	Write off-fire damage	payments on account	tax arrears	Interest on taxes @ 1.25% per month	total tax arrears	other-fire costs	Interest on other-fire costs @ 1.25% per month	total interest as shown on statement	total shown on statement
2018	29,818.85				29,818.85	933.27	30,752.12	562.71	21.10	954.37	31,335.93
2017	69,557.61				69,557.61	11,827.40	81,385.01	248,081.63	20,805.99	32,693.39	350,272.63
2016	65,731.53	5,741.12	-29,666.27	-3,556.38	38,250.00	4,303.17	42,553.17			4,303.17	42,553.17
	165,107.99	5,741.12	-29,666.27	-3,556.38	137,626.46	17,063.84	154,690.30	248,644.34	20,827.09	37,890.93	424,161.73
					Tax amount owed by purchaser		-10,865.50				
					tax amount owed by previous owner		143,824.80				

Notes:  
the supplementary bill of \$5,741.12 was for 2015 & 2016 tax years, however since the 2015 taxes were paid off in 2016, the 2015 supplementary amount was added along with the 2016 supplementary amount to the 2016 taxes  
Our accounting system applies payment/ credits to interest first and then the oldest tax arrears. Even though the write off of \$29,666.27 was applicable to the 2017 tax year, the credit was applied against the 2016 interest and tax arrears  
The payment of \$3,556.38 is part of the \$15,000.00 payment received in 2016 from 730 Holdings that cleared the principal portion of the 2016 taxes

Total taxes for 2018	\$14,932.50	\$14,886.35	\$29,818.85
Prorated 2018 taxes Jan 1-Aug 20, 2018	# of days 232	% of taxes 63.56%	prorated tax amount \$18,959.35
August 21 to Dec 31, 2018	133	36.44%	\$10,865.50
total days in year	365	100%	\$29,818.85



<p><b>Total interest @</b>  balance from 1.25% per month write off in  2017 final tax from Aug to Nov 2017</p>	<p><b>Past Due as of</b>  November 30, 2017</p>	<p><b>Total Amount Due as</b>  shown on 2017  supplementary tax  notice</p>	<p><b>Total interest @</b>  1.25% per month  from November to  Feb 2018</p>	<p><b>Total interest @</b>  1.25% per month  from April to July  taxes Aug 1 to  Aug 20, 2018</p>	<p><b>+ interest</b></p>
<p>132,802.85</p>	<p>107,807.61</p>	<p>5,741.12</p> <p>113,548.73</p>	<p>4,671.03</p>	<p>6,975.38</p>	<p>4,020.75</p> <p>143,824.80</p>

	balance from 2016 final tax notice	payment made November 2017	Total interest @ 1.25% per month to July 2017	balance of 2016 taxes + interest	interim 2017 tax amount	Total interest @ 1.25% per month to July 2017	Past Due as of August 31, 2017	final 2017 tax bill	Total Amount Due as shown on 2017 notice
	67,518.34	-15,000.00	8,672.79	61,191.13	32,865.77	2,054.11	96,111.01	36,691.84	132,802.85

interim 2016 tax amount billed March 2016	32,892.53	remaining amount from payment of \$15,000.00 after the 2015 arrears was paid off	-288.96	final 2016 tax amount	32,839.00	Total interest @ 1.25% per month to July 2016	2,075.77	Total Amount Due as shown on 2016 notice	67,518.34
---	-----------	--	---------	-----------------------	-----------	---	----------	--	-----------



**EDWARDSBURGH CARDINAL**

Phone: 613-658-3055  
Fax: 613-658-3445  
Toll Free: 866-848-9099  
E-mail: [mail@twpec.ca](mailto:mail@twpec.ca)

P.O. Box 129,  
18 Centre St.  
Spencerville, Ontario  
K0E 1X0

November 15, 2018

To Whom It May Concern:

**Re- Tax arrears for 2085 County Rd 22, Cardinal Ontario**

Please see attached tax statement, tax notices and detailed breakdown for the above named property previously owned by 730 Holdings Inc. as per your request.

The Township bills twice a year, the first interim bill is due March 31<sup>st</sup> and the final bill is due August 31<sup>st</sup>. An interest rate of 1.25% per month is calculated at the beginning of each month past the due dates. The interest is simple not compounded, only calculated on the principal amount.

Any payments received or credit adjustments to the tax account are applied to the interest amount first and then to the oldest tax arrears amount. Any prior year supplementary or omitted adjustments can be applied to the applicable year but interest calculations begin after the due date indicated on the tax notice.

The property sold on August 20, 2018 and the 2018 taxes have be prorated based on the number of days each owner possessed the property during 2018.

If you require additional information, please don't hesitate to contact the Township.

Regards,

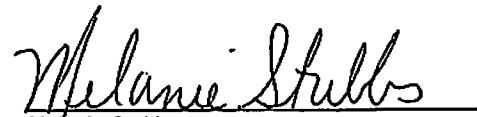
Melanie Stubbs  
Treasurer  
Email: [mstubbs@twpec.ca](mailto:mstubbs@twpec.ca)  
Phone : 1-613-658-3055 ext 107

Township Of Edwardsburgh/Cardinal  
 Box 129, 18 Centre Street  
 Spencerville, Ontario  
 K0E 1X0  
 Voice: (613)658-3055  
 Fax: (613)658-3445

**TAX CERTIFICATE**  
 Tax Certificate No.: 2018-0086  
 File Reference:  
 Roll Number: 0701 701 010 18401 0000

TITLE NAMES			PROPERTY DESCRIPTION	
730 Holdings Inc			Civic Address: 2085 County Rd 22 Legal Address: CON 2 PT LOT 6 RP 15R8540 PART 1 RP 15R9285 PT PART 1 RP 15R10828 PARTS 1 4 AND 5 37.72AC FR D	
2018 ASSESSMENT INFORMATION			TAX INFORMATION	
<b>Code</b>	<b>Description</b>	<b>Assessment</b>	2017 Tax Levy	69,557.61
CTND	COMM TAXABLE: FULL	1,059,288	2018 Tax Levy	29,818.85
CUND	COMM TAXABLE: EXCESS LAND	88,731		
Total Taxable Assessment:		1,147,999		
OUTSTANDING UTILITY CHARGES			OUTSTANDING TAXES	
Past Due Utilities		0.00	As Of 08/23/2018	
Current Charges		0.00		
Total Outstanding Utility Charges:		0.00		
OTHER COSTS			Current Taxes	19,886.62
			2017 Taxes	81,385.01
			2016 Taxes	42,553.17
			2015 Taxes	0.00
			Prior Years	0.00
			Total Outstanding Taxes:	143,824.80
I Melanie Stubbs, Treasurer of the Township Of Edwardsburgh/Cardinal, in the Province of Ontario, hereby certify that there are no taxes charged in the tax roll of the municipality against the land described above, except as set out above. Pursuant to ss 349(4) of the Municipal Act, this certificate is proof of debt.			SUMMARY OF AMOUNTS OWING	
			Total Outstanding Taxes:	143,824.80
			Total Outstanding Utility Charges:	0.00
			Total Other Costs:	0.00
			Total Owling:	143,824.80

Dated at Township Of Edwardsburgh/Cardinal this 28th day of November, 2018.

  
 Melanie Stubbs  
 Treasurer

ISSUED TO:

Soloway Wright Lawyers  
 700-427 Laurier Ave. W  
 Ottawa, ON  
 K1R 7Y2

E. & O. E.

# TAB I

DISTRICT OF ONTARIO  
 DIVISION NUMBER: 12  
 OSB NUMBER: 33-165647  
 OFFICE NUMBER: 334729-001

SUPERIOR COURT OF JUSTICE  
 In Bankruptcy and Insolvency

IN THE MATTER OF THE RECEIVERSHIP OF:

*730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc. and  
 2362655 Ontario Inc.*

**INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

As at November 21, 2018

**RECEIPTS**

1	Realization of assets:		
	- Net proceeds from the sale of the Real Property known as 2085 Shanly Road, Cardinal, Ontario	\$ 1,620,934.32	
	- Net proceeds from sale of equipment (730 Holdings Inc.)	24,688.95	
	- Net proceeds from sale of inventory (2362655 Ontario Inc.)	661.05	
	- IIST refund	<u>1,464.65</u>	\$ 1,647,748.97
2	Miscellaneous:		
	(a) Rental income	122,302.98	
	(b) Public utilities refund	2,371.30	
	(c) Advance from secured creditor (BDC)	<u>50,000.00</u>	174,674.28
3	Harmonized sales tax		<u>17,463.23</u>
	<b>TOTAL RECEIPTS</b>		<u><u>1,839,886.48</u></u>

**DISBURSEMENTS**

4	Fees paid to Official Receiver		70.00
5	Insurance premiums		14,004.72
6	Miscellaneous:		
	(a) Bankruptcy costs	\$ 20,000.00	
	(b) Heating	26,032.64	
	(c) Hydro	4,894.46	
	(d) Real estate appraisal fees	3,750.00	
	(e) Services rendered	34,462.88	
	(f) Software licence	<u>199.00</u>	89,338.98
	<b>SUB-TOTAL DISBURSEMENTS</b>		\$ <u>103,413.70</u>
7	Receiver's remuneration		\$ 67,696.25
8	Legal fees and legal services costs.		
	- Soloway Wright LLP		35,702.14
9	Taxes:		
	(a) Harmonized sales tax:		
	- Paid on disbursements and legal fees	\$ 11,558.66	
	- Paid on Receiver's remuneration	8,800.52	
	(b) GST paid on realization of assets	0.62	
	(c) PST paid on realization of assets	<u>\$ 1.23</u>	20,361.03
10	CRA Trust Claim		<u>661.05</u>
	<b>TOTAL DISBURSEMENTS</b>		<u><u>227,834.17</u></u>
	<b>BALANCE OF FUNDS HELD IN TRUST</b>		\$ <u><u>1,612,052.31</u></u>

In the city of Ottawa, on November 21, 2018.

**RAYMOND CHABOT INC.**  
 Receiver

Stanley Loisselle, CIRP, I.IT

**TAB J**



**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE COURT-APPOINTED RECEIVERSHIP OF  
730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. AND 2362655 ONTARIO INC.  
of the Town of Cardinal,  
in the Province of Ontario**

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Applicant**

**- and -**

**730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. AND 2362655 ONTARIO INC.**

**Respondents**

**AFFIDAVIT OF STANLEY LOISELLE  
(sworn on November 21<sup>st</sup>, 2018)**

I, Stanley Loisel, of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a licensed insolvency trustee and am a partner with the firm of Raymond Chabot Inc. ("RCI") in its capacity as Receiver of the property, assets and undertakings of 730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc. and 2362655 Ontario Inc., and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as Exhibit "A" is a true copy of the invoice prepared by the Receiver for fees and disbursements incurred in the course of the within proceeding for the period ended November 10, 2018.

3. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other firms in the Ottawa market for the provision of similar services.

4. I make this Affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver.

SWORN BEFORE me at the City of Ottawa in )  
the Province of Ontario )  
this 21<sup>st</sup> day of November 2018 )

  
\_\_\_\_\_  
A Commissioner for Taking Affidavits, etc. )

  
\_\_\_\_\_  
STANLEY LOISELLE )

Marc-André Tessier, a  
Commissioner, etc., Province of Ontario  
for Raymond Chabot Inc.  
and Raymond Chabot Grant Thornton LLP.  
Expires December 23, 2019.

This is Exhibit "A" referred to in the Affidavit of Stanley Loiselle  
sworn November 21, 2018.



---

*Commissioner for Taking Affidavits (or as may be)*

Marc-André Tessier, a  
Commissioner, etc., Province of Ontario  
for Raymond Chabot Inc.  
and Raymond Chabot Grant Thornton LLP  
Expires December 20, 2019.



# Raymond Chabot Inc.

July 16, 2018

730 Holdings Inc.  
730 Subway Inc.  
730 Roadhouse Inc.  
2362655 Ontario Inc.

Société affiliée de  
Raymond Chabot Grant Thornton  
S.E.N.C.R.L.

An affiliate of  
Raymond Chabot Grant Thornton LLP

Bureau 1000  
116 Albert  
Ottawa, Ontario K1P 5G3

Tel.: 613-236-5678  
Fax: 613-236-9817  
[www.raymondchabot.com](http://www.raymondchabot.com)

**RE: Receivership**

## Interim Invoice

For professional services rendered with regard to the receivership of 730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc., and 2362655 Ontario Inc. (hereinafter collectively referred to as "730") for the period from April 29, 2018 to July 7, 2018, and more specifically:

Fees (see attached details)	\$14,320.00
HST on fees (822162335RT0002)	<u>1,861.60</u>
Total owing:	<u>\$16,181.60</u>

<u>Date</u>	<u>Name</u>	<u>Time</u>	<u>Description</u>
4-30-2018	Loiselle, Stanley	0.50	TC to and from listing agent re: purchaser offer
4-30-2018	Tessier, Marc-André	0.50	Communications with CAM and Hydro One. re: Service accounts
5-2-2018	Tessier, Marc-André	1.00	Deposit cheque. File HST return for 730 Roadhouse Inc. from August 2015 to April 2017.
5-3-2018	Loiselle, Stanley	1.50	Review purchase offer, TC land emails to and from listing agent/BDC/Andre Ducasse re: purchaser offer
5-3-2018	Tessier, Marc-André	1.00	Close 730 Subway Inc. HST account. File HST returns for 730 Holdings.
5-4-2018	Loiselle, Stanley	0.75	Review revised purchase offer, sign and forward to listing agent, TC and emails BDC
5-8-2018	Tessier, Marc-André	0.25	Deposit rent cheque. Communication with Hydro One take out security deposit from second account.
5-11-2018	Loiselle, Stanley	0.25	Review and process pmt of invoice for services rendered re: CAM
5-14-2018	Loiselle, Stanley	0.50	Review call for tenders and correspondence with CAM
5-15-2018	Loiselle, Stanley	0.50	TF listing agent re: amendment to APS re: deposit, Email CAM re: sale of assets by tender
5-16-2018	Loiselle, Stanley	0.50	Sign amendment to APS and forward to listing agent, review call for tenders and email CAM
5-23-2018	Loiselle, Stanley	0.75	TC and emails listing agent and BDC re: expired purchase offer
5-24-2018	Loiselle, Mathieu	0.25	Send fax to CRA - re: certificate of appointment for 730 Subway Inc.
5-24-2018	Loiselle, Stanley	1.00	Email Jessica Virk re: Claybar Construction lien on property and sale by receiver, Emails to and from listing agent and BDC re: cancellation of APS and open to other potential purchasers
5-25-2018	Loiselle, Stanley	0.50	Emails listing broker and legal counsel re: threat of pending certificate of litigation
5-26-2018	Accounting	1.75	Banking matters and bank reconciliation
5-28-2018	Loiselle, Stanley	1.25	Emails to and from listing agent, legal counsel and BDC re: cancellation of APS and new offers to be received
5-28-2018	Tessier, Marc-André	1.25	Communication with CRA re: status of estate, Deposit cheques, Cheque requisitions,
5-29-2018	Loiselle, Stanley	1.75	Review purchase offers, Emails and TC RBC and listing agent re: counter offer
5-30-2018	Loiselle, Stanley	1.25	Emails and TC to and from listing agent and BDC re: terms of counter offer, Review counter-offer as prepared by listing agent
5-31-2018	Loiselle, Stanley	0.50	Review and sign counter offer and forward to listing agent
5-31-2018	Tessier, Marc-André	0.50	Send cheques, Deposit HST refund
6-1-2018	Tessier, Marc-André	0.50	Internal communication closing of estates.
6-2-2018	Loiselle, Stanley	0.25	Review counter offer from purchaser and forward to BDC for review and comments
6-4-2018	Loiselle, Stanley	0.50	TC and emails listing agent and BDC re: counter offer
6-5-2018	Loiselle, Stanley	0.50	TC to and from BDC re: counter offer Review counter offer and emails to and from listing agent, sign counter offer and forward to listing agent
6-6-2018	Loiselle, Mathieu	0.50	Prepare some bill of sales for sale of assets through tender.
6-6-2018	Loiselle, Stanley	0.75	Emails and TC to and from listing agent and BDC re: response from purchaser to latest counter offer

6-6-2018	Tessier, Marc-André	0.50	Cheques requisition for Hydro.
6-7-2018	Loiselle, Mathieu	1.25	Review changes to bills of sale with Stan, prepare for sending.
6-7-2018	Loiselle, Stanley	0.75	Review and sign counter offer and forward to listing agent, Review and approve bills of sale re: sale of assets and equipment
6-8-2018	Loiselle, Mathieu	0.50	Make changes to bills of sale, finalize, sign, scan and send to C.A.M.
6-9-2018	Tessier, Marc-André	0.50	Deposit rent cheque, Cheque requisition for Hydro One
6-11-2018	Tessier, Marc-André	0.25	Deposit rent cheque.
6-12-2018	Loiselle, Stanley	0.25	TC and emails listing agent re: Laldlaw right of way and other matters
6-18-2018	Tessier, Marc-André	0.25	Send insurance invoice for payment.
6-19-2018	Loiselle, Stanley	0.50	TC and emails listing agent and BDC re: extension to waive APS conditions
6-20-2018	Loiselle, Stanley	0.25	Amendment to APS
6-25-2018	Loiselle, Stanley	1.00	Review and process payment of legal account, Draft receiver's interim report to OSB (6 months)
6-26-2018	Loiselle, Mathieu	1.25	Print detailed trial balance, to do interim SRD, review with Stan, makes changes, submit.
6-26-2018	Tessier, Marc-André	0.50	Deposit cheques for sale of equipment.
6-29-2018	Loiselle, Stanley	0.50	Emails to and from listing agent and BDD re: confirmation of waiver of conditions for sale of real property
6-29-2018	Tessier, Marc-André	0.25	Deposit rent cheque.
6-30-2018	Accounting	1.75	Banking matters and bank reconciliation
7-5-2018	Loiselle, Stanley	0.75	Emails to and from listing agent and legal counsel re: approval of sale of real property and vesting order
7-5-2018	Tessier, Marc-André	0.25	Cheque requisition for Hydro.
7-6-2018	Loiselle, Stanley	0.50	Review and execute wavier and issue to listing agent, Emails to and from listing agent re: closing and vesting order
7-7-2018	Loiselle, Stanley	5.50	Draft Receiver's first report to court re: approval of sale of real property and other assets and vesting order, Emails to and from CAM re: sale of other assets

Total:	<u>38.25</u>
--------	--------------



# Raymond Chabot Inc.

November 15, 2018

730 Holdings Inc.  
730 Subway Inc.  
730 Roadhouse Inc.  
2362655 Ontario Inc.

Société affiliée de  
Raymond Chabot Grant Thornton  
S.E.N.C.R.L.

An affiliate of  
Raymond Chabot Grant Thornton LLP

Bureau 1000  
116 Albert  
Ottawa, Ontario K1P 5G3

Tel.: 613-236-5678  
Fax: 613-236-9817  
[www.raymondchabot.com](http://www.raymondchabot.com)

**RE: Receivership**

## Interim Invoice

For professional services rendered with regard to the receivership of 730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc., and 2362655 Ontario Inc. (hereinafter collectively referred to as "730") for the period from July 8, 2018 to November 10, 2018, and more specifically:

Fees (see attached details)	\$13,757.50
HST on fees (822162335RT0002)	<u>1,788.48</u>
Total owing:	<u>\$15,545.98</u>

<u>Date</u>	<u>Name</u>	<u>Time</u>	<u>Description</u>
7-8-2018	Loiselle, Stanley	2.50	Drafting receiver's report to court, Emails to and from CAM re: sale of asses and other matters
7-9-2018	Loiselle, Stanley	2.25	Finalize receiver's report to court with exhibits and forward to legal counsel for review, Emails to and from Andre Ducasse re: receiver's report and motion to court, Review motion
7-9-2018	Tessier, Marc-André	1.00	Review communications, Post receivership documents on Raymond Chabot website, Deposit rent cheques , Cheque requisition,
7-11-2018	Tessier, Marc-André	0.50	Communication with CRA re: outstanding return account RT0001, File HST return for account RT0001.
7-12-2018	Tessier, Marc-André	0.25	Cheque requisition for Hydro.
7-16-2018	Loiselle, Stanley	1.25	Emails and TC Andre Ducasse re: motion to approve sale of assets, Review motion and draft order
7-17-2018	Loiselle, Stanley	0.50	Emails Andre Ducasse re: motion to approve sale of assets, township undertaking regarding property tax arrears, Emails to and from listing agent re: various matters.
7-18-2018	Loiselle, Stanley	0.50	Emails to and from Andre Ducasse re: property tax arrears and municipality undertaking
7-18-2018	Tessier, Marc-André	0.25	Cheque requisition for RCAP Leasing.
7-19-2018	Loiselle, Stanley	1.25	Attend at court re: motion to approve sale of assets, Emails Andre Ducasse re: property tax arrears
7-19-2018	Tessier, Marc-André	0.50	Send email to RCAP Leasing re: transfer of lease to buyer, File final HST return for 730 Subway Inc.
7-24-2018	Tessier, Marc-André	0.25	Cheque requisition for Union Gas.
7-25-2018	Loiselle, Stanley	2.25	TC and emails Sybil Johnson Abbott re: statement of adjustments and closing documents for 2085 Shanly Road, Review documents, execute, and forward to legal counsel
7-25-2018	Tessier, Marc-André	1.00	Send list of all open accounts (Hydro, Gas, leasing), Send emails to Hydro One and Union Gas re: closing of sale July 31, 2018.
7-26-2018	Tessier, Marc-André	0.25	Communication with Hydro One re: closing of accounts.
7-27-2018	Tessier, Marc-André	0.25	Communication with Union Gas re: closing of account.
7-28-2018	Accounting	1.75	Banking matters and bank reconciliation
7-30-2018	Loiselle, Stanley	0.75	sign and forward document for closing, Email legal counsel re: transfer of utilities to purchaser, Emails to and from legal counsel re: delay closing
7-30-2018	Tessier, Marc-André	0.50	Cheque requisition for hydro. Review hydro payments on account
7-31-2018	Loiselle, Stanley	1.00	Emails to and from legal counsel and CAM re: delay closing, TC and emails to and from Cervus Equipment re: security deposit
7-31-2018	Tessier, Marc-André	0.25	Cheque requisition for Trust claim.
8-1-2018	Chevrier, Nicole	0.25	Demande de publication de document
8-2-2018	Loiselle, Stanley	0.25	Receive and review amended vesting order re: change name of purchaser



8-7-2018	Tessier, Marc-André	1.25	Communications with RCAP Leasing. Cheque requisitions, Communication with Hydro One and Union Gas re: Change of closing date.
8-8-2018	Loiselle, Stanley	0.50	Emails Andre Ducasse and listing agent re: amended order and vesting order
8-9-2018	Tessier, Marc-André	1.50	Cheque requisition, Deposit rent cheques, Review HST assessment for 730 Subway Inc.,
8-10-2018	Tessier, Marc-André	0.50	Communications with RCAP leasing re: closing date and information of purchaser.
8-13-2018	Loiselle, Stanley	0.50	TC and emails legal counsel re: delay closing and statement of adjustments
8-13-2018	Tessier, Marc-André	0.25	Communications with RCAP Leasing re: closing of sale and purchasers information
8-14-2018	Tessier, Marc-André	0.50	Communications with RCAP Leasing, Send rent cheque to lawyer.
8-15-2018	Tessier, Marc-André	0.50	Cheque requisition, Deposit cheque,
8-16-2018	Loiselle, Stanley	0.75	Follow up Cervus re: security deposit for lease, Emails and TC legal counsel re: closing
8-16-2018	Tessier, Marc-André	0.25	Cheque requisition for legal fees.
8-21-2018	Tessier, Marc-André	0.25	Deposit cheque for sale of real property
8-22-2018	Tessier, Marc-André	1.75	Cheque requisition Hydro One. Communication with CRA for 2362655 Ontario Inc. re: RC0001 account review, Send letter to CRA re: Lost information in fire, Communication with RCAP Leasing.
8-23-2018	Loiselle, Stanley	0.50	Emails to and from legal counsel and BDC re: Receiver's certificate and funds to BDC
8-24-2018	Tessier, Marc-André	0.50	Prepare and send document to cancel insurance,
8-25-2018	Accounting	1.50	Banking matters and bank reconciliation
8-27-2018	Loiselle, Stanley	0.50	Emails legal counsel re: contact information for tenants
8-27-2018	Tessier, Marc-André	3.75	Cheque requisition Union Gas, Send RCAP Leasing a Notice of contracting parties, Review transactions of sale of equipment, Prepare an updated SRD
8-29-2018	Tessier, Marc-André	0.25	Communication with lawyer re: purchaser's contact information
8-30-2018	Loiselle, Stanley	0.25	TC to and from legal counsel re: motion for interim distribution to secured creditors
8-30-2018	Tessier, Marc-André	0.50	Communications with RCAP re: purchaser informations
8-31-2018	Tessier, Marc-André	0.25	Communication with CRA re: tax return information
9-4-2018	Tessier, Marc-André	0.25	Send Bell's rent cheque to lawyer,
9-5-2018	Loiselle, Stanley	0.75	Review interim SRD and emails to and from Andre Ducasse re: interim distribution to secured creditors
9-6-2018	Loiselle, Stanley	0.75	Conference call with legal counsel for Receiver, township, and BDC re: interim distribution
9-7-2018	Tessier, Marc-André	0.25	Communication with RCAP re: equipment on-site
9-10-2018	Tessier, Marc-André	0.25	Communication with Bob Hillier re: light equipment on-site.
9-11-2018	Loiselle, Mathieu	0.25	Prepare cheque requisition for CAM invoice and send to accounting.
9-12-2018	Tessier, Marc-André	0.25	Communication with RCAP re: on-site equipment
9-13-2018	Tessier, Marc-André	1.00	Review pictures of property to provide to RCAP Leasing as per request.
9-19-2018	Tessier, Marc-André	1.00	Communication with CRA re: payroll trust examination.

9-24-2018	Tessier, Marc-André	0.75	Send letter to cancel insurance policy, Cheque requisition Hydro One.
9-29-2018	Accounting	2.00	Banking matters and bank reconciliation
10-1-2018	Tessier, Marc-André	0.25	Cheque requisition for legal fees,
10-22-2018	Loiselle, Stanley	0.50	Emails legal counsel re: clean up costs
10-22-2018	Tessier, Marc-André	0.25	Internal communication re: canceled insurance
10-22-2018	Vallante, Marilyn	0.25	Communication with M-A Tessier about GPL invoices
10-27-2018	Accounting	0.50	Banking matters and bank reconciliation
Total:		<u>45.25</u>	

**TAB K**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Applicant**

**- and -**

**730 HOLDINGS INC., 730 SUBWAY INC.,  
730 ROADHOUSE INC. and 2362655 ONTARIO INC.**

**Respondents**

**AFFIDAVIT OF ROXANNE CHAPMAN  
(sworn on November 29, 2018)**

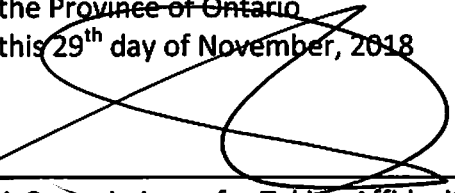
I, Roxanne Chapman, of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a legal assistant with the law firm of Soloway Wright LLP ("SW"), the lawyers for Raymond Chabot Inc. ("RCI") in its capacity as Receiver of the property, assets and undertakings of the Respondents and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as **Exhibit "A"** are true copies of the invoices forwarded to the Receiver by SW for fees and disbursements incurred in the course of the within proceeding for the period June 11, 2018 to November 13, 2018.
3. Attached hereto as **Exhibit "B"** is a schedule summarizing each invoice in **Exhibit "A"**, by fees, disbursements and HST.

4. I have been advised by André A. Ducasse, a Partner with Soloway Wright LLP, who has carriage of this matter, and verily believe that, the rates charged by counsel for the Receiver throughout the course of these proceedings are comparable to the rates charged by other law firms in the Ottawa market for the provision of similar services.

5. I make this Affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver's counsel.

SWORN BEFORE me at the City of Ottawa in )  
the Province of Ontario )  
this 29<sup>th</sup> day of November, 2018 )

  
\_\_\_\_\_  
A Commissioner for Taking Affidavits, etc.  
*A. Ducasse*

  
\_\_\_\_\_  
ROXANNE CHAPMAN

**This is Exhibit "A" referred to in the Affidavit of Roxanne Chapman sworn November 29, 2018**



---

*Commissioner for Taking Affidavits (or as may be)*

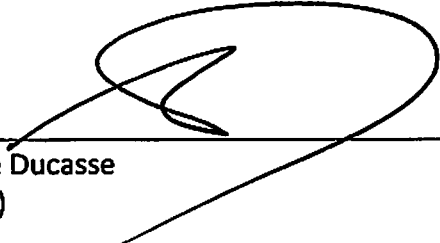
Stanley Loiselle  
Raymond Chabot Inc.  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

August 13, 2018  
Our File # 50434-01003  
Invoice # 293201  
GST/HST Reg. #121761480

### INTERIM ACCOUNT SUMMARY

RE: 730 HOLDINGS INC.

<b>Our Fee Herein</b>		<b>\$ 18,133.00</b>
<b>Less Courtesy Discount</b>		<b>- \$ 633.00</b>
<b>Net Fee Herein</b>		<b>\$ 17,500.00</b>
<b>Total Disbursements</b>		<b>\$ 1,997.59</b>
HST on Fees - 13.00%	<b>\$ 2,275.00</b>	
HST on Disbursements - 13.00%	<b>\$ 226.54</b>	
<b>Total Taxes</b>		<b><u>\$ 2,501.54</u></b>
<b>Total Account</b>		<b><u>\$ 21,999.13</u></b>

  
\_\_\_\_\_  
André Ducasse  
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT,  
INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR  
DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

Stanley Loisel  
Raymond Chabot Inc.  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

August 13, 2018  
Our File # 50434-01003  
Invoice # 293201  
GST/HST Reg. #121761480

**INTERIM ACCOUNT**

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

**RE: 730 HOLDINGS INC.**

**FEES**

<b>Date</b>	<b>Atty</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
6/11/18	AD	Correspondence from and to S. Loisel re: status of sale of property.	.10
6/11/18	AD	Correspondence from and to counsel for insurer re: records from municipality; correspondence to counsel for municipality re: same.	.20
6/12/18	AD	Correspondence from and to counsel for municipality re: municipality's documents with respect to fire and Ontario Fire Marshall's file.	.20
6/13/18	AD	Correspondence from and to BDC and S. Loisel re: status of insurance claim.	.10
6/22/18	AD	Correspondence from and to S. Loisel re: status of documents from municipality re: contamination; correspondence to counsel for municipality re: same.	.20
7/03/18	AD	Correspondence from and to S. Loisel re: waiver of conditions and status of sale of property.	.10
7/04/18	AD	Various correspondence from and to S. Loisel re: status of sale of property and motion for approval and vesting order.	.30
7/05/18	AD	Correspondence from and to S. Loisel re: motion for approval and vesting order; instructions to clerk re: same; following up with Court re: same.	.80
7/06/18	AD	Reviewing file re: motion for approval and vesting order; memo to clerks re: updating property, PPSA and execution searches; reviewing results of said searches; drafting and revising motion material, including notice of motion and Court orders.	3.40



Invoice #: 293201  
730 HOLDINGS INC.

August 13, 2018

<b>Date</b>	<b>Atty</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
7/06/18	JW	Email from R. Chapman; obtain PPSA and writ searches against 730 Holdings Inc., 730 Subway Inc., 730 Roadhouse Inc. and 2362655 Ontario Inc.; obtain parcel register for PIN 68150-0142 (LT) and five instruments (GC33572, GC33573, GC34659, GC35887 and GC49753).	.30
7/09/18	AD	Correspondence from and to realtor re: issues pertaining to closing; memorandum to S. Johnson-Abbott re: same; various correspondence from and to S. Loiselle re: first report to the Court; reviewing and revising first report; correspondence to and telephone attendance with S. Loiselle re: same; reviewing and revising first report to Court; drafting and revising notice of motion, service list and motion record material; drafting and revising correspondence to parties re: service of motion material; instructions to clerks re: same; drafting and revising orders in support of motion.	4.30
7/09/18	JB	Organize received report from Raymond Chabot Inc.	.20
7/09/18	JB	Prepare Motion Record.	1.10
7/10/18	SJ	E-mail from A. Ducasse regarding vesting order; instructions to law clerk regarding same.	.20
7/10/18	AD	Consultation with S. Johnson-Abbott re: issues pertaining to closing and motion for vesting order; consultation with clerk re: issues pertaining to filing motion material and motion for vesting order; telephone attendance with counsel for purchaser re: issues pertaining to transaction; correspondence to counsel re: same; correspondence to and from counsel for municipality re: fire investigation documents; correspondence from and to Nationex (lessor) re: motion for vesting order; telephone attendance with debtors' counsel re: confidential appendices; various correspondence from and to BDC re: issues pertaining to receivership proceedings and next steps with respect thereto; telephone attendance with BDC account manager re: same.	1.40
7/10/18	JB	Continued preparing Motion Record.	1.40
7/11/18	SJ	Review file, agreement of purchase and sale and instructions to law clerk.	.40
7/11/18	AD	Detailed correspondence from and to BDC re: various issues raised by BDC with respect to ongoing receivership proceedings and motion for approval and vesting order; correspondence to Receiver re: same.	1.10
7/11/18	JB	E-mail to and from process server re: filing motion record.	.20
7/12/18	AD	Correspondence from and to Court re: appointing creditor's receivership application.	.20
7/12/18	AD	Telephone attendance with counsel for municipality re: information and background with respect to environmental claim and issues pertaining to motion for vesting order, and proposed next steps.	.30

Invoice #: 293201  
730 HOLDINGS INC.

August 13, 2018

<b>Date</b>	<b>Atty</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
7/13/18	AD	Reviewing detailed correspondence and documents provided by counsel for municipality re: pollution claim and making notes re: same; drafting and revising approval and vesting order and order with respect to upcoming Court attendance.	1.80
7/16/18	SJ	Review closing documents; draft acknowledgment from township regarding taxes; speak to A. Ducasse regarding same; instructions to law clerk regarding closing documents.	1.50
7/16/18	AD	Correspondence from respondents counsel re: confidentiality undertaking with respect to confidential appendices; correspondence to and from S. Loiselle re: same and instructions; correspondence to counsel confirming confidential information in receiver's report; telephone attendance with S. Loiselle re: various issues pertaining to approval and vesting order; drafting and revising approval and vesting order accordingly; correspondence to S. Loiselle re: approval and vesting order and search results with respect thereto; drafting and revising Order re: approval of first report and related relief; correspondence to S. Loiselle re: said Order; consultation with S. Johnson-Abbott re: issues pertaining to transaction and competing claims with respect to sale proceeds; various communications to and from S. Loiselle, S. Johnson-Abbott and real estate clerks re: issues pertaining to transaction, closing, assignment of leases, taxes arrears and required Court orders.	2.20
7/17/18	SJ	E-mail to purchaser's counsel regarding closing logistics and matters; call with purchaser and to Township's lawyers regarding tax issues.	.60
7/17/18	AD	Correspondence to parties re: draft order; reviewing acknowledgment to be signed by municipality re: tax arrears; correspondence to and from counsel for municipality re: same; correspondence from and to S. Loiselle re: same; telephone attendance with counsel for BDC re: draft order and issues pertaining to receivership proceedings; reports to S. Loiselle re: issues pertaining to transaction; teleconference with counsel for the municipality and S. Johnson-Abbott re: tax arrears and issues pertaining thereto.	1.50
7/18/18	SJ	E-mail from Township's counsel; drafting undertaking and e-mail to Purchaser's lawyer regarding same.	.30

Invoice #: 293201  
730 HOLDINGS INC.

August 13, 2018

<b>Date</b>	<b>Atty</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
7/18/18	AD	Various correspondence from and to counsel for municipality re: various issues pertaining to tax arrears, closing of transaction and motion for vesting order; various correspondence to and from S. Loiselle re: same and Receiver's instructions; correspondence to counsel for municipality re: Receiver's position re: proposed conditions to acknowledgement to be executed by municipality; reviewing extensive documentation sent by counsel for municipality re: environmental remediation claim and making notes re: same; correspondence to counsel for insurer re: same; preparing for motion for approval and vesting order and related relief; correspondence from counsel for municipality re: statement of account and reviewing same; correspondence to S. Loiselle re: same.	3.40
7/19/18	SJ	E-mail from Purchaser's lawyer regarding tax arrears; e-mail to purchaser's lawyer regarding taxes.	.30
7/19/18	AD	Preparing for and attending in Court re: motion for approval and vesting order and related relief; telephone attendance with counsel for Bell Mobility re: issues pertaining to assignment of lease; correspondence from and to counsel for purchaser re: issues pertaining to tax arrears and closing.	3.40
7/20/18	SJ	Telephone attendance with A. Ducasse regarding tax arrears and purchaser's lawyer's position.	.20
7/20/18	AD	Consultation with S. Johnson-Abbott re: various issues pertaining to transaction, closing and tax arrears.	.30
7/23/18	SJ	E-mail from K. Perron regarding signed acknowledgment for taxes.	.10
7/23/18	AD	Correspondence from counsel for municipality re: acknowledgement with respect to tax arrears and issues pertaining thereto.	.10
7/23/18	AD	Various correspondence from and to counsel for BDC re: status of Court orders and next steps in receivership proceedings.	.20
7/25/18	SJ	Follow up e-mail to purchaser's counsel back and forth regarding tax arrears and plan for closing; bring C. Honeywell up to speed regarding closing matters; e-mail from and to S. Loiselle; telephone attendance with S. Loiselle regarding closing matters.	1.60
7/25/18	CH	Meeting with S. Johnson-Abbott re Receiver Sale; e-mails re receiver sale and undertaking re taxes.	.50
7/25/18	AD	Various correspondence from and to S. Loiselle, S. Johnson-Abbott and purchaser's counsel re: various issues pertaining to tax arrears, closing and title insurance; correspondence from and to counsel for Bell re: orders and status of receivership proceedings.	.50
7/26/18	SJ	Review and revise environmental indemnity.	.20
7/26/18	AD	Correspondence from and to S. Loiselle re: status of issued orders; following up with Court in Toronto re: same; further correspondence from and to S. Loiselle and S. Johnson-Abbott re: issues pertaining to leases.	.30

Invoice #: 293201  
730 HOLDINGS INC.

August 13, 2018

<b>Date</b>	<b>Atty</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
7/30/18	CH	E-mails and meetings with S. Gardiner re file; e-mails with counsels re closing and extension request; e-mails with client re Stewart Title information and extension; review file and APS; e-mails re account set up.	1.30
7/31/18	CH	E-mails and phone calls with opposing counsel re transaction/vesting order/adjustments and extensions; meetings with S. Gardiner re transaction; e-mails and phone calls with client re vesting order/extensions/transaction; e-mails and phone calls with A. Ducasse re vesting order amendment; meeting with R. Chapman re amendment to vesting order; revisions to vesting order.	2.60
7/31/18	AD	Various email communications with C. Honeywell and S. Loisel re: closing issues and amendment of approval and vesting order and issues pertaining thereto; correspondence to S. Loisel re: same; instructions to C. Honeywell re: next steps; various communications with clerk re: required Court attendance and instructions with respect thereto; report to S. Loisel re: same.	1.20
8/01/18	CH	E-mails with opposing counsel re assignment, vesting order and extension; e-mails with R. Chapman and A. Ducasse re vesting order; revisions/review; e-mail with client re extension; title review update.	1.50
8/01/18	AD	Various email consultations with C. Honeywell re: issues pertaining to vesting order and assignment agreement; reviewing and revising amended vesting order; correspondence to C. Honeywell re: same.	1.00
8/02/18	CH	E-mails and phone call with R. Chapman and A. Ducasse re vesting order; e-mails with opposing counsel re same; review; e-mail with K. Parron re closing.	.60
8/02/18	AD	Various correspondence to and from purchaser's counsel re: proposed amendments to approval and vesting order and assignment agreement; correspondence to and from C. Honeywell re: same; correspondence to parties re: proposed amendments to approval and vesting order.	.70
8/02/18	AD	Correspondence from debtors' counsel re: payout amounts and approved fees.	.10
8/02/18	AD	Correspondence to parties re: proposed revised order; correspondence from counsel for municipality re: same.	.20
8/03/18	CH	E-mails with R. Chapman re amended vesting order.	.20
8/07/18	CH	E-mails with client re leases and rent payments; meeting with S. Johnson-Abbott re file.	.40
8/07/18	CH	E-mails with A. Ducasse and opposing counsel re assignment agreement; review; further e-mails re executing parties.	.40
8/07/18	AD	Memo to and from C. Honeywell re: assignment agreement; correspondence from and to purchaser's counsel re: same and issues pertaining thereto; drafting and revising amended approval and vesting order; preparing material for Court appearance.	1.10
8/08/18	CH	E-mail from A. Ducasse re revised vesting order.	.10

Invoice #: 293201  
730 HOLDINGS INC.

August 13, 2018

<b>Date</b>	<b>Atty</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
8/08/18	AD	Correspondence from purchaser's counsel re: assignment agreement; attending in Court re: approval and vesting order; correspondence to S. Loiselle and parties re: same; correspondence to Court re: order.	2.70
<b>Total Hours:</b>			<b>49.60</b>
<b>Our Fee Herein:</b>			<b>\$ 17,500.00</b>

### DISBURSEMENTS

<b>Description of Costs Advanced</b>	<b>Amount</b>
PPSA Search	32.00
Cyberbahn Fee	54.00
Teraview Executions/Sheriff Certificate	46.60
Motions/Orders (non taxable)	160.00
Binding Charges	897.90
Tax Certificate	40.00
Parking	16.81
Process Server Costs	125.62
Filing/Application Fees (non taxable)	95.00
Real Estate Transaction Levy	65.00
Court Run Services	72.00
Outgoing Fax Charges	6.25
Photocopies and Printing	113.60
Teraview Search Fee	76.50
Teraview Search	29.65
Courier Charges	166.66
<b>Total Disbursements:</b>	<b>\$ 1,997.59</b>
HST on Fees - 13.00%	\$ 2,275.00
HST on Disbursements - 13.00%	<u>\$ 226.54</u>
<b>Total Taxes</b>	<b>\$ 2,501.54</b>
<b>Total Account</b>	<b><u>\$ 21,999.13</u></b>

THIS IS OUR ACCOUNT

Stanley Loisel  
Raymond Chabot Inc.  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

August 13, 2018  
Our File # 50434-01003  
Invoice # 293201  
GST/HST Reg. #121761480

### REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 17,500.00
Total Costs	\$ 1,997.59
Total Taxes	<u>\$ 2,501.54</u>
<b>Total Account</b>	<b><u>\$ 21,999.13</u></b>

To ensure proper credit to your account please return this remittance with your payment.

Please note that you can now pay this account using the Bill Payment function of the major Canadian Banks. For your reference, your customer number is 50434.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

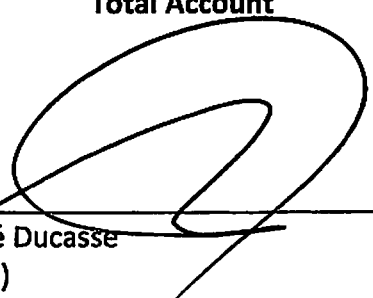
Stanley Loiselle  
Raymond Chabot Inc.  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

September 10, 2018  
Our File # 50434-01003  
Invoice # 293957  
GST/HST Reg. #121761480

### INTERIM ACCOUNT SUMMARY

RE: 730 HOLDINGS INC.

Our Fee Herein		\$ 3,805.00
Total Disbursements		\$ 161.45
HST on Fees - 13.00%	\$ 494.65	
HST on Disbursements - 13.00%	<u>\$ 20.99</u>	
Total Taxes		<u>\$ 515.64</u>
<b>Total Account</b>		<b><u>\$ 4,482.09</u></b>

  
\_\_\_\_\_  
André Ducasse  
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT,  
INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR  
DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

Stanley Loiselle  
Raymond Chabot Inc.  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

September 10, 2018  
Our File # 50434-01003  
Invoice # 293957  
GST/HST Reg. #121761480

**INTERIM ACCOUNT**

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

**RE: 730 HOLDINGS INC.**

**FEES**

<b>Date</b>	<b>Atty</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
8/09/18	AD	Correspondence from and to counsel for Bell Mobility re: assignment of lease.	.10
8/13/18	SJ	Review status of file; speak to C. Honeywell; telephone attendance with S. Loiselle regarding credit for security deposit; e-mail to purchaser's counsel regarding receipt of issued amended court order.	.30
8/13/18	CH	E-mail with S. Johnson-Abbott re extension.	.10
8/13/18	AD	Following up with Court clerks in Ottawa and Toronto re: issues pertaining to issuing and entering most recent Court order.	.20
8/14/18	SJ	Update statement of adjustments and closing documents for new closing date; e-mail to S. Loiselle regarding updated statement of adjustments; e-mail to purchaser's counsel regarding same.	.50
8/14/18	CH	E-mail with K. Perron re Closing.	.10
8/14/18	AD	Various correspondence to and from purchaser's counsel re: extension of closing and closing issues; correspondence from and to realtor re: status of transaction and closing.	.20
8/14/18	AD	Correspondence from and to counsel for BDC re: transfer of file to Ottawa and status of transaction.	.10
8/15/18	AD	Correspondence from and to counsel for municipality re: status of transaction; correspondence from counsel for Encon re: required policy documents.	.20



Invoice #: 293957  
730 HOLDINGS INC.

September 10, 2018

<b>Date</b>	<b>Atty</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
8/16/18	SJ	Telephone attendance with S. Loiselle regarding closing matters.	.30
8/17/18	SJ	E-mails with S. Loiselle regarding receiver's certificate; e-mail from and to purchaser's counsel with closing documents; confirm receipt of funds and update statement of adjustments to August 20, 2018.	.60
8/17/18	AD	Correspondence from counsel for Encon re: various policies; reviewing file re: same; correspondence to debtors' counsel re: same.	.40
8/20/18	TA	Attending to closing.	.50
8/20/18	AD	Memo from S. Johnson-Abbott re: various issues pertaining to transaction and closing thereof.	.20
8/20/18	AD	Correspondence from Court re: issued amended approval and vesting order; consultations with T. Anderson re: same and closing issues; correspondence to S. Loiselle re: same; various emails from and to real estate clerks re: closing; correspondence to counsel for BDC and municipality re: status of matter and updated payout figures.	.80
8/21/18	AD	Correspondence from and to realtor re: status of transaction.	.10
8/22/18	AD	Correspondence from and to counsel for BDC re: payout letter.	.10
8/23/18	AD	Various correspondence from and to counsel for municipality re: municipality's claim and issues pertaining thereto; correspondence from and to counsel for Encon re: issues pertaining to Northbridge claim; correspondence to debtor's counsel re: same; telephone attendance with S. Loiselle re: proposed interim distributions.	.80
8/27/18	SJ	Review and revise letter to PPSA registrar regarding deletion of PPSA registration as per court order.	.10
8/30/18	AD	Telephone attendance with S. Loiselle re: proposed distributions; correspondence to debtors' counsel re: various issues pertaining to insurance claims; reviewing payout information and documents received from BDC and municipality; reviewing same and file re: proposed interim distributions.	1.20
8/31/18	SJ	E-mail to A. Ducasse regarding Cervus tenant cheque matters.	.10
8/31/18	AD	Correspondence from and to counsel for tenant (Cervus) re: issues pertaining to adjustments on closing with respect to lease payments; consultation with S. Johnson-Abbott re: same.	.30
9/05/18	AD	Correspondence from debtor's counsel re: request for insurance policy and information with respect thereto; correspondence from S. Loiselle re: possible proposed interim distribution.	.30

Invoice #: 293957  
730 HOLDINGS INC.

September 10, 2018

Date	Atty	Description of Services Rendered	Hours
9/06/18	AD	Preparing for and attending teleconference with Receiver and counsel for municipality and BDC re: status of receivership proceedings and Encon claim, and proposed interim distributions; correspondence from counsel for BDC re: insurance policy and reviewing same; correspondence to counsel for Encon re: same; correspondence from counsel for BDC re: proposed course of action; teleconference with K. Perron and S. Johnson-Abbott re: adjustments with respect to municipal taxes.	2.10

Total Hours: 9.70

Our Fee Herein: \$ 3,805.00

**DISBURSEMENTS**

Description of Costs Advanced	Amount
Parking	4.87
Court Run Services	105.65
Courier Charges	50.93

Total Disbursements: \$ 161.45

HST on Fees - 13.00% \$ 494.65  
HST on Disbursements - 13.00% \$ 20.99

Total Taxes \$ 515.64

Total Account \$ 4,482.09

THIS IS OUR ACCOUNT

Stanley Loiselle  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

September 7, 2018  
Our File # 50434-01003  
Invoice # 293957  
GST/HST Reg. #121761480

### REMITTANCE ADVICE

For professional services rendered and disbursements incurred.

Total Fees	\$ 3,805.00
Total Costs	\$ 161.45
Total Taxes	<u>\$ 515.64</u>
<b>Total Account</b>	<b><u>\$ 4,482.09</u></b>

To ensure proper credit to your account please return this remittance with your payment.

Please note that you can now pay this account using the Bill Payment function of the major Canadian Banks. For your reference, your customer number is 50434.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

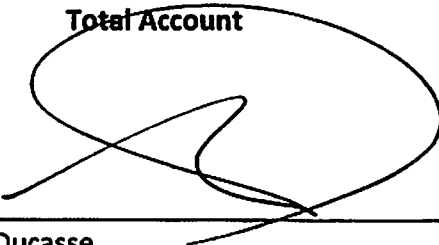
Stanley Loiseau  
Raymond Chabot Inc.  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

November 19, 2018  
Our File # 50434-01003  
Invoice # 296426  
GST/HST Reg. #121761480

### INTERIM ACCOUNT SUMMARY

RE: 730 HOLDINGS INC.

Our Fee Herein		\$ 3,022.00
Total Disbursements		\$ 20.42
HST on Fees - 13.00%	\$ 392.86	
HST on Disbursements - 13.00%	<u>\$ 2.65</u>	
Total Taxes		<u>\$ 395.51</u>
<b>Total Account</b>		<u><b>\$ 3,437.93</b></u>

  
\_\_\_\_\_  
André Ducasse  
(0092)

E. & O.E.

TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT,  
INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR  
DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

Stanley Loiselle  
Raymond Chabot Inc.  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

November 19, 2018  
Our File # 50434-01003  
Invoice # 296426  
GST/HST Reg. #121761480

**INTERIM ACCOUNT**

TO OUR FEE for professional services rendered and disbursements incurred with respect to the following matter and more particularly described as follows:

**RE: 730 HOLDINGS INC.**

**FEES**

<b>Date</b>	<b>Att.</b>	<b>Description of Services Rendered</b>	<b>Hours</b>
9/06/18	SJ	Review and revise reporting letter; telephone attendance with A. Ducasse regarding taxes.	.40
9/07/18	SJ	E-mail from S. Loiselle regarding RCAP leasing non payment; instructions to law clerk regarding same.	.20
9/07/18	AD	Correspondence from counsel for Encon re: status of claim; correspondence to S. Loiselle re: same.	.20
9/27/18	AD	Correspondence to counsel for Encon re: status of coverage opinion.	.10
10/01/18	TA	Message from Land Registry Office, attending to re-signing of vesting order and registration of same.	.20
10/10/18	AD	Correspondence from counsel for Encon re: initial position and status of claim; correspondence from counsel for municipality re: same.	.20
10/22/18	AD	Correspondence to counsel for BDC re: status of claim pursuant to environmental policy; correspondence to counsel for Encon re: same; telephone attendance with counsel for municipality re: same.	.40
10/23/18	AD	Correspondence to counsel for BDC re: Encon's position and issues pertaining thereto.	.20
10/24/18	AD	Correspondence from counsel for BDC re: issues re: insurance claims.	.20
10/29/18	AD	Telephone attendance with counsel for municipality re: issues pertaining to insurance claims; correspondence to counsel for Encon re: same.	.20

Invoice #: 296426  
730 HOLDINGS INC.

November 19, 2018

Date	Qty	Description of Services Rendered	Hours
11/12/18	AD	Correspondence from counsel for Township re: distribution; correspondence to and from S. Loiselle re: same and motion to the Court re: same; correspondence to and from counsel for Township and BDC re: same.	.40
11/13/18	AD	Reviewing various documents provided by Township re: claim re: tax arrears and clean up costs and making notes re: same; correspondence to and from counsel for Township re: issues re: same; telephone attendance with counsel re: same; reviewing BDC's loan and security instruments and making notes re: same; reviewing results of corporate, property and PPSA searches re: BDC's security and making notes re: same; drafting and revising vetting opinion re: BDC security; correspondence to S. Loiselle re: same.	4.90
<b>Total Hours:</b>			<b>7.60</b>
<b>Our Fee Herein:</b>			<b>\$ 3,022.00</b>

**DISBURSEMENTS**

Description of Costs Advanced	Amount
Courier Charges	11.55
Photocopies and Printing	3.00
Long Distance Charges	5.87
<b>Total Disbursements:</b>	<b>\$ 20.42</b>
HST on Fees - 13.00%	\$ 392.86
HST on Disbursements - 13.00%	<u>\$ 2.65</u>
<b>Total Taxes</b>	<b>\$ 395.51</b>
<b>Total Account</b>	<b><u>\$ 3,437.93</u></b>

THIS IS OUR ACCOUNT



Soloway Wright LLP  
700 - 427 Laurier Avenue West  
Ottawa ON K1R 7Y2

T: 613.236.0111 | 1.866.207.5880  
F: 613.238.8507  
[www.solowaywright.com](http://www.solowaywright.com)

Stanley Loiselle  
Raymond Chabot Inc.  
116 Albert Street  
Suite 1000  
Ottawa, ON K1P 5G3

November 19, 2018  
Our File # 50434-01003  
Invoice # 296426  
GST/HST Reg. #121761480

**REMITTANCE ADVICE**

For professional services rendered and disbursements incurred.

Total Fees	\$ 3,022.00
Total Costs	\$ 20.42
Total Taxes	<u>\$ 395.51</u>
Total Account	<u><u>\$ 3,437.93</u></u>

To ensure proper credit to your account please return this remittance with your payment.

Please note that you can now pay this account using the Bill Payment function of the major Canadian Banks. For your reference, your customer number is 50434.

**TERMS: PAYMENT UPON RECEIPT. IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.**

**This is Exhibit "B" referred to in the Affidavit of Roxanne Chapman sworn November 29, 2018**



*Commissioner for Taking Affidavits (or as may be)*



<b>Invoice Date</b>	<b>Fees</b>	<b>Disbursements</b>	<b>HST</b>	<b>Total</b>
August 13, 2018	\$17,500.00	\$1,997.59	\$2,501.54	\$21,999.13
September 10, 2018	\$3,805.00	\$161.45	\$515.64	\$4,482.09
November 19, 2018	<u>\$3,022.00</u>	<u>\$20.42</u>	<u>\$395.51</u>	<u>\$3,437.93</u>
<b>TOTAL</b>	<b>\$24,327.00</b>	<b>\$2,179.46</b>	<b>\$3,412.69</b>	<b>\$29,919.15</b>

**BUSINESS DEVELOPMENT BANK OF CANADA**  
Applicant

- and -

**730 HOLDINGS INC. et al.**  
Respondents

Court File No. CV-17-584016-00CL

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**AFFIDAVIT OF ROXANNE CHAPMAN**  
(sworn on November 29, 2018)

**SOLOWAY WRIGHT LLP**

Lawyers

700-427 Laurier Avenue West

Ottawa ON K1R 7Y2

**André A. Ducasse - LSUC No.: 044739R**

(613) 236-0111 telephone

(613) 238-8507 facsimile

Lawyers for the Court-Appointed Receiver, Raymond  
Chabot Inc.